

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

THE BANK OF NOVA SCOTIA

Applicant

-and-

MORGROVE HOLSTEINS LTD.

Respondent

APPLICATION RECORD

May 5, 2026

SPETTER ZEITZ KLAIMAN PC
Barristers and Solicitors
100 Sheppard Avenue East, Suite 850
Toronto, Ontario M2N 6N5
Tel.: (416) 789-0652
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JAKOB BOGACKI
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Lawyers for the Applicant

TO: THIS HONOURABLE COURT

AND TO: SERVICE LIST

SERVICE LIST

TO:	MORGROVE HOLSTEINS LTD. 461 Highway 54 Brantford, ON N3T 5L9 <u>Attention: Mark Morbrook and Robert Morbrook, Directors</u> Respondent
AND TO:	ROSS & MCBRIDE LLP 1 King Street West, 10th Floor Hamilton, Ontario L8P 1A4 SHENE HARRIS LSO No. 69826C Tel.: (905) 526-9800 Email: sharris@rossmcbride.com Lawyers for the Guarantor, Mark Morbrook
AND TO:	WATEROUS HOLDEN AMEY HITCHON LLP P.O. Box 1510 20 Wellington Street Brantford, Ontario N3T 5V6 DENNIS TOUESNARD LSO No. 52155U Tel.: 519-751-6412 Email: dtouesnard@waterousholden.com Lawyers for the Guarantor, Robert Morbrook
AND TO:	THE ESTATE OF THE LATE ARTHUR MORBROOK 15 Cobden Court Brantford, Ontario N3R 8B7 and THE ESTATE OF THE LATE ARTHUR MORBROOK 461 Highway 54 Brantford, Ontario N3T 5L9 Guarantor

AND TO:	BDO CANADA LIMITED 20 Wellington E, Suite 500 Toronto, Ontario M5E 1C5 JOSIE PARISI Tel: 416-369-6031 Email: jparisi@bdo.ca Proposed Receiver
AND TO:	HARRISON PENZA LLP 130 Dufferin Avenue, Suite 1101 London, ON N6A 5R2 MELINDA VINE LSO No. 53612R Tel: 519-661-6705 Email: mvine@harrisonpensa.com Lawyers for the Proposed Receiver
AND TO:	CORPORATION OF THE COUNTY OF BRANT 26 Park Avenue, P.O. Box 249 Burford, ON N0E 1A0 Email: tax@brant.ca
AND TO:	AGCO FINANCE CANADA LTD P.O. BOX 2000 Johnston, Iowa 50131 dsmcustomerservice@agcofinance.com
AND TO:	ROYAL BANK OF CANADA 36 York Mills Road, 4th Floor Toronto, Ontario M2P 0A4
AND TO:	FARM CREDIT CANADA Suite 104 - 1133 St-George Blvd Moncton, New Brunswick E1E 4E1 csc@fcc-fac.ca
AND TO:	DEPARTMENT OF JUSTICE (CANADA) Ontario Regional Office 120 Adelaide Street West, Suite 400 Toronto, Ontario M5H 1T1 Email: AGC_PGC_Toronto.Lead-DCECJ@justice.gc.ca

AND TO:	MINISTRY OF FINANCE INSOLVENCY UNIT 6 th Floor, 33 King Street West Oshawa, Ontario L1H 8H5 Email: insolvency.unit@ontario.ca
AND TO:	CANADA REVENUE AGENCY 1 Front Street West Toronto, Ontario M5J 2X6 Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca

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I N D E X

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C.	Exhibit “C” – Parcel Abstract for 461 Highway 54, Brantford
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I.	Exhibit “I” – PPSA Search dated April 30, 2026
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L.	Exhibit “L” – Reservation of Rights Letter dated September 28, 2023
M.	Exhibit “M” – Letter from Waterous Holden Amey Hitchon LLP dated November 20, 2023
N.	Exhibit “N” – Letter from Ross & McBride LLP dated February 27, 2024
O.	Exhibit “O” – Demand and NITES dated September 10, 2024
P.	Exhibit “P” – Email Correspondence from the Bank’s Counsel to Mark’s Counsel dated March 25, 2024
Q.	Exhibit “Q” – Email Correspondence from the Bank’s Counsel to Robert’s Counsel dated March 25, 2024
R.	Exhibit “R” – Email Correspondence from the Bank’s Counsel to Mark and Robert’s Counsel dated September 24, 2024
S.	Exhibit “S” – Email Correspondence from Robert’s Counsel to the Bank’s Counsel dated September 24, 2024
T.	Exhibit “T” – Email Correspondence from the Bank’s Counsel to Robert’s Counsel dated August 25, 2025
U.	Exhibit “U” – Email Correspondence from the Bank’s Counsel to Mark’s Counsel dated September 15, 2025
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W.	Exhibit “W” – Consent to Act as Receiver
3.	Blackline Receivership Order
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TAB 1



Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

THE BANK OF NOVA SCOTIA

Applicant

-and-

MORGROVE HOLSTEINS LTD.

Respondent

NOTICE OF APPLICATION

TO THE RESPONDENT:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing:

- ☒ In person
- ☐ By telephone conference
- ☐ By video conference

on **Friday, May 15, 2026**, at Brantford Courthouse, 70 Wellington Street, Brantford, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application you or an Ontario lawyer acting for you must forthwith prepare a Notice of Appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your Notice of Appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date:

Issued by:

Local Registrar

Address of
Court Office:

70 Wellington Street
Brantford, Ontario N3T 2L9

TO: THIS HONOURABLE COURT

AND TO: SERVICE LIST

SERVICE LIST

TO:	MORGROVE HOLSTEINS LTD. 461 Highway 54 Brantford, ON N3T 5L9 <u>Attention: Mark Morbrook and Robert Morbrook, Directors</u> Respondent
AND TO:	ROSS & MCBRIDE LLP 1 King Street West, 10th Floor Hamilton, Ontario L8P 1A4 SHENE HARRIS LSO No. 69826C Tel.: (905) 526-9800 Email: sharris@rossmcbride.com Lawyers for the Guarantor, Mark Morbrook
AND TO:	WATEROUS HOLDEN AMEY HITCHON LLP P.O. Box 1510 20 Wellington Street Brantford, Ontario N3T 5V6 DENNIS TOUESNARD LSO No. 52155U Tel.: 519-751-6412 Email: dtouesnard@waterousholden.com Lawyers for the Guarantor, Robert Morbrook
AND TO:	THE ESTATE OF THE LATE ARTHUR MORBROOK 15 Cobden Court Brantford, Ontario N3R 8B7 and THE ESTATE OF THE LATE ARTHUR MORBROOK 461 Highway 54 Brantford, Ontario N3T 5L9 Guarantor

AND TO:	BDO CANADA LIMITED 20 Wellington E, Suite 500 Toronto, Ontario M5E 1C5 JOSIE PARISI Tel: 416-369-6031 Email: jparisi@bdo.ca Proposed Receiver
AND TO:	HARRISON PENZA LLP 130 Dufferin Avenue, Suite 1101 London, ON N6A 5R2 MELINDA VINE LSO No. 53612R Tel: 519-661-6705 Email: mvine@harrisonpensa.com Lawyers for the Proposed Receiver
AND TO:	CORPORATION OF THE COUNTY OF BRANT 26 Park Avenue, P.O. Box 249 Burford, ON N0E 1A0 Email: tax@brant.ca
AND TO:	AGCO FINANCE CANADA LTD P.O. BOX 2000 Johnston, Iowa 50131
AND TO:	ROYAL BANK OF CANADA 36 York Mills Road, 4th Floor Toronto, Ontario M2P 0A4
AND TO:	FARM CREDIT CANADA Suite 104 - 1133 St-George Blvd Moncton, New Brunswick E1E 4E1
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AND TO:	MINISTRY OF FINANCE INSOLVENCY UNIT 6 th Floor, 33 King Street West Oshawa, Ontario L1H 8H5 Email: insolvency.unit@ontario.ca
AND TO:	CANADA REVENUE AGENCY 1 Front Street West Toronto, Ontario M5J 2X6 Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca

APPLICATION

1. The Applicant, The Bank of Nova Scotia (“**BNS**”), makes an application for, *inter alia*:
 - a. If necessary, an Order abridging the time for service and validating service of this Notice of Application and Application Record in the manner effected by the Applicant so that this Application is properly returnable this day accompanied with an Order dispensing with further service thereof on any party other than those served;
 - b. an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, appointing BDO Canada Limited (“**BDO**”) as receiver and manager over all the properties, assets, and undertakings of the Respondent, Morgrove Holsteins Ltd. (“**Morgrove**”), substantially in the form attached hereto as Schedule “A”; and
 - c. such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE APPLICATION ARE:

The Applicant

1. The Applicant is a Canadian chartered bank and carries on business in Brantford, Ontario, among other locales.

The Respondent

2. Morgrove is an Ontario corporation carrying on business as a dairy farm in Brantford, Ontario. Mark Anthony Morbrook (“**Mark**”) and Robert Arthur Morbrook (“**Robert**”, and together with Mark, the “**Brothers**”) are officers and directors of Morgrove. Arthur Morbrook (“**Arthur**”) is also listed as a director of Morgrove and was the Brothers’ father until he died on September 29, 2023.
3. Morgrove is the registered owner of the property municipally known as 461 Highway 54, Brantford, Ontario (the “**Property**”).

The Principals of Morgrove

4. On or about September 19, 2023, the Bank received a copy of the Application Record for Mark's Application against Robert (the "**Mark Application Record**"), which details, among other relief, the following relief sought:

- (a) a declaration that the business of Morgrove has been exercised in a manner that is oppressive, unfairly prejudicial, and unfairly disregards the interests of Mark;
- (b) a declaration that the power of Robert has been carried on in a manner that is oppressive, unfairly prejudicial, or unfairly disregards the interests of Mark;
- (c) an order that the Respondents produce to Mark the complete corporate records and financial documentation for Morgrove since the beginning of 2018;
- (d) an order requiring Robert to purchase the shares of Mark for fair market value; and
- (e) an order appointing a liquidator of Morgrove.

5. The Mark Application Record also contains the Affidavit of Mark sworn on August 4, 2021 (the "**Mark Affidavit**"). In it, Mark swears to the fact that, *inter alia*, the Brothers purchased Arthur's shares in Morgrove, that there was a breakdown in the relationship between the Brothers, and that the Brothers' business relationship has ended.

6. Further, the Bank learned the following by about May 2023:

- (a) the Brothers bought-out Arthur's share of ownership in Morgrove in 2017 and the Brothers now owned it 50-50 between them, but the Bank's system still showed that Morgrove was owned by Robert, Mark, and Arthur;
- (b) despite this, the details of the purchase was unclear to the Bank, and the Bank did not receive a copy of any Share Purchase Agreement;
- (c) Mark walked away from Morgrove's business in 2020 and has not been on the farm since then, and does not want to be part of the business operation; and

(d) the Brothers do not speak to each other and there is evident animosity toward each other, and the Bank has had to deal with them separately.

7. To the Bank's knowledge, this legal dispute continues to date. No resolution has been reached between the Bank and Morgrove in-part due to this ongoing dispute.

The Credit Facilities to Morgrove

8. Pursuant to a Credit Agreement *for business* dated June 10, 2016, including the Schedule of Conditions and Reporting Requirements and the Addendum to Credit Agreement Scotia Flex (collectively, the "**Credit Agreement**"), the Bank granted to Morgrove a ScotiaFlex For Agriculture credit facility in the total amount of \$1,500,00.00, which consists of the following four (4) credit facilities:

- (a) a term loan for agriculture in the authorized amount of \$989,000.00, with interest to accrue thereon at the fixed rate of 2.5% per annum (the "**Term Loan**"), granted for a term of 60 months with an amortization period of 300 months, with monthly payments to be made thereon of \$4,430.39 per month;
- (b) a Credit Line in the authorized amount of \$481,000.00, with interest to accrue thereon at the Bank's prime rate of interest in effect from time to time (the "**Prime Rate**") plus 0.5% per annum (the "**Credit Line**");
- (c) a Scotia Momentum Visa Card with an authorized limit of \$20,000.00, with interest to accrue thereon at the fixed rate of 19.99% per annum (the "**Visa**", and together with the Term Loan and the Credit Line, the "**Credit Facilities**"); and
- (d) a Scotialine *for business* VISA card with an authorized limit of \$10,000.00.

9. The terms and provisions of the 2016 Business Banking Services Agreement (the "**BBSA**"), form part of the Credit Agreement. Among other rights and remedies, the default provisions under the BBSA provide for the appointment of a receiver or receiver and manager in the event of default of Morgrove's obligations: "If a default event occurs, we also have the following remedies: ... We may appoint a receiver or a receiver-manager if we choose to do so."

Security for the Credit Facilities

10. Morgrove's indebtedness to the Bank is secured by, among other things, the following (collectively, the "**Security**"):

- (a) a first-ranking Mortgage/Charge granted by Morgrove in favour of the Bank in the principal sum of \$1,500,000.00 registered against the Property on August 2, 2016, as Instrument No. BC299492 (the "**Mortgage**");
- (b) an unlimited personal guarantee of Arthur, plus interest accruing thereon in accordance with the "Credit Agreement" section of the Bank's Business Banking Services Agreement (the "**BBSA**"), which guarantee is located at Page 2 of 2 of the Credit Agreement (the "**Arthur Guarantee**");
- (c) an unlimited personal guarantee of Robert, plus interest accruing thereon in accordance with the "Credit Agreement" section of the BBSA, which guarantee is located at Page 2 of 2 of the Credit Agreement (the "**Robert Guarantee**"); and
- (d) an unlimited personal guarantee of Mark, plus interest accruing thereon in accordance with the "Credit Agreement" section of the BBSA, which guarantee is located at Page 2 of 2 of the Credit Agreement (the "**Mark Guarantee**").

Contractual Right to Appoint a Receiver

11. The Mortgage incorporates Mortgage Standard Charge Terms 200012, which provide, among other rights and remedies, for the appointment of a receiver or receiver and manager, in the event of default of Morgrove's obligations:

If you fail to comply with any of your obligations under the mortgage, or if any part of the obligations secured is not paid when due, or if an event of default occurs under any agreement that relates to the obligations secured, we may enforce our rights in any of the ways set out below.

...

We may appoint in writing a receiver (or receiver and manager), on any terms (including remuneration) that we think are reasonable, to collect any income from the property...

Default, Reservation Letter, and Demands

Defaults

8. The Bank learned about the following defaults of Morgrove's obligations to the Bank by the end of June 2023:

- (a) Morgrove was in breach of its debt service covenant of 1.15:1 – based on the latest information it provided for the reporting period ending on December 31, 2022, its debt service ratio was at ~0.54x, using a 3-year average;
- (b) Morgrove failed to provide certain financial reporting to the Bank, including (i) a T1 General tax return forms for one of the Brothers for 2022, and (ii) the same Brother's accountant confirmed that he had not filed personal taxes for 2022;
- (c) a judgment from a local Co-op was discovered on the corporate bureau report for Morgrove, from 2021; and
- (d) Mark advised the Bank that cows had been sold, and Morgrove's financial statements showed a significant increase in cattle sales year-over-year from 2021 to 2022.

The Reservation Letter

9. In September 2023, the Bank prepared and sent to Morgrove a Reservation of Rights Letter dated September 28, 2023 (the "**Reservation Letter**"), detailing the following events of default:

- (a) some or all of Morgrove's shares had been sold, but the Bank had not received a copy of the Share Purchase Agreement indicating the change of ownership of the business;
- (b) Morgrove was in breach of its debt service covenant;
- (c) Morgrove and the Brothers failed to provide the required financial reporting; and
- (d) a local Co-op obtained a judgment against Morgrove in or about 2021.

However, the Reservation Letter also provided that the Bank was prepared to forbear action on the covenant default and to continue to support Morgrove, and to keep the Credit Facilities available to it, until January 31, 2024, if certain new covenants were complied with, including the following:

- (a) Morgrove was to immediately provide the Bank with a copy of the Share Purchase Agreement, with respect to the purchase of Arthur's shares in Morgrove in 2017;
- (b) Morgrove's debt service covenant shall be brought back onside by December 31, 2023;
- (c) as an alternative to (b), Morgrove shall present to the Bank for its consideration a plan for bringing its debt service covenant onside by November 30, 2023; and
- (d) Morgrove shall provide a detailed commentary setting out why significant losses were reported in the years 2018, 2019, and 2020.

The Reservation Letter required that Morgrove and the Brothers acknowledge acceptance by signing it and returning it to the Bank's counsel by the close of business on October 12, 2023.

10. In or about November 2023, Mark advised the Bank of, among other things, the following:

- (a) he received the Reservation Letter and did not sign it because of the ongoing Application that he brought against Robert;
- (b) he has been unsuccessful in his attempts to obtain Morgrove's financial information from Robert;
- (c) only Robert has a copy of the Share Purchase Agreement; and
- (d) the farm was still operational, but he could not confirm at what capacity, and he was unsure if the farm was meeting its milk quota.

11. On or about November 20, 2023, the Bank received a letter (the "**Robert Letter**") from Dennis Touesnard of Waterous Holden Amey Hitchon LLP, counsel for Robert ("**Robert's Counsel**"), confirming receipt of the Reservation Letter. The Robert Letter disputed that Morgrove was in default with the Bank and set out the reasons for this position. It also confirmed that the

“owners of the shares [Robert and Mark] are in a dispute in court file number CV-21-000076292-0000.”

12. On February 27, 2024, the Bank received a letter (the “**Mark Letter**”) from Shene Harris of Ross & McBride LLP, counsel for Mark (“**Mark’s Counsel**”), confirming receipt of the Reservation Letter. The Mark Letter advised, among other things, that shares were transferred from Arthur to the Brothers, that Mark has limited knowledge of the financial status of Morgrove and understands that the Bank has requested certain information that Robert has not provided, and that he has no information in relation to a judgment against Morgrove but he did receive notice that there were outstanding sums owed to Morgrove’s creditors.

13. The Reservation Letter was not signed and returned as required, and the additional covenants listed therein were not satisfied by January 31, 2024.

Maturity of the Term Loan

14. Moreover, the Term Loan was not paid upon its maturity on July 28, 2021. The entirety of the Term Loan is due at the end of the term specified in the Credit Agreement, as per the terms of the BBSA, as follows:

If you borrow via a term loan, the entire amount of the indebtedness remaining unpaid is due and payable at the end of the term specified in the agreement or earlier if you default on any of the terms in the agreement, or in any other agreement with us. If you do, we can demand that you immediately pay back the entire indebtedness to us under this agreement.

15. Since the Term Loan was extended to Morgrove in 2016 for a term of 60 months, it matured on July 28, 2021, but was unpaid then and remains unpaid to date. Morgrove has not renewed the Term Loan, and it is the Bank’s understanding that the failure to do so has been, at least in-part, due to the dispute between the Brothers.

Change of Ownership

16. Further, the change in Morgrove’s ownership from Robert, Mark, and Arthur, to Robert and Mark as 50-50 owners, is a “[d]efault event” pursuant to the BBSA. Where a default event occurs, even if the credit facility is not a demand loan, the Bank has the right to demand immediate payment of the entire amount outstanding:

14. Default events

We have the right to require immediate payment at any time if the agreement specifies that a credit facility must be paid on demand.

If a credit facility is not a demand loan, we still have the right to demand immediate payment of the entire amount if any of the following events happen. These events are called default events:

...

- in our opinion, there is any material unfavourable change in your financial condition, the financial condition of any guarantor or the operation of your business

...

- there is a change of control in the ownership of your business

17. This change in ownership in Morgrove, in conjunction with the dispute between the Brothers and its effect on Morgrove's business as detailed in the Mark Affidavit, can also be considered a material unfavourable change in the operation of the business; another default event.

The Demands

18. Given the continuing defaults, on September 10, 2024, the Bank, through its counsel, made demands upon Morgrove, Arthur, and the Brothers, pursuant to their respective obligations. The Bank declared the entire amount of the indebtedness to be immediately due and payable, and enclosed Notices of Intention to Enforce Security against Morgrove pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* and a Notice of Intent by Secured Creditor pursuant to the *Farm Debt Mediation Act* (collectively, the "**Demands**").

The Bank's Efforts to Have the Mortgage Paid

19. Jason Spetter of Spetter Zeitz Klaiman PC, counsel for the Bank (the "**Bank's Counsel**"), has been in contact with Mark's Counsel since about November 2023. On March 25, 2024, the Bank's Counsel advised Mark's Counsel that the Mortgage has matured and the Bank is concerned with the Brothers' ongoing dispute, but that it would provide a reasonable time period for Morgrove to arrange for refinancing.

20. Also on March 25, 2024, the Bank's Counsel advised Robert's Counsel that the Mortgage has matured and the Bank is concerned with the Brothers' ongoing dispute, but it would provide a reasonable time frame for Morgrove to refinance the Mortgage.

21. On September 24, 2024, the Bank's Counsel advised Robert's Counsel and Mark's Counsel in the same email that the Demands have expired, attached a mortgage discharge statement, asked what were the Brothers' intentions, and advised that, if the parties are unable to reach an agreement, the Bank would bring an application to appoint a receiver.

22. On September 24, 2024, Robert's Counsel advised the Bank's Counsel that Robert made arrangements for refinancing but would require some time to close. On September 25, 2024, he advised that Robert does not have a written commitment but is "working diligently towards same."

23. On November 27, 2024, a mediation was held pursuant to the *Farm Debt Mediation Act*, the contents of which meeting are without prejudice in accordance with subsections 24(1) and 24(2) of that Act. Robert attended the mediation on behalf of Morgrove. The Bank later learned that Mark was not aware that the mediation had taken place, and there is no indication that he would have agreed to the proposed resolution discussed at the mediation.

24. By August 25, 2025, no resolution had been reached between the Bank and Morgrove, and the Mortgage had not been paid. The Bank's Counsel emailed Robert's Counsel on the same day, reiterating that the Mortgage had matured and that the Bank required payment in full.

25. On September 15, 2025, the Bank's Counsel emailed Mark's Counsel advising that it anticipated that the Bank would give instructions to bring a receivership application, as there had been no communication for several months.

26. On September 26, 2025, the Bank's counsel followed-up with Mark's Counsel. On December 23, 2025, as no further movement was made from Mark in the matter, the Bank's Counsel advised Mark's Counsel that it anticipated receiving instructions to proceed with an application to appoint a receiver.

It is Just and Convenient to Appoint a Receiver

27. Morgrove is in default of the terms and conditions under the Credit Agreement and BBSA with respect to the Credit Facilities. It has failed to make payment in full of the Credit Facilities despite the Demands. To date, the Brothers' legal dispute continues and their animosity towards each other is evident, particularly with Mark leaving the business several years ago, and the Bank is concerned that this will have a material, negative effect on the operation of Morgrove's business.

28. The Mortgage and BBSA both expressly provide for the appointment of a receiver or receiver and manager in the event of default.

29. The Bank has lost confidence in the ability of Morgrove to repay its commitments.

30. It is just and convenient in the circumstances to appoint a receiver of the properties, assets, and undertakings of Morgrove, and market and sell its secured property and businesses, for the benefit of the Bank and the other stakeholders of Morgrove. This will also provide all stakeholders with an orderly, transparent, and court supervised sales process, conducted by an even-handed officer of the court, to maximize return for all stakeholders.

31. BDO has agreed to act as Receiver.

32. As contained in the Affidavit of Marsha Singh, and the exhibits annexed thereto.

33. The Applicant relies on section 243 of the *Bankruptcy and Insolvency Act*, sections 63, 64 and 65 of the *Personal Property Security Act*, sections 96, 97, 100 and 101 of the *Courts of Justice Act* and Rules 1, 3, 38, 39, 40, 41 and 44 of the *Rules of Civil Procedure*.

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

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING FOR THE APPLICATION:

1. The Affidavit of Marsha Singh, and the exhibits annexed thereto;
2. The Consent of BDO to act as Receiver; and

3. Such further and other material as counsel may produce and this Honourable court may accept.

Date: May 4, 2026

SPETTER ZEITZ KLAIMAN PC
Barristers & Solicitors
100 Sheppard Avenue East, Suite 850
Toronto, Ontario M2N 6N5

JAKOB BOGACKI
LSO No. 85032Q
Tel: 416-613-8601
Email: jbogacki@szklaw.ca

Lawyers for the Applicant

SCHEDULE "A"

~~Revised: January 21, 2014~~
~~s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver~~

Court File No. _____

ONTARIO
SUPERIOR COURT OF JUSTICE

~~COMMERCIAL LIST~~

THE HONOURABLE _____) ~~FRIDAY~~WEEKDAY, THE ~~15TH~~#
JUSTICE _____)
DAY OF ~~MAY~~-MONTH, 20~~26~~YR)

~~THE BANK OF NOVA SCOTIA~~~~PLAINTIFF~~¹
~~Applicant~~~~Plaintiff~~

- and -

~~MORGROVE HOLSTEINS LTD.~~~~DEFENDANT~~
~~Respondent~~~~Defendant~~

ORDER
(appointing Receiver)

THIS ~~MOTION APPLICATION~~ made by the ~~Applicant~~~~Plaintiff~~² for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "~~BIA~~") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "~~CJA~~") appointing ~~BDO CANADA LIMITED~~~~[RECEIVER'S NAME]~~ as receiver ~~{and manager}~~ (in such capacities, the "~~Receiver~~") without security, of all of the assets, undertakings and properties of ~~MORGROVE HOLSTEINS LTD.~~~~[DEBTOR'S NAME]~~ (the "~~Debtor~~") acquired

¹ ~~The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.~~

² ~~Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".~~

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- 2 -

for, or used in relation to a business carried on by the Debtor, was heard this day at ~~330 University Avenue, Toronto, Ontario~~ 70 Wellington Street, Brantford, Ontario.

ON READING the affidavit of Marsha Singh~~[NAME]~~ sworn [DATE] and the Exhibits thereto, and on hearing the submissions of counsel for the Applicant~~[NAMES]~~, no one appearing for the Respondent~~[NAME]~~ although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of BDO Canada Limited~~[RECEIVER'S NAME]~~ to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of ~~Motion~~Application and the ~~Motion~~Application is hereby abridged and validated³ so that this ~~motion~~application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, BDO Canada Limited~~[RECEIVER'S NAME]~~ is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**"), including, without limitation, the property municipally known as 461 Highway 54, Brantford, Ontario, and legally described in Schedule "B" hereto (the "**Real Property**").

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RECEIVER'S POWERS

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

³ If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.

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- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;

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- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$ _____, ~~\$200,000.00~~, provided that the aggregate consideration for all such transactions does not exceed ~~\$200,000.00~~ _____; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, for section 31 of the Ontario *Mortgages*

~~⁴ This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

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Act, as the case may be,⁵ shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property, including, without limitation, the Real Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

~~⁵ If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

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- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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6. 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

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

7. THIS COURT ORDERS any and all financial institutions, banks, and their affiliates, shall produce to the Receiver any and all Records, banking documents related to the Debtor, any transaction supporting document and any of the Debtor's records in its possession or control, having regard to the limitations of the financial institutions' retention and storage policies and practices, notwithstanding that any disclosure may include "personal property" about third parties as defined in the *Personal Information Protection and Electronic Documents Act, S.C. 2000, c. 5, as amended.*

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7.8. THIS -COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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

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NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

10.11. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

12.13. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to

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the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

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EMPLOYEES

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

PIPEDA AND CASL

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

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

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45.17. THIS COURT ORDERS that any and all interested stakeholders in this proceeding and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in this proceeding, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to such other interested stakeholders in this proceeding and their counsel and advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of cause 3(c) of the *Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS).*

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LIMITATION ON ENVIRONMENTAL LIABILITIES

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

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exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

~~17.19.~~ THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

~~18.20.~~ THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

~~19.21.~~ THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge ~~of the Commercial List~~ of the Ontario Superior Court of Justice.

~~⁶ Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

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

FUNDING OF THE RECEIVERSHIP

21.23. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$ 400,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

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SERVICE AND NOTICE

25-27. THIS COURT ORDERS ~~that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service.~~ that the Consolidated Practice Direction – Toronto Region (https://www.ontariocourts.ca/scj/practice_directions/consolidated-practice-direction-toronto-region/) applies to this proceeding, that e-service of documents shall be valid and effective service and, Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol-Consolidated Practice Direction – Toronto Region will be effective on transmission. This Court further orders that a Case Website shall be established ~~in accordance with the Protocol~~ with the following URL '<~~ca~~>'.

26-28. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor 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

27-29. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28-30. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

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

29-32. ~~THIS COURT ORDERS that the Receiver is authorized but not required to retain the same law firm to act as legal counsel as the Applicant, to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order, in any matter where there is no conflict arising from that firm's existing and ongoing role as counsel to the Applicant. In respect of any issue where a conflict may exist or arise in respect of the Applicant and the Receiver or a third party, the Receiver shall utilize independent counsel, in which case, the law firm may continue acting as counsel to the Applicant.~~

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30-33. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

34-34. THIS COURT ORDERS that the ~~Plaintiff-Applicant~~ shall have its costs of this ~~motion~~ application, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff's-Applicant's~~ security or, if not so provided by the ~~Plaintiff's-Applicant's~~ security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

35. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party

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likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

32.36. THIS COURT ORDERS that, notwithstanding Rule 59.05 of the *Rules of Civil Procedure*, this Order is effective from the date it is made, and is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or motion for leave to appeal is brought to an appellant court in respect of this Order.

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DOCSTOR-177174218

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~BDO Canada Limited~~**[RECEIVER'S NAME]**, the receiver (the "**Receiver**") of the assets, undertakings and properties of ~~Morgrove Holsteins Ltd.~~**[DEBTOR'S NAME]** acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (~~Commercial List~~)(the "**Court**") dated the ____ day of _____, 20**26**— (the "**Order**") made in an action having Court file number ~~—CVL—~~_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

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to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the ____ day of _____, 20__.

BDO Canada Limited[RECEIVER'S NAME],
solely in its capacity
-as Receiver of the Property, and not in its
personal capacity

Per: _____
Name:
Title:

DOCSTOR-177174218

SCHEDULE “B”

**LEGAL DESCRIPTION OF THE PARCEL OF THE PROPERTY MUNICIPALLY
KNOWN AS 461 HIGHWAY 54, BRANTFORD, ONTARIO**

PT LT 28 RIVER RANGE ONONDAGA; PT LT 29 RIVER RANGE ONONDAGA; PT LT 30
RIVER RANGE ONONDAGA AS IN A456420 *; S/T ON3805; COUNTY OF BRANT
*AMENDED 2002/12/19 BY LAND REGISTRAR #7

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DOCUMENT-1771742-8

IN THE MATTER OF SECTION 243 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C.1985, c.B-3 AS AMENDED;
IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990 c.C-43, AS AMENDED

THE BANK OF NOVA SCOTIA
Applicant

-and-

MORGROVE HOLSTEINS LTD.
Respondent

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
BRANTFORD

ORDER

SPETTER ZEITZ KLAIMAN PC
Barristers & Solicitors
100 Sheppard Avenue East, Suite 850
Toronto, Ontario M2N 6N5

JAKOB BOGACKI
LSO No. 85032Q
Tel: 416-613-8601
Email: jbogacki@szklaw.ca

Lawyers for the Applicant

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Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE	)	FRIDAY, THE 15TH
	)	
JUSTICE	)	DAY OF MAY, 2026

THE BANK OF NOVA SCOTIA

Applicant

- and -

MORGROVE HOLSTEINS LTD.

Respondent

ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing BDO CANADA LIMITED as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of MORGROVE HOLSTEINS LTD. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 70 Wellington Street, Brantford, Ontario.

ON READING the affidavit of Marsha Singh sworn [DATE] and the Exhibits thereto, and on hearing the submissions of counsel for the Applicant, no one appearing for the Respondent although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of BDO Canada Limited to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, BDO Canada Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**"), including, without limitation, the property municipally known as 461 Highway 54, Brantford, Ontario, and legally described in Schedule "B" hereto (the "**Real Property**")

RECEIVER'S POWERS

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

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

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

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$200,000.00, provided that the aggregate consideration for all such transactions does not exceed \$200,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property, including, without limitation, the Real Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that

nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

7. THIS COURT ORDERS any and all financial institutions, banks, and their affiliates, shall produce to the Receiver any and all Records, banking documents related to the Debtor, any transaction supporting document and any of the Debtor's records in its possession or control, having regard to the limitations of the financial institutions' retention and storage policies and practices, notwithstanding that any disclosure may include "personal property" about third parties as defined in the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended.

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

11. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

15. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in

respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA AND CASL

16. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

17. THIS COURT ORDERS that any and all interested stakeholders in this proceeding and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in this proceeding, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to such other interested stakeholders in this proceeding and their counsel and advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of cause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

LIMITATION ON ENVIRONMENTAL LIABILITIES

18. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release

or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

20. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

FUNDING OF THE RECEIVERSHIP

23. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$400,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

27. THIS COURT ORDERS that the Consolidated Practice Direction – Toronto Region (https://www.ontariocourts.ca/scj/practice_directions/consolidated-practice-direction-toronto-region/) applies to this proceeding, that e-service of documents shall be valid and effective service and, subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure, service of documents in accordance with the Consolidated Practice Direction – Toronto Region will be effective on transmission. This Court further orders that a Case Website shall be established with the following URL ‘<>’.

28. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor 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

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

30. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

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

32. THIS COURT ORDERS that the Receiver is authorized but not required to retain the same law firm to act as legal counsel as the Applicant, to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order, in any matter where there is no conflict arising from that firm's existing and ongoing role as counsel to the Applicant. In respect of any issue where a conflict may exist or arise in respect of the Applicant and the Receiver or a third party, the Receiver shall utilize independent counsel, in which case, the law firm may continue acting as counsel to the Applicant.

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

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

35. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party

likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

36. THIS COURT ORDERS that, notwithstanding Rule 59.05 of the *Rules of Civil Procedure*, this Order is effective from the date it is made, and is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or motion for leave to appeal is brought to an appellant court in respect of this Order.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that BDO Canada Limited, the receiver (the "**Receiver**") of the assets, undertakings and properties of Morgrove Holsteins Ltd. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (the "**Court**") dated the ____ day of _____, 2026 (the "**Order**") made in an action having Court file number CV-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

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

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

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

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

DATED the ____ day of _____, 20__.

BDO Canada Limited, solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

SCHEDULE “B”

**LEGAL DESCRIPTION OF THE PARCEL OF THE PROPERTY MUNICIPALLY
KNOWN AS 461 HIGHWAY 54, BRANTFORD, ONTARIO**

PT LT 28 RIVER RANGE ONONDAGA; PT LT 29 RIVER RANGE ONONDAGA; PT LT 30
RIVER RANGE ONONDAGA AS IN A456420 *; S/T ON3805; COUNTY OF BRANT
*AMENDED 2002/12/19 BY LAND REGISTRAR #7

IN THE MATTER OF SECTION 243 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C.1985, c.B-3 AS AMENDED;
IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990 c.C-43, AS AMENDED

THE BANK OF NOVA SCOTIA
Applicant

-and-

MORGROVE HOLSTEINS LTD.
Respondent

Court File No.:	
	ONTARIO SUPERIOR COURT OF JUSTICE PROCEEDING COMMENCED AT BRANTFORD
	ORDER
	SPETTER ZEITZ KLAIMAN PC Barristers & Solicitors 100 Sheppard Avenue East, Suite 850 Toronto, Ontario M2N 6N5 JAKOB BOGACKI LSO No. 85032Q Tel: 416-613-8601 Email: jbogacki@szklaw.ca Lawyers for the Applicant

R.S.C.1985, c.B-3 AS AMENDED;
IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O.
1990 c.C-43, AS AMENDED

THE BANK OF NOVA SCOTIA
Applicant

-and-

MORGROVE HOLSTEINS LTD.
Respondent

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
BRANTFORD

NOTICE OF APPLICATION

SPETTER ZEITZ KLAIMAN PC
Barristers & Solicitors
100 Sheppard Avenue East, Suite 850
Toronto, Ontario M2N 6N5

JAKOB BOGACKI
LSO No. 85032Q
Tel: 416-613-8601
Email: jbogacki@szklaw.ca

Lawyers for the Applicant

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

THE BANK OF NOVA SCOTIA

Applicant

-and-

MORGROVE HOLSTEINS LTD.

Respondent

***APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT,
R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE COURTS OF JUSTICE ACT,
R.S.O. 1990, c. C.43, AS AMENDED***

AFFIDAVIT OF MARSHA SINGH

**I, Marsha Singh, of the City of Toronto, in the Province of Ontario, MAKE OATH AND
SAY AS FOLLOWS:**

1. I am a Senior Litigation Officer with the Applicant, The Bank of Nova Scotia (sometimes referred to as the “**Bank**”). As such, I have knowledge of the matters to which I hereinafter depose. Where I do not have personal knowledge, I have indicated my source of information and do verily believe such information to be true. Where correspondence is adopted as an exhibit, I do verily believe it was sent and received on the date(s) indicated.
2. This Affidavit is sworn in support of an application by the Bank for the appointment of BDO Canada Limited (“**BDO**”) as receiver and manager over the Respondent, Morgrove Holsteins Ltd. (“**Morgrove**”).

The Respondent

3. Morgrove is an Ontario corporation carrying on business as a dairy farm in Brantford, Ontario. Attached hereto as **Exhibit “A”** is a copy of the Corporation Profile Report obtained from the Ministry of Public and Business Service Delivery (Ontario) for Morgrove dated March 26, 2026, which lists Mark Anthony Morbrook (“**Mark**”) and Robert Arthur Morbrook (“**Robert**”, and together with Mark, the “**Brothers**”) as officers and directors, and lists Arthur Morbrook (“**Arthur**”) as a director. Arthur was the Brothers’ father until he died on September 29, 2023; a copy of his online obituary is attached hereto as **Exhibit “B”**.

4. Morgrove is the registered owner of the property municipally known as 461 Highway 54, Brantford, Ontario (the “**Property**”). Attached hereto as **Exhibit “C”** is a copy of the abstract of title and applicable instruments for the Property.

The Principals of Morgrove

5. On or about August 28, 2023, the Bank received a letter dated August 24, 2023, from Shene Harris of Ross & McBride LLP, counsel for Mark (“**Mark’s Counsel**”), advising that cross-examinations would be taking place “with respect to the Application against Robert Morbrook and Morgrove Holsteins Ltd.”. A copy of the said letter is attached hereto as **Exhibit “D”**.

6. On or about September 19, 2023, the Bank obtained a copy of the Application Record with respect to aforementioned Application, attached hereto as **Exhibit “E”**. The Application Record details the various relief that Mark seeks against Robert and Morgrove, including:

- (a) a declaration that the business of Morgrove has been exercised in a manner that is oppressive, unfairly prejudicial, and unfairly disregards the interests of Mark;

- (b) a declaration that the power of Robert has been carried on in a manner that is oppressive, unfairly prejudicial, or unfairly disregards the interests of Mark;
- (c) an order that the Respondents produce to Mark the complete corporate records and financial documentation for Morgrove since the beginning of 2018;
- (d) an order requiring Robert to purchase the shares of Mark for fair market value; and
- (e) an order appointing a liquidator of Morgrove.

7. The Application Record also contains the Affidavit of Mark sworn on August 4, 2021 (the “**Mark Affidavit**”). I have reviewed the Mark Affidavit, and I note that it explains that the Brothers purchased Arthur’s shares in Morgrove, and it also details the Brothers’ acrimonious relationship, which details are included in the following excerpts:

- 5. In 2017, Robert and I opted to purchase and distribute our Father’s shares between us so that Robert and I would each hold equal shares in Morgrove. Our Father’s shares were therefore distributed as follows:
 - a) Robert received an additional 30,380 Class A Preferred Shares, for a total of 80,000 Class A Preferred Shares, and an additional 87,680 Common Shares for a total of 231,093 Common Shares.
 - b) I received 80,000 Class A Preferred Shares, for a total of 80,000 Class A Preferred Shares, and an additional 104,153 Common Shares for a total of 231,093 shares.
- ...
- 7. I note that the above distribution does not account for one of my Father’s shares, which appears to be an error in the share transfer/corporate documents. In any case, after the distribution, Robert and I each owned 50% of the Corporation’s shares.

BREAKDOWN IN RELATIONSHIP

8. Robert and I had a sordid relationship as it related to the business. In fact, we used a mediator for approximately 9 years prior to the purchase of my Father's shares. This arrangement proved to be a reasonably workable solution.
9. Following the purchase and distribution of our Father's shares 2017, my relationship and communications with Robert unfortunately began to deteriorate. Robert ran the business however he saw fit and made decisions without first consulting me, while he simultaneously refused and/or resisted suggestions I made with respect to the business.
10. My working relationship with Robert worsened after the purchase of my Father's shares, when Robert refused to continue to use a mediator to deal with our disputes about the business. I also found I was working significantly more than Robert; I took only about 4-5 days' vacation in a year, while Robert took approximately 7 weeks. Combined with his insistence on running the business without considering my input, Robert's work ethic (particularly as compared to mine) left me quite displeased with our working relationship.
11. Our relationship broke down further after Robert's son, Stephen Morbrook, (hereinafter "**Stephen**") was fired from his job in and around September 2018. Stephen had anger and aggression issues growing up, which manifested in a variety of troublesome and sometimes violent ways towards me, my parents (Stephen's grandparents), and sometimes my children. In fact, I was often concerned for the safety of my children.
14. In addition to the above, I also discovered that Robert was using Morgrove's funds to pay for Stephen's personal expenses, including diesel, repairs and parts for his truck, and his clothing and shoes, among other things.

...

END OF BUSINESS RELATIONSHIP

18. Further to my discussions with Robert and our agreement end our business relationship, in June 2019, I reached out to an accountant, Mike Bossy of Bossy Nagy Group. I advised Mr. Bossy that Robert and I owned a dairy farm and no longer wished to continue with the business together. We sought Mr. Bossy's assistance with this process, and made arrangements to meet with him. Attached hereto and marked as **Exhibit "B"** is a true copy of my emails to and from Mr. Bossy and Melissa Cluett, of Mr. Bossy's office, dated June 12, 2019 through to July 5, 2019.
26. Robert was very upset to learn that the offer was accepted and that I intended to proceed with the purchase of the Eastern Ontario Farm. I did not anticipate Robert's reaction, as it was my understanding that he had agreed and intended to purchase my shares, or winding up the business. We had had numerous discussions with Mr. Bossy to this effect up to this point. Further, I had stopped working at the Morgrove farm in and around February 2020. The basis of our discussions and actions up to this point (including our ongoing discussions with Mr. Bossy) clearly indicated that we agreed that I would be leaving Morgrove, Robert would be purchasing my shares and that I would be looking to purchase another farm.

...

28. We rescheduled our meeting with Mr. Bossy on or about November 4, 2019. Mr. Bossy again provided us with the two options noted at our July meeting with respect to Morgrove: we could either wind up the business or, alternatively, Robert could buy my shares and I could move forward on my own. Robert indicated that he would need some time to think about it, and also to speak with his bank and/or look into his financing options to purchase my shares.

8. The Mark Affidavit also details Robert's lack of cooperation with Mark in purchasing Mark's shares in Morgrove, and the poor management of Morgrove by Robert that is creating financial difficulties for the business, such as the details provided in the following excerpts:

40. In addition to the above, Ms. Harris notes that Robert also failed to submit receipts for reimbursement within a timely manner for well work completed by Morgrove. The costs of the work was incurred by Morgrove as a result of work commenced by a neighbouring farm, for which Morgrove should have been reimbursed.
41. To clarify with respect to this issue regarding the neighbouring well, in July 2019, the neighbouring farm, North 48, drilled wells which resulted in various environmental issues for which the Ministry of Environment became involved. North 48 was ordered to pay for all costs for damages and issues to Morgrove's property as a result of said work. Robert, on behalf of Morgrove, was supposed to send its costs totaling approximately \$60,000 to North 48 for repayment. For reasons entirely unknown, Robert simply failed to do so until several months later until late December 2019. As a result of this delay, the costs of these repairs to the well were carried by Morgrove and carried over into the corporation's subsequent financial year, which caused a number of issues with the corporation's bank, Scotiabank.
42. My knowledge of this issue is somewhat limited as Robert was (and is) responsible for the corporation's finances. To my knowledge, Morgrove was never reimbursed for this large expense.
43. Accordingly, Ms. Harris notes in the June 8, 2020 letter, that this issue regarding the neighbouring well negatively impacted Morgrove's financial status in 2020. Ms. Harris further notes that Robert's conduct was both inappropriate and oppressive.
44. Since February 2019, Robert has not provided any information that I have asked for pertaining to either the sale of Morgrove, or his purchase of my shares. He has also failed to provide any records pertaining to his son Stephen's employment with Morgrove and his expenses.

...

50. In addition to the above, Robert's mismanagement of the business has caused Morgrove to suffer financial issues. In particular, the issue with the neighbouring farm and the well work as discussed above. Again, I have limited information regarding this as it was Robert's responsibility to handle this matter. However, it is my understanding that Scotiabank also put up red flags on Morgrove's account as a result of Robert's failure to submit information and receipts in a timely manner.

9. Moreover, Kristina Hansen ("**Ms. Hansen**"), an Agriculture Market Lead – Southwestern Ontario with the Bank, who originally had carriage of the file, has advised me, and I do verily believe, that she learned the following by about May 2023:

- (a) the Brothers bought-out Arthur's share of ownership in Morgrove in 2017 and the Brothers now owned it 50-50 between them, but the Bank's system still showed that Morgrove was owned by Robert, Mark, and Arthur;
- (b) despite this, the details of the purchase was unclear to the Bank, and the Bank did not receive a copy of any Share Purchase Agreement;
- (c) Mark walked away from Morgrove's business in 2020 and has not been on the farm since then, and does not want to be part of the business operation; and
- (d) the Brothers do not speak to each other and there is evident animosity toward each other, and Ms. Hansen had to deal with them separately.

10. To the Bank's knowledge, the Brothers' legal dispute continues to date. As detailed below, no resolution has been reached between the Bank and Morgrove in-part due to this ongoing dispute.

The Credit Facilities to Morgrove

11. Pursuant to a Credit Agreement *for business* dated June 10, 2016, including the Schedule of Conditions and Reporting Requirements and the Addendum to Credit Agreement Scotia Flex (collectively, the “**Credit Agreement**”), a copy of which is attached hereto as **Exhibit “F”**, the Bank granted to Morgrove a ScotiaFlex For Agriculture credit facility in the total amount of \$1,500,00.00, which consists of the following four (4) credit facilities:

- (a) a term loan for agriculture in the authorized amount of \$989,000.00, with interest to accrue thereon at the fixed rate of 2.5% per annum (the “**Term Loan**”), granted for a term of 60 months with an amortization period of 300 months, with monthly payments to be made thereon of \$4,430.39 per month;
- (b) a Credit Line in the authorized amount of \$481,000.00, with interest to accrue thereon at the Bank’s prime rate of interest in effect from time to time (the “**Prime Rate**”) plus 0.5% per annum (the “**Credit Line**”);
- (c) a Scotia Momentum Visa Card with an authorized limit of \$20,000.00, with interest to accrue thereon at the fixed rate of 19.99% per annum (the “**Visa**”, and together with the Term Loan and the Credit Line, the “**Credit Facilities**”); and
- (d) a Scotialine *for business* VISA card with an authorized limit of \$10,000.00.

12. The terms and provisions of the 2016 Business Banking Services Agreement (the “**BBSA**”), attached hereto as **Exhibit “G”**, form part of the Credit Agreement. Among other rights and remedies, the default provisions under the BBSA provide for the appointment of a receiver or receiver and manager in the event of default of Morgrove’s obligations: “If a default event occurs,

we also have the following remedies: ... We may appoint a receiver or a receiver-manager if we choose to do so.”

Security for the Credit Facilities

13. Morgrove’s indebtedness to the Bank is secured by, among other things, the following (collectively, the “**Security**”):

- (a) a first-ranking Mortgage/Charge granted by Morgrove in favour of the Bank in the principal sum of \$1,500,000.00 registered against the Property on August 2, 2016, as Instrument No. BC299492 (the “**Mortgage**”), a copy of which is attached hereto as **Exhibit “H”**;
- (b) an unlimited personal guarantee of Arthur, plus interest accruing thereon in accordance with the “Credit Agreement” section of the Bank’s Business Banking Services Agreement (the “**BBSA**”), which guarantee is located at Page 2 of 2 of the Credit Agreement (the “**Arthur Guarantee**”);
- (c) an unlimited personal guarantee of Robert, plus interest accruing thereon in accordance with the “Credit Agreement” section of the BBSA, which guarantee is located at Page 2 of 2 of the Credit Agreement (the “**Robert Guarantee**”); and
- (d) an unlimited personal guarantee of Mark, plus interest accruing thereon in accordance with the “Credit Agreement” section of the BBSA, which guarantee is located at Page 2 of 2 of the Credit Agreement (the “**Mark Guarantee**”).

14. The Mortgage incorporates Mortgage Standard Charge Terms 200012, which provide, among other rights and remedies, for the appointment of a receiver or receiver and manager, in the event of default of Morgrove's obligations:

If you fail to comply with any of your obligations under the mortgage, or if any part of the obligations secured is not paid when due, or if an event of default occurs under any agreement that relates to the obligations secured, we may enforce our rights in any of the ways set out below.

...

We may appoint in writing a receiver (or receiver and manager), on any terms (including remuneration) that we think are reasonable, to collect any income from the property...

Other Secured Creditors

15. Attached hereto as **Exhibit "I"** is a copy of the Ministry of Government Services Personal Property Security Registration System Enquiry Result for Morgrove obtained on April 30, 2026, which confirms that there are three (3) registrations affecting Morgrove:

- (a) a financing statement registered by AGCO Finance Canada Ltd on August 26, 2025, for a period of six (6) years indicating a collateral classification of equipment, for a 2024 Massey Ferguson MF2607H Tractor MEAD5281YR1470307;
- (b) a financing statement registered by Royal Bank of Canada on October 2, 2025, for a period of five (5) years indicating a collateral classification of inventory, equipment, accounts, other, and motor vehicle included; and
- (c) a financing statement registered by Farm Credit Canada on July 5, 2021, for a period of six (6) years, indicating a collateral classification of equipment and other.

16. Based on the real property abstract of the Property previously attached hereto as Exhibit “C”, I note the registration of the Mortgage, registered on August 2, 2016.

17. A Tax Certificate on the Property as at April 8, 2026, a copy of which is attached as **Exhibit “J”**, shows that Morgrove owes the County of Brant approximately \$3,516.58 in property taxes.

18. Based on a Clearance Certificate in the County of Brant (Brantford) for Morgrove obtained on April 30, 2026, a copy of which is attached as **Exhibit “K”**, there are no executions filed against Morgrove in the County of Brant.

19. Other than what is set out above, I am not aware of any other secured creditors of the Debtors, including any other government priority claims.

Default, Reservation Letter, and Demands

The Defaults

20. Ms. Hansen advises me, and I do verily believe to be true, that when she had original carriage of the file, she learned of the following defaults by the end of June 2023:

- (a) Morgrove was in breach of its debt service covenant of 1.15:1 – based on the latest information it provided for the reporting period ending on December 31, 2022, its debt service ratio was at ~0.54x, using a 3-year average;
- (b) Morgrove failed to provide certain financial reporting to the Bank, including (i) a T1 General tax return forms for one of the Brothers for 2022, and (ii) the same Brother’s accountant confirmed that he had not filed personal taxes for 2022;

(c) a judgment from a local Co-op was discovered on the corporate bureau report for Morgrove, from 2021; and

(d) Mark advised the Bank that cows had been sold, and Morgrove's financial statements showed a significant increase in cattle sales year-over-year from 2021 to 2022.

The Reservation Letter

21. In September 2023, the Bank prepared and sent to Morgrove a Reservation of Rights Letter dated September 28, 2023 (the "**Reservation Letter**"), attached hereto as **Exhibit "L"**, detailing the following events of default:

- (a) some or all of Morgrove's shares had been sold, but the Bank had not received a copy of the Share Purchase Agreement indicating the change of ownership of the business;
- (b) Morgrove was in breach of its debt service covenant;
- (c) Morgrove and the Brothers have failed to provide the required financial reporting; and
- (d) a local Co-op obtained a judgment against Morgrove in or about 2021.

However, the Reservation Letter also provided that the Bank was prepared to forbear action on the covenant default and to continue to support Morgrove, and to keep the Credit Facilities available to it, until January 31, 2024, if certain new covenants were complied with, including the following:

- (a) Morgrove was to immediately provide the Bank with a copy of the Share Purchase Agreement, with respect to the purchase of Arthur's shares in Morgrove in 2017;
- (b) Morgrove's debt service covenant shall be brought back onside by December 31, 2023;

(c) as an alternative to (b), Morgrove shall present to the Bank for its consideration a plan for bringing its debt service covenant onside by November 30, 2023; and

(d) Morgrove shall provide a detailed commentary setting out why significant losses were reported in the years 2018, 2019, and 2020.

The Reservation Letter required that Morgrove and the Brothers acknowledge acceptance by signing it and returning it to the Bank's counsel by the close of business on October 12, 2023.

22. I verily believe that, in or about November 2023, Mark called the Bank and advised of, among other things, the following:

(a) he received the Reservation Letter and did not sign it because of the ongoing Application that he brought against Robert;

(b) he has been unsuccessful in his attempts to obtain Morgrove's financial information from Robert;

(c) only Robert has a copy of the Share Purchase Agreement; and

(d) the farm was still operational, but he could not confirm at what capacity, and he was unsure if the farm was meeting its milk production quota.

23. On or about November 20, 2023, the Bank received a letter (the "**Robert Letter**") from Dennis Touesnard of Waterous Holden Amey Hitchon LLP, counsel for Robert ("**Robert's Counsel**"), attached hereto as **Exhibit "M"**, confirming receipt of the Reservation Letter. The Robert Letter disputed that Morgrove was in default with the Bank and set out the reasons for this

position. It also confirmed that the “owners of the shares [Robert and Mark] are in a dispute in court file number CV-21-000076292-0000.”

24. On February 27, 2024, the Bank received a letter (the “**Mark Letter**”) from Mark’s Counsel, attached hereto as **Exhibit “N”**, confirming receipt of the Reservation Letter. The Mark Letter advised, among other things, that shares were transferred from Arthur to the Brothers, that Mark has limited knowledge of the financial status of Morgrove and understands that the Bank has requested certain information that Robert has not provided, and that he has no information in relation to a Judgment against Morgrove but he did receive notice that there were outstanding sums owed to Morgrove’s creditors.

25. The Reservation Letter was not signed and returned as required, and the additional covenants listed therein were not satisfied by January 31, 2024.

Maturity of the Term Loan

26. Moreover, the Term Loan was not paid upon its maturity on July 28, 2021. The entirety of the Term Loan is due at the end of the term specified in the Credit Agreement, as per the terms of the BBSA previously attached hereto as Exhibit “G”, as follows:

If you borrow via a term loan, the entire amount of the indebtedness remaining unpaid is due and payable at the end of the term specified in the agreement or earlier if you default on any of the terms in the agreement, or in any other agreement with us. If you do, we can demand that you immediately pay back the entire indebtedness to us under this agreement.

27. Since the Term Loan was extended to Morgrove in 2016 for a term of 60 months, it matured on July 28, 2021, but was unpaid then and remains unpaid to date. Morgrove has not renewed the Term Loan, and it is the Bank’s understanding that the failure to do so has been, at least in-part, due to the dispute between the Brothers.

Change of Ownership

28. Further, the change in Morgrove's ownership from Robert, Mark, and Arthur, to Robert and Mark as 50-50 owners, is a "[d]efault event" pursuant to the BBSA previously attached hereto as Exhibit "G". Where a default event occurs, even if the credit facility is not a demand loan, the Bank has the right to demand immediate payment of the entire amount outstanding:

14. Default events

We have the right to require immediate payment at any time if the agreement specifies that a credit facility must be paid on demand.

If a credit facility is not a demand loan, we still have the right to demand immediate payment of the entire amount if any of the following events happen. These events are called default events:

...

- in our opinion, there is any material unfavourable change in your financial condition, the financial condition of any guarantor or the operation of your business

...

- there is a change of control in the ownership of your business

29. This change in ownership in Morgrove, in conjunction with the dispute between the Brothers and its effect on Morgrove's business as detailed in the Mark Affidavit, can also be considered a material unfavourable change in the operation of the business – another default event.

30. Therefore, in addition to the foregoing defaults, I verily believe that the Bank was within its rights to issue the Demands (defined below).

The Demands

31. Given the continuing defaults, on September 10, 2024, the Bank, through its counsel, made demands upon Morgrove, Arthur, and the Brothers, pursuant to their respective obligations. The

Bank declared the entire amount of the indebtedness to be immediately due and payable, and enclosed Notices of Intention to Enforce Security against Morgrove pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* and a Notice of Intent by Secured Creditor pursuant to the *Farm Debt Mediation Act*. Attached hereto as **Exhibit “O”** are copies of the said demand letters and notices (collectively, the “**Demands**”).

The Bank’s Efforts to Have the Mortgage Paid

32. Jason Spetter of Spetter Zeitz Klaiman PC, counsel for the Bank (the “**Bank’s Counsel**”), has been in contact with Mark’s Counsel since about November 2023. On March 25, 2024, in an email attached hereto as **Exhibit “P”**, the Bank’s Counsel advised Mark’s Counsel that the Mortgage has matured and the Bank is concerned with the Brothers’ ongoing dispute, but that it would provide a reasonable time period for Morgrove to arrange for refinancing.

33. Also on March 25, 2024, in an email attached hereto as **Exhibit “Q”**, the Bank’s Counsel advised Robert’s Counsel that the Mortgage has matured and the Bank is concerned with the Brothers’ ongoing dispute, but it would provide a reasonable time frame for Morgrove to refinance the Mortgage.

34. On September 24, 2024, the Bank’s Counsel advised Robert’s Counsel and Mark’s Counsel in the same email that the Demands have expired, attached a mortgage discharge statement, asked what were the Brothers’ intentions, and advised that, if the parties are unable to reach an agreement, the Bank would bring an application to appoint a receiver. Attached hereto as **Exhibit “R”** is a copy of the said email.

35. On September 24, 2024, Robert's Counsel advised the Bank's Counsel that Robert made arrangements for refinancing but would require some time to close. On September 25, 2024, he advised that Robert does not have a written commitment but is "working diligently towards same." Attached hereto as **Exhibit "S"** are copies of the emails from Robert's Counsel to Bank's Counsel.

36. On November 27, 2024, a mediation was held pursuant to the *Farm Debt Mediation Act*, the contents of which meeting are without prejudice in accordance with subsections 24(1) and 24(2) of that Act. Robert attended the mediation on behalf of Morgrove. The Bank later learned that Mark was not aware that the mediation had taken place, and there is no indication that he would have agreed to the proposed resolution discussed at the mediation.

37. By August 25, 2025, no resolution had been reached between the Bank and Morgrove, and the Mortgage had not been paid. The Bank's Counsel emailed Robert's Counsel on the same day, reiterating that the Mortgage had matured and that the Bank required payment in full. Attached hereto as **Exhibit "T"** is a copy of the said email.

38. On September 15, 2025, in an attempt to arrange a discussion with Mark's Counsel, the Bank's Counsel emailed Mark's Counsel advising that it anticipated that the Bank would give instructions to bring a receivership application, as there had been no communication for several months. Attached hereto as **Exhibit "U"** is a copy of the said email.

39. On September 26, 2025, the Bank's counsel followed-up with Mark's Counsel. On December 23, 2025, as no further movement was made from Mark on the matter, the Bank's Counsel advised Mark's Counsel that it anticipated receiving instructions to proceed with an application to appoint a receiver. Attached hereto as **Exhibit "V"** are copies of the emails on September 26 and December 23, 2025, from the Bank's Counsel to Mark's Counsel.

It is Just and Convenient to Appoint a Receiver

40. Morgrove is in default of the terms and conditions under the Credit Agreement and BBSA with respect to the Credit Facilities. It has failed to make payment in full of the Credit Facilities despite the Demands. To date, the Brothers' legal dispute continues and their animosity towards each other is evident, particularly with Mark leaving the business several years ago, and the Bank is concerned that this will have a material, negative effect on the operation of Morgrove's business.

41. The Mortgage and BBSA both expressly provide for the appointment of a receiver or receiver and manager in the event of default.

42. The Bank has lost confidence in the ability of Morgrove to repay its commitments.

43. It is just and convenient in the circumstances to appoint a receiver of the properties, assets, and undertakings of Morgrove, and market and sell its secured property and businesses, for the benefit of the Bank and the other stakeholders of Morgrove. This will also provide all stakeholders with an orderly, transparent, and court supervised sales process, conducted by an even-handed officer of the court, to maximize return for all stakeholders.

44. The Bank proposes that BDO be appointed as the receiver and manager. BDO has agreed to accept the appointment, and a copy of its consent is attached hereto as **Exhibit "W"**.

45. This Affidavit is sworn in support of the Bank's application for the appointment of BDO as receiver and manager over Morgrove, and for no other or improper purpose.

SWORN BEFORE ME:

by the Deponent of the City of Toronto
before me at the City of Toronto,
in the Province of Ontario,
this 4th day of May 2026,
in accordance with [O. Reg. 431/20](#),
Administering Oath or Declaration Remotely.



A Commissioner for taking oaths, etc.
Jakob Bogacki, Barrister & Solicitor (LSO #85032Q)

Marsha
Singh

Digitally signed by
Marsha Singh
Date: 2026.05.04
13:03:12 -04'00'

MARSHA SINGH

This is **Exhibit “A”** referred to
in the Affidavit of Marsha Singh
Sworn before me this 4
Day of May, 2026



A commissioner for taking Affidavits Virtually
Commissioned by Jakob Bogacki
LSO # 85032Q, in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely



Ministry of Public and
Business Service Delivery

Profile Report

MORGROVE HOLSTEINS LTD. as of March 26, 2026

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	MORGROVE HOLSTEINS LTD.
Ontario Corporation Number (OCN)	1109214
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	December 13, 1994
Registered or Head Office Address	Attention/Care of MARK ANTHONY MORBROOK, 461 Highway 54, Brantford, Ontario, N3T 5L9, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Minimum Number of Directors 1
Maximum Number of Directors 3

Active Director(s)

Name	ARTHUR MORBROOK
Address for Service	R.R. 7, Brantford, Ontario, N3T 5L9, Canada
Resident Canadian	Yes
Date Began	January 02, 1995
Name	MARK A. MORBROOK
Address for Service	R R # 7, Brantford, Ontario, N3T 5L9, Canada
Resident Canadian	Yes
Date Began	December 13, 1994
Name	MARK ANTHONY MORBROOK
Address for Service	461 Highway 54, Brantford, Ontario, N3T 5L9, Canada
Resident Canadian	Yes
Date Began	December 13, 1994
Name	ROBERT A. MORBROOK
Address for Service	R R # 7, Brantford, Ontario, N3T 5L9, Canada
Resident Canadian	Yes
Date Began	December 13, 1994
Name	ROBERT ARTHUR MORBROOK
Address for Service	194 Salt Springs Road, Brantford, Ontario, N3T 5L9, Canada
Resident Canadian	Yes
Date Began	December 13, 1994

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Active Officer(s)

Name

Position

Address for Service

Date Began

MARK ANTHONY MORBROOK

Secretary

461 Highway 54, Brantford, Ontario, N3T 5L9, Canada

January 02, 2017

Name

Position

Address for Service

Date Began

MARK ANTHONY MORBROOK

Treasurer

461 Highway 54, Brantford, Ontario, N3T 5L9, Canada

December 13, 1994

Name

Position

Address for Service

Date Began

ROBERT ARTHUR MORBROOK

President

194 Salt Springs Road, Brantford, Ontario, N3T 5L9, Canada

January 02, 2017

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Corporate Name History

Name

Effective Date

MORGROVE HOLSTEINS LTD.

December 13, 1994

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V. Quintanilla W.

Director/Registrar

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Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

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V. Quintanilla W.

Director/Registrar

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Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

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V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: WILLIAM D. HARROW - OTHER	January 08, 2018
BCA - Articles of Amendment	November 20, 2017
Annual Return - 2013 PAF: ARTHUR MORBROOK - DIRECTOR	April 05, 2014
CIA - Notice of Change PAF: WILLIAM D. HARROW - OTHER	February 11, 2010
Annual Return - 2008 PAF: ARTHUR MORBROOK - DIRECTOR	May 09, 2009
Annual Return - 2007 PAF: ARTHUR MORBROOK - DIRECTOR	June 13, 2008
Annual Return - 2006 PAF: ARTHUR MORBROOK - DIRECTOR	May 30, 2007
Annual Return - 2005 PAF: ARTHUR MORBROOK - DIRECTOR	April 22, 2006
Annual Return - 2004 PAF: ARTHUR MORBROOK - DIRECTOR	September 25, 2005
Annual Return - 2003 PAF: ARTHUR MORBROOK - DIRECTOR	October 02, 2004
Annual Return - 2002 PAF: ARTHUR MORBROOK - DIRECTOR	August 31, 2003
Annual Return - 2001 PAF: ARTHUR MORBROOK - DIRECTOR	July 21, 2002
Annual Return - 2000 PAF: ARTHUR MORBROOK - DIRECTOR	August 10, 2001

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

CIA - Initial Return
PAF: HOWARD CHARLES MOORE - OTHER

January 11, 1995

BCA - Articles of Incorporation

December 13, 1994

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

This is **Exhibit “B”** referred to
in the Affidavit of Marsha Singh
Sworn before me this 4
Day of May, 2026



A commissioner for taking Affidavits Virtually
Commissioned by Jakob Bogacki
LSO # 85032Q, in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely

[ABOUT](#)[OBITUARIES](#)[FUNERAL PLANNING](#)[PRE-NEED](#)[RESOURCES](#)[CONTACT](#)

Arthur Morbrook

December 20, 1933 - September 29, 2023



6 Flowers or Condolences have been sent in support of Arthur 's family – [View on Tribute Wall](#)

6 New Pos

[Share a memory](#)

[Obituary & Events](#)

[Tribute Wall](#)

Arthur Morbrook Obituary

MORBROOK – Arthur
1933 – 2023

Went to be with his Lord on Friday September 29, 2023 at the age of 89 years. Loving husband of Theresa for 62 years. Much loved father of Rob (Nancy), Lisa (Jim), Pauline (Paul), Heather (Charlie) and Mark (Paulina). Very proud grandfather of 15 grandchildren and 11 great grandchildren. Arthur was born on December 20, 1933, raised in Zwartemeer, Netherlands and immigrated to Canada in 1952. He lived in Winnipeg, Thunder Bay, Plattsville, Galt and Port Dover before settling on a dairy farm in Onondaga in 1968. Arthur was a longtime member of the church and loved the Lord. A private graveside service will take place at Salt Springs Cemetery, Onondaga. Family and friends will be received for a service of praise at Grace Free Reformed Church, 17 Patterson Avenue on Friday October 6, 2023 at 1pm, followed by fellowship and refreshments in the church hall. Arrangements have been entrusted to the McCleister Funeral Home, 495 Park Road N. Brantford. Donations may be made in memory of Arthur to the Alzheimer's Society of Brant. Condolences and memories may be shared with the family at www.mccleisterfuneralhome.ca
McCleister 519-758-1553

Events

There are no events scheduled at this time.

Tribute Wall

[Share a memory](#)

[Share a Memory](#)

[Send Flowers](#)

Dear Lisa and Jim & family, We are praying for you as you mourn your father. Thinking of you and wishing you moments of peace and comfort.



Tropical Dish Garden with Fresh Flowers was purchased for the family

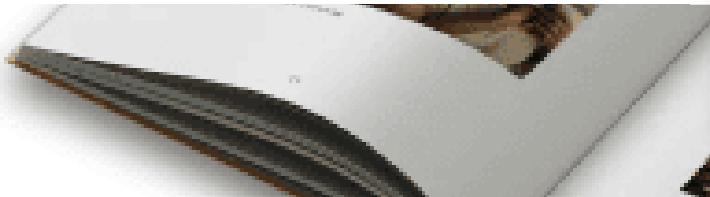


White Florist's Choice was purchased for the family of Arthur Morb

Our deepest condolences to Theresa and family on the loss of Art.
Kim and Eleanor Featherston

Eleanor Featherston
October 4, 2023

Arthur's Tribute Book



Sorry to hear of Art's passing. Sincerest condolences to Theresa and the e
Holsteins.

Beautiful memories of Arthur ,
Share a memory to be automatically

Wonderful memories of Art .Now with Christ which is far better. Sending ou

Preview

Share Obituary:



Bao Consumer Information Guide
Funeral Establishment Operator - Class 1 Licence No. 647



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[Pre-plan Online](#)

[Common Questions](#)
[Resources](#)
[Contact Us](#)

Website Design by FuneralTech

[Admin Login](#) | [Privacy Policy](#) | [Terms of Use](#)

[Accessibility](#)

[Share a memory](#)

[Send Flowers](#)

This is **Exhibit “C”** referred to
in the Affidavit of Marsha Singh
Sworn before me this 4
Day of May, 2026



A commissioner for taking Affidavits Virtually
Commissioned by Jakob Bogacki
LSO # 85032Q, in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely

LAND
REGISTRY
OFFICE #2

32261-0108 (LT)

PAGE 1 OF 2
PREPARED FOR gnanou01
ON 2026/03/26 AT 10:29:44

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT LT 28 RIVER RANGE ONONDAGA; PT LT 29 RIVER RANGE ONONDAGA; PT LT 30 RIVER RANGE ONONDAGA AS IN A456420 *; S/T ON3805; COUNTY OF BRANT *AMENDED 2002/12/19 BY LAND REGISTRAR #7

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

2002/02/11

OWNERS' NAMES

MORGROVE HOLSTEINS LTD.

CAPACITY SHARE

BENO

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2002/02/08 ** **SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO: ** SUBSECTION 4(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * ** AND ESCHEATS OR FORFEITURE TO THE CROWN. ** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF ** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY ** CONVENTION. ** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES. **DATE OF CONVERSION TO LAND TITLES: 2002/02/11 **						
ON3805	1909/10/28	TRANSFER EASEMENT			THE BELL TELEPHONE COMPANY OF CANADA LIMITED	C
~~A76255~~	~~1966/02/17~~	~~CHARGE~~		~~*** COMPLETELY DELETED ***~~	FARM CREDIT CORP	
A365186	1989/05/16	NOTICE				C
A456420	1995/03/31	TRANSFER			MORGROVE HOLSTEINS LTD.	C
~~A456421~~	~~1995/03/31~~	~~CHARGE~~		~~*** COMPLETELY DELETED ***~~	FARM CREDIT CORP.	
~~A457468~~	~~1995/05/10~~	~~CHARGE~~		~~*** COMPLETELY DELETED ***~~	FARM CREDIT CORP.	
~~A462416~~	~~1995/10/04~~	~~CHARGE~~		~~*** COMPLETELY DELETED ***~~	FARM CREDIT CORP.	
~~BC3831~~	~~2002/09/20~~	~~CHARGE~~		~~*** COMPLETELY DELETED ***~~	FARM CREDIT CANADA	
				MORGROVE HOLSTEINS LTD.		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND
REGISTRY
OFFICE #2

32261-0108 (LT)

PAGE 2 OF 2
PREPARED FOR gnanou01
ON 2026/03/26 AT 10:29:44

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
~~BC57419~~	~~2005/04/05~~	~~CHARGE~~		~~*** COMPLETELY DELETED ***~~ ~~MORGROVE HOLSTEINS LTD.~~	FARM CREDIT CANADA	
~~BC67712~~	~~2005/09/06~~	~~DISCH OF CHARGE~~		~~*** COMPLETELY DELETED ***~~ ~~FARM CREDIT CANADA~~		
	REMARKS: RE: A457468					
~~BC78279~~	~~2006/02/08~~	~~DISCH OF CHARGE~~		~~*** COMPLETELY DELETED ***~~ ~~FARM CREDIT CANADA~~		
	REMARKS: RE: BC3831					
~~BC78280~~	~~2006/02/08~~	~~DISCH OF CHARGE~~		~~*** COMPLETELY DELETED ***~~ ~~FARM CREDIT CANADA~~		
	REMARKS: RE: A456421					
~~BC91817~~	~~2006/08/25~~	~~DISCH OF CHARGE~~		~~*** COMPLETELY DELETED ***~~ ~~FARM CREDIT CANADA~~		
	REMARKS: RE: A76255					
~~BC91818~~	~~2006/08/25~~	~~DISCH OF CHARGE~~		~~*** COMPLETELY DELETED ***~~ ~~FARM CREDIT CANADA~~		
	REMARKS: RE: A462416					
BC299492	2016/08/02	CHARGE	\$1,500,000	MORGROVE HOLSTEINS LTD.	THE BANK OF NOVA SCOTIA	C
~~BC302264~~	~~2016/09/14~~	~~DISCH OF CHARGE~~		~~*** COMPLETELY DELETED ***~~ ~~FARM CREDIT CANADA~~		
	REMARKS: BC57419.					

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.



Transfer/Deed of Land

DYE & DURHAM CO. INC.—Form No. 970
Amended NOV. 1992

Form 1 — Land Registration Reform Act

A

NO. **A456420**
CERTIFICATE OF REGISTRATION

1995 MAR 31 A 11:45

P.A. Hall
LAND REGISTRAR
BRANT NO. 2 BRANTFORD

New Property Identifiers

Additional:
See
Schedule ☐

Executions

Additional:
See
Schedule ☐

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 5 pages

(3) Property Identifier(s) Block Property Additional:
See
Schedule ☐

(4) Consideration **NIL** Dollars \$

(5) Description This is a: Property Division ☐ Property Consolidation ☐

Part Lots 28, 29 and 30, River Range
west of Fairchild's Creek, Township of
Onondaga, County of Brant, more
particularly described on the attached
Schedule.

(6) This Document Contains (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☐ Other ☐ (7) Interest/Estate Transferred Fee Simple

(8) Transferor(s) The transferor hereby transfers the land to the transferee and certifies that the transferor is at least eighteen years old and that we are spouses of one another

Name(s)	Signature(s)	Date of Signature Y M D		
MORBROOK, Arthur	<i>Arthur Morbrook</i>	1995	03	29
MORBROOK, Theresa	<i>Theresa Morbrook</i>	1995	03	29

(9) Spouse(s) of Transferor(s) I hereby consent to this transaction Name(s) Signature(s) Date of Signature Y M D

(10) Transferor(s) Address for Service **R.R. #7, BRANTFORD, Ontario, N3T 5L9**

(11) Transferee(s) **MORGROVE HOLSTEINS LTD.** Date of Birth Y M D

(12) Transferee(s) Address for Service **R.R. #7, BRANTFORD, Ontario, N3T 5L9**

(13) Transferor(s) The transferor verifies that to the best of the transferor's knowledge and belief, this transfer does not contravene section 50 of the Planning Act. Date of Signature Y M D Signature Date of Signature Y M D
Signature Date of Signature Y M D
Solicitor for Transferor(s) I have explained the effect of section 50 of the Planning Act to the transferor and I have made inquiries of the transferor to determine that this transfer does not contravene that section and based on the information supplied by the transferor, to the best of my knowledge and belief, this transfer does not contravene that section. I am an Ontario solicitor in good standing. Date of Signature Y M D
Name and Address of Solicitor Signature

(14) Solicitor for Transferee(s) I have investigated the title to this land and to abutting land where relevant and I am satisfied that the title records reveal no contravention as set out in subclause 50 (22) (c) (ii) of the Planning Act and that to the best of my knowledge and belief this transfer does not contravene section 50 of the Planning Act. I act independently of the solicitor for the transferor(s) and I am an Ontario solicitor in good standing. Date of Signature Y M D
Name and Address of Solicitor Signature

(15) Assessment Roll Number of Property City Mun Map Sub. Par. 29 01 000 000 18000

(16) Municipal Address of Property **R. R. #7, BRANTFORD, Ontario, N3T 5L9** (17) Document Prepared by: **Ballachey, Moore, Beyer & Harrow, 88 Nelson Street, BRANTFORD, Ontario, N3T 5T3**

Fees and Tax	
Registration Fee	50
Land Transfer Tax	
Total	50

Additional Property Identifier(s) and/or Other Information

DESCRIPTION:

In the the Township of Onondaga, in the County of Brant and being composed of FIRSTLY, parts of Lots 29 and 30 in the River Range west of Fairchild's Creek, and which may be more particularly described as follows:

COMMENCING at a point in the western boundary of the said Lot 29 distant 1,304.2 feet measured northerly thereon from its intersection with the northern boundary of a road surveyed by S. King, O.L.S., in the year 1947;

THENCE north 4 degrees 5 minutes west along the said western boundary one thousand, seven hundred and twenty and one-tenth feet;

THENCE north 85 degrees 27 minutes east 1,328.5 feet more or less to a point in the eastern boundary of the said Lot 30;

THENCE south 4 degrees 15 minutes east along the said eastern boundary 1,717.5 feet;

THENCE south 85 degrees 20 minutes west 1,336.6 feet more or less to the place of beginning, containing by admeasurement 52.5 acres, more or less.

SECONDLY: The rear or north part of Lot Number 29 on the Grand River, River Range (sometimes called the Second Concession) west of Fairchild's Creek in the aforesaid township of Onondaga, the same containing by admeasurement 50 acres more or less, being the north 3,300 feet of said lot, which parcel is more particularly described as follows:

COMMENCING at the northwest angle of Lot 29;

THENCE southerly along the westerly limit of said Lot 29, 3,300 feet;

THENCE easterly and parallel to the northerly limit of said Lot 29 to a point in the easterly limit of said Lot 29 distant 3,300 feet measured southerly from the northeast angle of said Lot 29;

THENCE northerly along the easterly limit of said Lot 29, 3,300 feet to the northeast angle of said Lot 29;

THENCE westerly along the northerly limit of said Lot 29 to the point of commencement.

THIRDLY: The north or rear part of Lot Number 30 on the Grand River, River Range (sometimes called the Second Concession) west of Fairchild's Creek in the aforesaid Township of Onondaga, containing by admeasurement 50 acres be the same more or less, being the north 3,300 feet of said Lot, which parcel is more particularly described as follows:

COMMENCING at the northwest angle of Lot 30;

THENCE southerly along the westerly limit of said Lot 30 a distance of 3,300 feet;

THENCE easterly and parallel to the northerly limit of said Lot 30 to a point on the easterly limit of said Lot 30 distant 3,300 feet measured southerly from the northeast angle of said Lot 30;

Additional Property Identifier(s) and/or Other Information

THENCE northerly along the easterly limit of said Lot 30 a distance of 3,300 feet to the northeast angle of said Lot 30;

THENCE westerly along the northerly limit of said Lot 30 to the point of commencement.

FOURTHLY: The northeast 25 acres of Lot Number 28 or the east half of the north part of Lot Number 28 on the Grand River, River Range, (sometimes called the Second Concession) west of Fairchild's Creek in the said Township of Onondaga and is bounded and described as follows, that is to say;

COMMENCING at the northeast angle of the said Lot;

THENCE south 4 degrees east 3,300 feet more or less;

THENCE south 86 degrees west 330 feet more or less to the centre of the said Lot;

THENCE north 4 degrees west 3,300 feet more or less to the allowance for road between the second and third Concessions;

THENCE north 86 degrees east 330 feet more or less to the place of beginning.

BEING the lands described in Instrument No. A99442;

SAVE AND EXCEPT that part of Lot 28 designated as Part 1 on Plan 2R-4042;

AND FURTHER SAVE AND EXCEPT that part of Lots 28, 29 and 30 designated as Part 3 on Plan 2R-88.

AFFIDAVIT RE CONVEYANCE TO FAMILY FARM CORPORATION

IN THE MATTER OF THE CONVEYANCE OF

Part Lots 28, 29 and 30, River Range, West of Fairchild's Creek,
Township of Onandaga, County of Brant
(insert brief description of land)

by: ARTHUR MORBROOK AND THERESA MORBROOK
(insert names of all transferors)

to: MORGROVE HOLSTEINS LTD.
(insert names of all transferees)

1. ARTHUR MORBROOK
R.R. #7, Brantford, Ontario, N3T 5L9
(insert address)
(print address)

MAKE OATH AND SAY THAT:

1. I am the PRESIDENT of MORGROVE HOLSTEINS LTD.
(describe office) (insert name of transferee corporation)

the transferee corporation of the above-described conveyance whose head office is located at
R.R. #7, Brantford, Ontario, N3T 5L9
(insert address of corporation's head office)

and I have personal knowledge of the facts hereinafter deposed to.

2. Prior to the above-described conveyance,
ARTHUR MORBROOK, ROBERT A. MORBROOK, THERESA MORBROOK
(insert names of appropriate individuals)
carried on farming on the land being conveyed during the period(s) September 3rd, 1968
to March 29, 1995, 1995
(set out time period(s) during which land was farmed prior to the conveyance)

3. The above-described conveyance is being made for the principal purpose of enabling the transferee corporation to continue farming on
the land being conveyed under the direction of
ARTHUR MORBROOK, ROBERT A. MORBROOK, MARK A. MORBROOK
(insert names of appropriate persons)

4. Each transferor, each shareholder of the transferee corporation (excluding holders of directors' qualifying shares) and each person named
in this affidavit is, within the meaning of the definition of "members of the family" in subsection 1 (1) of Regulation 697 of Revised Regu-
lations of Ontario, 1990, a member of the family of every other transferor, shareholder or person so named.

5. No person named in paragraph 2 or 3 of this affidavit and no shareholder of the transferee corporation (excluding holders of directors'
qualifying shares) is a non-resident person within the meaning given to that expression in subsection 1 (1) of the Land Transfer Tax Act.

6. I have read and considered the definitions of "family farm corporation", "farming" and "farming assets" set out respectively in subsection
1 (1) of Regulation 697 of Revised Regulations of Ontario, 1990. The transferee corporation in respect of whom this affidavit is made is a
"family farm corporation" within the meaning given to that expression in the aforementioned Regulation.

SWORN OR AFFIRMED BEFORE ME at the
City of Brantford
in the County of Brant

of this 29th
day of March, 1995
A Commissioner, etc.

Arthur Morbrook

ARTHUR MORBROOK

5 Revised June, 1991

Affidavit of Residence and of Value of the Consideration
Form 1 - Land Transfer Tax Act

Refer to all instructions on reverse side.

IN THE MATTER OF THE CONVEYANCE OF (insert brief description of land) Part Lots 28, 29 and 30, River Range
west of Fairchild's Creek, Township of Onondaga, County of Brant.

BY (print names of all transferors in full) ARTHUR MORBROOK and THERESA MORBROOK

TO (see instruction 1 and print names of all transferees in full) MORGROVE HOLSTEINS LTD.

I, (see instruction 2 and print name(s) in full) ARTHUR MORBROOK

MAKE OATH AND SAY THAT:

1. I am (place a clear mark within the square opposite that one of the following paragraphs that describes the capacity of the deponent(s)): (see instruction 2)

- ☐ (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
☐ (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
☐ (c) A transferee named in the above-described conveyance;
☐ (d) The authorized agent or solicitor acting in this transaction for (insert name(s) of principal(s)) _____

☒ (e) The President, Vice-President, Director, Secretary or Treasurer of a corporation authorized to act for (insert name(s) of corporation(s)) _____
MORGROVE HOLSTEINS LTD.

☐ (f) A transferee described in paragraph () (insert only one of paragraph (a), (b) or (c) above, as applicable) and am making this affidavit on my own behalf and on behalf of (insert name of spouse) _____ who is my spouse described in paragraph () (insert only one of paragraph (a), (b) or (c) above, as applicable) and as such, I have personal knowledge of the facts herein deposited to.

2. (To be completed where the value of the consideration for the conveyance exceeds \$400,000).

I have read and considered the definition of "single family residence" set out in clause 1(1)(a) of the Act. The land conveyed in the above-described conveyance
☐ contains at least one and not more than two single family residences. **Note:** Clause 2(1)(d) imposes an additional tax at the rate of one-half of one per cent upon the value of consideration in excess of \$400,000 where the conveyance contains at least one and not more than two single family residences.
☐ does not contain a single family residence.
☐ contains more than two single family residences. (see instruction 3)

3. I have read and considered the definitions of "non-resident corporation" and "non-resident person" set out respectively in clauses 1(1)(f) and (g) of the Act and each of the following persons to whom or in trust for whom the land is being conveyed in the above-described conveyance is a "non-resident corporation" or a "non-resident person" as set out in the Act. (see instructions 4 and 5) None

4. THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:

(a) Monies paid or to be paid in cash	\$	<u>NIL</u>
(b) Mortgages (i) Assumed (show principal and interest to be credited against purchase price)	\$	<u>NIL</u>
(ii) Given back to vendor	\$	<u>NIL</u>
(c) Property transferred in exchange (detail below)	\$	<u>NIL</u>
(d) Securities transferred to the value of (detail below)	\$	<u>NIL</u>
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	\$	<u>NIL</u>
(f) Other valuable consideration subject to land transfer tax (detail below)	\$	<u>NIL</u>
(g) VALUE OF LAND, BUILDING, FIXTURES AND GOODWILL SUBJECT TO LAND TRANSFER TAX (Total of (e) to (f))	\$	<u>NIL</u>
(h) VALUE OF ALL CHATTELS - items of tangible personal property (detail below)	\$	<u>NIL</u>
(i) Other consideration for transaction not included in (g) or (h) above	\$	<u>NIL</u>
(j) TOTAL CONSIDERATION	\$	<u>NIL</u>

All Entries
Must Be
Filed In
Insert "Nil"
Where
Applicable.

5. If consideration is nominal, describe relationship between transferor and transferee and state purpose of conveyance. (see instruction 6) _____

6. If the consideration is nominal, is the land subject to any encumbrance? _____

7. Other remarks and explanations, if necessary. Exemption claim pursuant to Section 2,

R.O. 697/96.

Sworn before me at the City of Brantford
in the County of Brant
this 29 day of March 19 95

A Commissioner for taking Affidavits, etc.

Arthur Morbrook
ARTHUR MORBROOK

Property Information Record

- A. Describe nature of instrument: Transfer/Deed of Land
B. (i) Address of property being conveyed (if available) R.R. #7,
Brantford, Ontario,
(ii) Assessment Roll No. (if available) 29-01-000-000-18000
C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed (see instruction 7) R.R. #7,
BRANTFORD, Ontario
D. (i) Registration number for last conveyance of property being conveyed (if available) A99442
(ii) Legal description of property conveyed: Same as in D.(i) above. Yes ☐ No ☐ Not known ☐
E. Name(s) and address(es) of each transferee's solicitor
David J. Partridge, Ballachey, Moore, Beyer & Harrow,
88 Nelson Street, Brantford, Ontario, N3T 5T3

For Land Registry Office Use Only

Registration No.	
Registration Date	Land Registry Office No.

School Tax Support (Voluntary Election) See reverse for explanation

- (a) Are all individual transferees Roman Catholic? Yes ☐ No ☐
(b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? Yes ☐ No ☐
(c) Do all individual transferees have French Language Education Rights? Yes ☐ No ☐
(d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? Yes ☐ No ☐

NOTE: As to (c) and (d) the land being transferred will be assigned to the French Public School Board or Sector unless otherwise directed in (a) and (b).

Properties

PIN

32261 – 0108 LT

Interest/Estate

Fee Simple

Description

PT LT 28 RIVER RANGE ONONDAGA; PT LT 29 RIVER RANGE ONONDAGA; PT LT 30 RIVER RANGE ONONDAGA AS IN A456420 *; S/T ON3805; COUNTY OF BRANT
*AMENDED 2002/12/19 BY LAND REGISTRAR #7

Address

ONONDAGA

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name

MORGROVE HOLSTEINS LTD.

Address for Service

461 HIGHWAY 54
BRANTFORD, ON
N3T 5L9

I, ARTHUR MORBROOK, President, have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

Chargee(s)CapacityShare

Name

THE BANK OF NOVA SCOTIA

Address for Service

170 COLBORNE ST.
BRANTFORD, ON
N3T 2G6

Provisions

Principal

\$1,500,000.00

Currency

CDN

Calculation Period

Balance Due Date

Interest Rate

Prime + 6.0%

Payments

Interest Adjustment Date

Payment Date

payable on demand

First Payment Date

Last Payment Date

Standard Charge Terms

200012

Insurance Amount

See standard charge terms

Guarantor

Signed By

William David Harrow

96 Nelson St., Suite 102
Brantford
N3T 2N1

acting for Chargor (s)

Signed

2016 08 02

Tel

5197568780

Fax

5197562181

I have the authority to sign and register the document on behalf of the Chargor(s).

Submitted By

BALLACHEY MOORE BEYER & HARROW

96 Nelson St., Suite 102
Brantford
N3T 2N1

2016 08 02

Tel

5197568780

Fax

5197562181

Fees/Taxes/Payment

Statutory Registration Fee	\$62.85
Total Paid	\$62.85

This is **Exhibit “D”** referred to
in the Affidavit of Marsha Singh
Sworn before me this 4
Day of May, 2026



A commissioner for taking Affidavits Virtually
Commissioned by Jakob Bogacki
LSO # 85032Q, in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely

Shene Harris

Direct Dial: 905-667-6403

E-mail: sharris@rossmcbride.com

August 24, 2023

VIA E-MAIL

Scotiabank

Canadian Agriculture

1 Ontario Street, 2nd Floor

Stratford, Ontario N5A 6S9

Attention: Kristie Hansen – Kristina.hansen@scotiabank.com

Dear Madam:

Re: Morgrove Holsteins Ltd.

We are counsel for Mark Morbrook with respect to the Application against Robert Morbrook and Morgrove Holsteins Ltd.

Please be advised that cross-examinations in this matter have been tentatively scheduled for November 22 and 23, 2023.

Should you have any further questions with respect to the Application, please do not hesitate to contact the undersigned.

Yours very truly,

ROSS & McBRIDE LLP

Per:



Shene Harris

SH/kle

This is **Exhibit “E”** referred to
in the Affidavit of Marsha Singh
Sworn before me this 4
Day of May, 2026



A commissioner for taking Affidavits Virtually
Commissioned by Jakob Bogacki
LSO # 85032Q, in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

MARK MORBROOK

Applicant

- and -

ROBERT MORBROOK and MORGROVE HOLSTEINS LTD.

Respondents

APPLICATION UNDER Rule 14.05(2) of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194
and Section 248 of the *Business Corporations Act*, R.S.O. 1990, c. B. 16

APPLICATION RECORD

Dated: August 4, 2021

ROSS & McBRIDE LLP

Barristers and Solicitors
1 King Street West, 10th Floor
Hamilton, Ontario L8P 1A4

Shene Harris (LSO#69826C)

sharris@rossmcbride.com

Tel.: (905) 526-9800

Fax: (905) 526-0732

Lawyers for the Applicant,
Mark Morbrook

TO: **ROBERT MORBROOK**
194 Salt Springs Church Road
Brantford, ON
N3T 5L9

AND TO: **MORGROVE HOLSTEINS LTD.**
461 Highway 54
Brantford, ON
N3T 5L9

**ONTARIO
SUPERIOR COURT OF JUSTICE**

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INDEX

<u>TAB NO.</u>	<u>DESCRIPTION</u>

1	Notice of Application issued June 11, 2021
2	Affidavit of Mark Morbrook, sworn August 4, 2021

Exhibits

A.	Morgrove Holsteins Ltd. Minute Book Shareholder's Register
B.	Email chain correspondence between Mark Morbrook, Michael Bossy and Melissa Cluett dated June 12, 2019 to July 5, 2019
C.	Agreement of Purchase and Sale dated October 21, 2019
D.	Letter from Benedict & Ferguson dated January 20, 2020, with attachment
E.	Letter from Ross & McBride dated February 24, 2020, with attachment
F.	Letter from Waterous Holden Amey Hitchon LLP dated April 8, 2020
G.	Letter from Ross & McBride dated June 8, 2020

TAB 1

Court File No.:
CV-21-00076292-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:



MARK MORBROOK

Applicant

- and -

ROBERT MORBROOK and MORGROVE HOLSTEINS LTD.

Respondents

APPLICATION UNDER Rule 14.05(2) of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194 and Section 248 of the *Business Corporations Act*, R.S.O. 1990, c. B. 16

NOTICE OF APPLICATION

TO THE RESPONDENT

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following pages.

THIS APPLICATION will come on for a hearing before a Judge, on Wednesday, March 2, 2022, at 10:00 a.m. at 45 Main Street East, Hamilton, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the Application or to be served with any documents in the Application, you or an Ontario lawyer acting for you must forthwith prepare a Notice of Appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your Notice of Appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the Application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: June 11, 2021

Issued by **SHAFIA
SAHIB**

Digitally signed by SHAFIA SAHIB
DN: cn=SA, o=Govt of Ontario, ou=ATG, email=saahib.sahib@ontario.ca, c=CA, email=saahib.sahib@ontario.ca, cn=SHAFIA SAHIB
Date: 2021.06.15 08:33:06 -0400

Local registrar

Address of
Court Office: 45 Main Street East
Hamilton, ON
L8N 2B7

**TO: Robert Morbrook
194 Salt Springs Church Road
Brantford, ON
N3T 5L9**

AND

TO: Morgrove Holsteins Ltd.
461 Highway 54
Brantford, ON
N3T 5L9

THE APPLICANT MAKES AN APPLICATION FOR:

1. A declaration that the business of the Respondent, Morgrove Holsteins Ltd. (hereinafter “**Morgrove**”) has been carried on in a manner that is oppressive, unfairly prejudicial, and unfairly disregards the interests of the Applicant, Mark Morbrook (hereinafter “**Mark**”);
2. In addition or in the alternative, a declaration that the power of the Respondent, Robert Morbrook (hereinafter the “**Oppressive Shareholder**”) has been exercised in a manner that is oppressive, unfairly prejudicial, or unfairly disregards the interests of Mark;
3. In addition, or in the alternative to the relief denoted above, an interim or permanent Order requiring the Respondents to produce to Mark the complete corporate records and financial documentation for Morgrove since the beginning of 2018, and going forward in the form required by sections 140, 144, 145 and 154 of the *Ontario Business Corporations Act*, R.S.O. 1990, c. B.16 (“**OBCA**”), including but not limited to, the following:
 - a. Any and all financial statements, including but not limited to balance sheets, bank account statements, general ledgers, detailed expense account statements, including expenses incurred by or on behalf of employees, and any other financial documentation outlining the financial position of Morgrove for the years 2018 through to the date of any Order;
 - b. Any and all records related to Morgrove employee salaries, dividends, bonuses, loans or otherwise from 2018 to date;
 - c. Records demonstrating all sources of any revenue received by Morgrove, from 2018 to date;

- d. Records related to company expenses, including expenses related to repairs; and
 - e. Such further and other information and documents as counsel may advise and this Honourable Court may permit.
4. In addition, or in the alternative to the foregoing, an interim or permanent Order restraining the Respondents from:
 - a. Purchasing, selling, mortgaging or leasing land;
 - b. Obtaining any loans or guaranteeing any debts; and
 - c. Such further and other information and documents as counsel may advise and this Honourable Court may permit.
 5. An Order that the Oppressive Shareholder compensate Mark for his oppressive conduct;
 6. Orders in the nature of relief from oppression within the meaning of s. 248(1) and (3) of the OBCA;
 7. An Order requiring the Oppressive Shareholder to purchase the shares of the Applicant, Mark, for fair market value;
 8. In the alternative, an Order that Morgrove be wound up, pursuant to section 207 of the OBCA;
 9. An Order appointing a liquidator of Morgrove;
 10. An Order for an appraisal to determine the value of Morgrove and its shares;
 11. An Order for damages in an amount to be determined, particularly as a result of the action of the Oppressive Shareholder, as described below;
 12. Pre and post-judgment interest in accordance with sections 128 and 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;

13. An Order abridging the time for, or dispensing with service, of this Notice of Application, if necessary;
14. Costs of this Application on a substantial indemnity basis; and
15. Such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE APPLICATION ARE:

Background

1. The Applicant, Mark, and the Oppressive Shareholder, Robert, are siblings. They are each 50% shareholders and directors and officers of Morgrove since about 2017.
2. Mark and the Oppressive Shareholder's business relationship deteriorated as a result of actions taken by the Oppressive Shareholder with respect to the business. In particular, the Oppressive Shareholder made several decisions regarding Morgrove, which were not in the best interests of the company. Such decisions were made without consulting Mark and against Mark's wishes.
3. In October 2018, the Oppressive Shareholder hired his son, Stephen Morbrook (hereinafter "**Stephen**"), as an employee of Morgrove despite Mark's wishes. The Oppressive Shareholder has taken several inappropriate actions with respect to Stephen's employment, including overstating his hours worked, and "banking" his hours so that he could simultaneously receive government benefits, and paying for his personal expenses using Morgrove's funds.
4. The Oppressive Shareholder has failed to provide Mark with records pertaining to Stephen's employment and expenses, despite repeated requests.

Agreement to End Business Relationship

5. The parties had various interpersonal issues, largely related to the business and, in particular, Mark's concerns with the Oppressive Shareholder's conduct. The parties ultimately agreed to

consider options to end their business relationship.

6. Accordingly, in and around July 2019, the parties met with an accountant, Mike Bossy, to discuss parting ways with respect to Morgrove. Two options were put forward by Mr. Bossy: the first option was to wind up Morgrove; the second option was for either the Oppressive Shareholder to purchase Mark's shares, or for Mark to purchase the shares of the Oppressive Shareholder.
7. The parties ultimately decided that the Oppressive Shareholder would purchase Mark's shares of Morgrove.

Offer to Purchase Eastern Ontario Farm

8. With the understanding that the Oppressive Shareholder would be purchasing Mark's shares, or, alternatively, with the liquidation of Morgrove; Mark and his wife, Paulina Morbrook, began looking to purchase another dairy farm. In and around October 2019, they made an offer on a farm in eastern Ontario ("**Eastern Ontario Farm**"). The offer was conditional on obtaining the requisite financing for the purchase price, which was dependent on the Oppressive Shareholder's purchase of Mark's Morgrove shares.
9. The conditional offer was accepted on or about October 24, 2019. Mark and Paulina paid the requisite deposit of \$5,000 under the Agreement of Purchase and Sale.
10. Mark advised the Oppressive Shareholder the offer was accepted shortly thereafter. Despite the parties' ongoing understanding that he would be purchasing Mark's shares, the Oppressive Shareholder was angry and verbally aggressive upon learning that Mark put an offer on the Eastern Ontario Farm; he indicated that he did not care if Mark lost the deposit or the opportunity to purchase the Eastern Ontario Farm.
11. The parties subsequently scheduled another meeting with the accountant, Mr. Bossy, which took place on or about November 4, 2019. At the meeting, Mr. Bossy again reiterated the parties' options with respect to Morgrove were to either wind up the business or have the Oppressive Shareholder purchase Mark's shares. The Oppressive Shareholder indicated that

he would look into financing options to purchase Mark's shares.

12. The original closing date on the Eastern Ontario Farm was January 15, 2020. However, the original deadline passed due to the Oppressive Shareholder's delay in obtaining financing and/or a valuation of Morgrove and purchasing Mark's shares. Accordingly, the closing date was extended by approximately 3 weeks.
13. Despite the extension, the Oppressive Shareholder continued to delay in taking any steps as discussed and agreed. As such, the closing date on the Eastern Ontario Farm was again extended to February 17, 2020. The Oppressive Shareholder continued to evade Mark's communications and requests for updates regarding his purchase of Mark's shares.
14. Despite Mark's efforts, the Oppressive Shareholder also refused to negotiate a price for Mark's Morgrove shares. Instead, he has continued to delay and make various excuses for his failure to meet his end of the agreement (i.e. to purchase Mark's shares).

Subsequent Events

15. Accordingly, Mark retained counsel to initiate negotiations with the Oppressive Shareholder. Mark's lawyers sent a Letter of Intent on or about January 20, 2020, confirming the parties' mutual understanding and intentions to enter into an agreement for the Oppressive Shareholder's purchase of Mark's shares in Morgrove. However, the Oppressive Shareholder continued to evade these efforts.
16. In and around February 2020, Mark was referred to and retained counsel at Ross & McBride LLP. Another Letter of Intent dated February 24, 2020, was sent to the Oppressive Shareholder from his lawyers, outlining an agreement to sell Mark's shares to the Oppressive Shareholder.
17. Counsel for the Oppressive Shareholder responded by letter dated April 8, 2020, advising that the Oppressive Shareholder was in the process of obtaining an independent accountant review of the documents and financial statements of Morgrove. No further response was received.
18. Accordingly, by letter dated June 8, 2020, Mark's counsel wrote to counsel noting the ongoing delay in receiving a response or appraisal from the Oppressive Shareholder. The letter further

noted Mark's reliance on the parties' understanding and representations that he would obtain his equity out of Morgrove in moving forward with his offer to purchase the Eastern Ontario Farm, and Mark's various attempts to resolve this matter (to no avail). Counsel further requested confirmation that the Oppressive Shareholder took steps to obtain an appraisal and a copy of same, as well as information and records pertaining to Stephen's expenses and wages with Morgrove.

19. In addition to the above, the June 8, 2020 letter noted that the Oppressive Shareholder had mismanaged Morgrove's affairs, including failing to submit receipts for work done on a well on Morgrove property; the work was required as a result of actions taken by a neighbouring property. The Oppressive Shareholder was to submit receipts for the cost of the work for reimbursement, but failed to do so by the applicable deadline. As a result of his failure to submit these expenses, Morgrove's bank account was restricted and Morgrove was unable to pay for necessary business expenses, which negatively impacted Morgrove's revenues and financial status with the bank.
20. Despite continued efforts to resolve this matter, to date, the Oppressive Shareholder has failed to demonstrate that he has taken steps to obtain or is awaiting an appraisal of Morgrove. No such appraisal has been provided thus far. Furthermore, the Oppressive Shareholder has failed to provide records and information regarding Morgrove's business as requested.

Oppressive Conduct

21. The Oppressive Shareholder has conducted the business affairs of Morgrove in a manner that is oppressive, unfairly prejudicial, and unfairly disregards the interests of Mark, including his improper use of Morgrove's funds to pay unearned and excessive wages to his son, Stephen, and his continuous failure to provide records related to Morgrove as requested by Mark.
22. Mark has been effectively denied access to information, records and documents related to Morgrove.

23. Moreover, Mark relied on representations made by Robert in making the offer to purchase the Eastern Ontario Farm. Mark made this offer based on the parties' understanding and agreement that the Oppressive Shareholder would purchase Mark's shares of Morgrove.
24. But for such representations, Mark would not have made the offer to purchase the Eastern Ontario Farm, particularly at the time when the offer was made. Since the offer to purchase the Eastern Ontario Farm was accepted, Mark and his wife were required to extend the closing date several times. They ultimately had to agree to alternative and more costly financing options (i.e. a vendor take back mortgage) in order to close the sale.
25. Despite this, the Oppressive Shareholder has continued to delay this matter.
26. Mark has not worked for Morgrove since February 2020. He has only limited knowledge of the Oppressive Shareholder's dealings and management of Morgrove, and his funds are tied up with the business.
27. As above, the Oppressive Shareholder's mismanagement of the business has caused Morgrove to suffer financial issues, including the aforementioned well work caused by the neighbouring farm. Mark has limited information regarding this matter. However, it appears that Morgrove's bank, Scotiabank, put up restrictions on Morgrove's bank account as a result of the Oppressive Shareholder's failure to submit information and receipts in a timely manner. Morgrove was consequently unable to pay for various necessary items required to run the business, and suffered a loss of revenue as a result of the Oppressive Shareholder's mismanagement.
28. As at the date of this Application, the Oppressive Shareholder has still failed to provide Mark with a complete records and information as requested.
29. The purchase and sale of the Eastern Ontario Farm closed in July 2020, however, in order to close the sale Mark and his wife, Paulina Morbrook, had to obtain the deposit from her father, and agree to a vendor take back mortgage for the remainder, for which Mark has incurred significant costs.
30. Furthermore, Mark is not able to have two milk quotas and, as he continues to be an owner of Morgrove, he is unable to obtain a milk quota for the Eastern Ontario Farm in his own name.

The farm therefore remains in his wife's name, while his funds also continue to be tied up in Morgrove. Mark is therefore unable to run the new Eastern Ontario Farm business to its full capacity and has suffered losses as a result of same.

31. The Applicant pleads and relies upon:

- a) Sections 134, 140, 145, 148, 154, 207, 248 and 249 of the *Business Corporations Act*;
- b) Sections 101 and 122 of the Courts of Justice Act;
- c) Rules 2, 3, 14, 16 and 18 of the Rules of Civil Procedure; and
- d) Such further and other grounds as counsel may advise and this Honourable Court deems just.

MATERIALS TO BE USED AT THE HEARING OF THIS APPLICATION:

32. Affidavit of Mark Morbrook, to be sworn, and the exhibits thereto; and

33. Such further and other material as counsel may advise and this Honourable Court deems just.

Date: June 11, 2021

Ross & McBRIDE LLP
Barristers and Solicitors
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 Hamilton, ON L8P 1A4

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Lawyers for the Applicant

MARK MORBROOK
Applicant

v.

ROBERT MORBROOK et al.
Respondents

11

Court File No. CV-21-00076292-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at HAMILTON

NOTICE OF APPLICATION

ROSS & McBRIDE LLP

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Lawyers for the Applicant,
Mark Morbrook

TAB 2

Court File No.: CV-21-00076292-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

MARK MORBROOK

Applicant

- and -

ROBERT MORBROOK and MORGROVE HOLSTEINS LTD.

Respondents

APPLICATION UNDER Rule 14.05(2) of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194 and Section 248 of the *Business Corporations Act*, R.S.O. 1990, c. B. 16

**AFFIDAVIT OF MARK MORBROOK
(Sworn August 4, 2021)**

I, **MARK MORBROOK**, of the Village of Spencerville, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the Applicant in the within proceeding, and a director, officer and shareholder of the Respondent corporation, Morgrove Holsteins Ltd., and as such have knowledge of the matters to which I hereinafter depose, except where such matters are based on information and belief, in which case I have stated the source of said information and believe it to be true.

THE PARTIES AND BACKGROUND

2. The Respondent, Robert Morbrook (hereinafter "**Robert**") is my brother.
3. The Respondent corporation, Morgrove Holsteins Ltd. (hereinafter "**Morgrove**"), is a corporation incorporated under the laws of the Province of Ontario. It is a dairy farm business.

4. Morgrove was created in or around December 13, 1994. At that time, it was owned by our father, Arthur Morbrook (hereinafter our “**Father**”), Robert and myself. Our shareholdings were as follows:
 - a) Our Father held 110,380 Class A Preferred Shares, and 191,832 Common Shares;
 - b) Robert held 49,620 Class A Preferred Shares and 143,413 Common Shares; and
 - c) I held 126,940 Common Shares.
5. In 2017, Robert and I opted to purchase and distribute our Father’s shares between us so that Robert and I would each hold equal shares in Morgrove. Our Father’s shares were therefore distributed as follows:
 - a) Robert received an additional 30,380 Class A Preferred Shares, for a total of 80,000 Class A Preferred Shares, and an additional 87,680 Common Shares for a total of 231,093 Common Shares.
 - b) I received 80,000 Class A Preferred Shares, for a total of 80,000 Class A Preferred Shares, and an additional 104,153 Common Shares for a total of 231,093 shares.
6. Attached as **Exhibit “A”** is a copy of the Morgrove Minute Book Shareholder’s Register outlining the shareholdings, both in 1994 and in 2017.
7. I note that the above distribution does not account for one of my Father’s shares, which appears to be an error in the share transfer/corporate documents. In any case, after the distribution, Robert and I each owned 50% of the Corporation’s shares.

BREAKDOWN IN RELATIONSHIP

8. Robert and I had a sordid relationship as it related to the business. In fact, we used a mediator for approximately 9 years prior to the purchase of my Father’s shares. This arrangement proved to be a reasonably workable solution.
9. Following the purchase and distribution of our Father’s shares 2017, my relationship and communications with Robert unfortunately began to deteriorate. Robert ran the business however he saw fit and made decisions without first consulting me, while he simultaneously refused and/or resisted suggestions I made with respect to the business.

10. My working relationship with Robert worsened after the purchase of my Father's shares, when Robert refused to continue to use a mediator to deal with our disputes about the business. I also found I was working significantly more than Robert; I took only about 4-5 days' vacation in a year, while Robert took approximately 7 weeks. Combined with his insistence on running the business without considering my input, Robert's work ethic (particularly as compared to mine) left me quite displeased with our working relationship.
11. Our relationship broke down further after Robert's son, Stephen Morbrook, (hereinafter "**Stephen**") was fired from his job in and around September 2018. Stephen had anger and aggression issues growing up, which manifested in a variety of troublesome and sometimes violent ways towards me, my parents (Stephen's grandparents), and sometimes my children. In fact, I was often concerned for the safety of my children.
12. At Robert's insistence, Stephen began working for Morgrove. I had reservations about this for various reasons, as noted above. In addition, I was concerned about Stephen's work ethic. However, Robert was very excited to involve Stephen in business and, despite my concerns, Stephen began working for the Corporation in October 2018. I did not feel as though I had much of a say in this, and Robert largely ignored my concerns which I had raised with him.
13. It is my understanding, based on my discussions with Robert, that Stephen was collecting government benefits (unemployment insurance) while simultaneously banking work hours with Morgrove. To clarify, Robert did not pay Stephen outright for time he allegedly worked for Morgrove, so that Stephen could continue to receive government benefits. Instead, Stephen's hours were banked, to be paid at a later date. I strongly disapproved of this "arrangement". However, despite my disapproval, to my knowledge this "arrangement" continued from about October 2018 through to August 2019.
14. In addition to the above, I also discovered that Robert was using Morgrove's funds to pay for Stephen's personal expenses, including diesel, repairs and parts for his truck, and his clothing and shoes, among other things.
15. Again, I disapproved of these improper expenditures from Morgrove's funds, and

repeatedly asked Robert for receipts and/or records of such expenses. Despite my requests, it is my understanding that Robert continued to pay for Stephen's expenses with Morgrove's funds and, despite my repeated requests, he never provided me with any documentation with respect to same.

16. I also grew concerned about Stephen's employment at Morgrove. In particular, I was concerned that Robert was overstating Stephen's logged hours worked. Employees' hours are generally recorded and posted daily in plain sight at Morgrove offices. However, Stephen's logged hours were never included or shown on these records. Accordingly, I asked Robert to provide me with records of Stephen's logged hours. Despite repeated requests, Robert failed and/or refused to provide me with same.
17. As a result of the foregoing, my working relationship with Robert deteriorated further. I had difficulty trusting Robert, given the lack of transparency in his dealings with Morgrove, and it was clear that we could not agree on a number of issues related to the business, including his son's involvement. The business began to suffer, and Robert and I both concluded that it was time to part ways.

END OF BUSINESS RELATIONSHIP

18. Further to my discussions with Robert and our agreement end our business relationship, in June 2019, I reached out to an accountant, Mike Bossy of Bossy Nagy Group. I advised Mr. Bossy that Robert and I owned a dairy farm and no longer wished to continue with the business together. We sought Mr. Bossy's assistance with this process, and made arrangements to meet with him. Attached hereto and marked as **Exhibit "B"** is a true copy of my emails to and from Mr. Bossy and Melissa Cluett, of Mr. Bossy's office, dated June 12, 2019 through to July 5, 2019.
19. Robert and I met with Mr. Bossy in July 2019, to discuss ways Robert and I could go our separate ways and sever our business relationship with respect to Morgrove. In particular, we discussed either winding up the business, or Robert continuing on with the business and purchasing my shares.
20. Mr. Bossy asked Robert and I to provide various documents and information related to

Morgrove and we continued to engage in ongoing discussions with Mr. Bossy through to September 2019. During these discussions, in and around the fall of 2019, Robert indicated that he would look into obtaining financing and a valuation of the business with the view to purchase my shares.

21. I advised Robert that I was interested in purchasing another farm in early October 2019. Robert was unhappy upon learning this information from Mark, and lashed out at Mark angrily.
22. Robert and I scheduled a meeting with Mr. Bossy in October 2019. The purpose of the meeting (again) was to discuss selling my shares in Morgrove. I wished to end this hostile and dysfunctional business relationship with Robert, and start a new life with my family at a new farm in Ontario. However, Mr. Bossy subsequently cancelled this meeting due to health reasons in Robert's household.
23. With the understanding that Robert and I would be parting ways with respect to the business in the near future, my wife, Paulina Morbrook (hereinafter "**Paulina**") and I began looking to purchase another dairy farm. We found a farm in eastern Ontario ("**Eastern Ontario Farm**") that we were interested in purchasing in and around September or early October 2019.
24. To my surprise, when I informed Robert that I would be making an offer on the Eastern Ontario Farm in early October 2019, he lashed out at me angrily. Robert became cold and resentful towards me after this point. Based on our meeting with Mr. Bossy, it was our agreement and my ongoing understanding that he would be purchasing my shares in Morgrove (or otherwise sell the business).
25. As such, we made an offer to purchase the Eastern Ontario Farm on or about October 21, 2019; the offer was conditional on obtaining the requisite financing for the purchase price, which was dependent upon Robert's purchase of my shares in Morgrove. Our offer to purchase was accepted by the vendors in and around October 24, 2019, and we paid the requisite deposit of \$5,000 under the Agreement of Purchase and Sale. Attached hereto and marked as **Exhibit "C"** is a true copy of the Agreement of Purchase and Sale for the

Eastern Ontario Farm.

26. Robert was very upset to learn that the offer was accepted and that I intended to proceed with the purchase of the Eastern Ontario Farm. I did not anticipate Robert's reaction, as it was my understanding that he had agreed and intended to purchase my shares, or winding up the business. We had had numerous discussions with Mr. Bossy to this effect up to this point. Further, I had stopped working at the Morgrove farm in and around February 2020. The basis of our discussions and actions up to this point (including our ongoing discussions with Mr. Bossy) clearly indicated that we agreed that I would be leaving Morgrove, Robert would be purchasing my shares and that I would be looking to purchase another farm.

ATTEMPT TO BUYOUT SHARES/SELL THE CORPORATION

27. As noted above, Robert was very angry to learn about my offer on the Eastern Ontario Farm (despite the fact that we had been proceeding with the understanding that I would be leaving Morgrove and that he would be purchasing my shares, or winding up of Morgrove). Concerned that we would lose the deposit on the Eastern Ontario Farm, I advised Robert around this time that we had made the offer on the farm with the understanding and agreement that he would be purchasing my Morgrove shares – Paulina and I needed this in order to secure financing for the new farm. In response, Robert stated “I do not care if you lose your deposit or that farm”.
28. We rescheduled our meeting with Mr. Bossy on or about November 4, 2019. Mr. Bossy again provided us with the two options noted at our July meeting with respect to Morgrove: we could either wind up the business or, alternatively, Robert could buy my shares and I could move forward on my own. Robert indicated that he would need some time to think about it, and also to speak with his bank and/or look into his financing options to purchase my shares.
29. In or around December 2019, I asked Robert for an update to which he again responded with anger and hostility. At my suggestion, Robert reached out to Paul Crozier, the Territory Agriculture Specialist I was dealing with at the Bank of Montreal regarding my purchase of the Eastern Ontario Farm.

30. Mr. Crozier specialized in farm restructuring, and offered to assist Robert and I with his purchase of my shares. Robert opted to reach out to Mr. Crozier on his own. However, Robert ultimately refused and/or failed obtain help from Mr. Crozier, or any other agricultural accountant specializing in farm restructuring and breakdown of business relationships as was the case with Robert and I. Robert and I also discussed the purchase price of my shares in Morgrove on several occasions, however, he refused to negotiate the price. Rather, he continued to delay and made various excuses for why he had not yet made me an offer for the purchase of my shares.
31. The original closing date on the Eastern Ontario Farm was on or about January 15, 2020 – the original deadline passed. Due to the delay in Robert obtaining a valuation and buying my shares, the vendors agreed to an extension of approximately 3 weeks. However, this date again had to be extended to February 17, 2020, as Robert still had failed to obtain a valuation of Morgrove and/or to purchase my shares.
32. In the meantime, I continued to follow up with Robert regarding the valuation and purchase of my shares, as we discussed with Mr. Bossy. Robert evaded my questions regarding his purchasing my shares and was at times verbally abusive. He continued to delay this matter and stalled the process for various reasons, including stating that he needed to discuss the matter with his accountants.
33. Accordingly, with the delayed closing date for the purchase of the Eastern Ontario Farm looming, I retained counsel, Ralph Benedict of Benedict & Ferguson Barristers & Solicitors, to initiate negotiations with Robert.
34. Mr. Benedict wrote to Robert on or about January 20, 2020, with a Letter of Intent confirming our mutual understanding of our intention to enter into an agreement for the sale of my shares in Morgrove to Robert. Attached hereto and marked as **Exhibit “D”** is a true copy of this letter from Mr. Benedict to Robert, dated January 20, 2020. Unfortunately, despite Mr. Benedict’s efforts, Robert continued to evade these efforts and remained uncooperative.
35. In or around February 2019, I was referred to and retained Ross & McBride to assist further

with this matter. My lawyer at Ross & McBride LLP, Paul Pop, contacted Robert in the hopes of initiating negotiations. A Letter of Intent, dated February 24, 2020, was sent to Robert, outlining an agreement to sell 100% of the issued and outstanding shares of Morgrove held by me to Robert for a purchase price of \$2,700,000. Attached hereto and marked as **Exhibit “E”** is a true copy of this Letter of Intent from Paul Pop to Robert, dated February 24, 2020.

36. On or about April 8, 2020, Robert’s lawyer, Edward Vance of Waterous Holden Amey Hitchon LLP, advised that Robert was in the process of obtaining an independent accountant review of the documents Ross & McBride LLP provided (with respect to valuation of my shares) and financial statements of Morgrove. He further noted that there was some delay in obtaining an accountant review due to Covid-19 and that Robert was seeking to obtain an independent review or appraisal from a different accounting firm. Attached hereto and marked as **Exhibit “F”** is a true copy of this letter.
37. Having received nothing further, this matter was referred to litigation lawyers at Ross & McBride LLP, who followed up with further requests for a valuation and Robert’s purchase of my shares of Morgrove.
38. On or about June 8, 2020, my lawyer, Shene Harris, wrote to Robert’s lawyer at that time, Edward Vance, noting that this matter was referred to the litigation department of Ross & McBride LLP for handling. Ms. Harris notes that, while there may be some delays due to Covid-19, the matter was at this time outstanding for 8 months. Ms. Harris further notes that “[t]here was an understanding and representations that [I] would obtain [my] equity out of the Corporation” and that I relied upon this understanding and representations in moving forward with respect to the Eastern Ontario Farm offer. Ms. Harris further notes that I had made numerous attempts to settle this matter and receive my portion of the equity in Morgrove, to no avail. Attached hereto and marked as **Exhibit “G”** is a true copy of this letter.
39. The June 8, 2020 letter further requests confirmation that Robert took steps to obtain an appraisal and a copy of said appraisal, information and records pertaining to Stephen’s expenses and wages with Morgrove.

40. In addition to the above, Ms. Harris notes that Robert also failed to submit receipts for reimbursement within a timely manner for well work completed by Morgrove. The costs of the work was incurred by Morgrove as a result of work commenced by a neighbouring farm, for which Morgrove should have been reimbursed.
41. To clarify with respect to this issue regarding the neighbouring well, in July 2019, the neighbouring farm, North 48, drilled wells which resulted in various environmental issues for which the Ministry of Environment became involved. North 48 was ordered to pay for all costs for damages and issues to Morgrove's property as a result of said work. Robert, on behalf of Morgrove, was supposed to send its costs totaling approximately \$60,000 to North 48 for repayment. For reasons entirely unknown, Robert simply failed to do so until several months later until late December 2019. As a result of this delay, the costs of these repairs to the well were carried by Morgrove and carried over into the corporation's subsequent financial year, which caused a number of issues with the corporation's bank, Scotiabank.
42. My knowledge of this issue is somewhat limited as Robert was (and is) responsible for the corporation's finances. To my knowledge, Morgrove was never reimbursed for this large expense.
43. Accordingly, Ms. Harris notes in the June 8, 2020 letter, that this issue regarding the neighbouring well negatively impacted Morgrove's financial status in 2020. Ms. Harris further notes that Robert's conduct was both inappropriate and oppressive.
44. Since February 2019, Robert has not provided any information that I have asked for pertaining to either the sale of Morgrove, or his purchase of my shares. He has also failed to provide any records pertaining to his son Stephen's employment with Morgrove and his expenses.
45. To date, Robert advised on several occasions that he was obtaining and/or awaiting on an appraisal and/or valuation of Morgrove. He has continued to claim this as the basis for ongoing delays in this matter. However, to date, he has failed to provide any such appraisal or valuation of Morgrove. Furthermore, to date, many of the requests for records and

information remain unanswered.

46. I have made numerous attempts to resolve this matter with Robert, both personally and through my legal counsel, to no avail. I have not been involved with Morgrove for several months (almost two years), as it is clear that Robert and I are unable to maintain a working relationship with respect to Morgrove.

OPPRESSIVE CONDUCT

47. Robert's actions with respect to Morgrove have been oppressive, including his improper use of Morgrove's funds to pay unearned and excessive wages to his son, Stephen, as discussed above, for which he has refused and continuously failed to provide me with records.
48. Moreover, I made the offer to purchase the Eastern Ontario Farm based on my agreement with Robert that he would purchase my shares of Morgrove. Since our offer to purchase the Eastern Ontario Farm was accepted, we have had to extend the closing date four times. I have made numerous efforts to assist Robert with the valuation of the shares and financing options, to no avail. Robert has continued to delay this matter, while I have been left in the dark with respect to the status and management of Morgrove.
49. As a result, my wife and I have incurred significant damages as a result of the vendor take back mortgage which was used to purchase the Eastern Ontario Farm; the Vendor of the property was required to switch to another bank in order to allow us to proceed with the transaction. In an effort to proceed with the transaction, my wife and I agreed to pay for the Vendor's costs associated with same (being approximately \$2,500 per month).
50. In addition to the above, Robert's mismanagement of the business has caused Morgrove to suffer financial issues. In particular, the issue with the neighbouring farm and the well work as discussed above. Again, I have limited information regarding this as it was Robert's responsibility to handle this matter. However, it is my understanding that Scotiabank also put up red flags on Morgrove's account as a result of Robert's failure to submit information and receipts in a timely manner.

51. As a result of Robert's failure to submit information and receipts to the neighbouring farm, Morgrove was unable to pay for various necessary expenses required related to the business.
52. Morgrove suffered a significant loss of income as a result of Robert's mismanagement in this regard.

CURRENT STATUS

53. As at the date of swearing this Affidavit, Robert has still failed to provide me with complete records and information as requested.
54. Furthermore, with respect to the Eastern Ontario Farm, we were able to close the sale by putting the property my solely my wife's name and by obtaining the vendor take back mortgage. We obtained the deposit for the purchase from my wife's father.
55. I am unable to own a milk quota on two farms. Due to my involvement with Morgrove and Robert's ongoing failure and/or refusal to purchase my shares or wind up the business, we are unable to put the Eastern Ontario Farm in my name as well. Furthermore, I have suffered business losses as I am unable to expand and run the new farm business to its full capacity with limited funds, as my funds tied up in Morgrove.
56. I swear this Affidavit in good faith and for no improper purpose.

Virtually sworn before me,
 in accordance with the *Commissioners*
for Taking Affidavits Act, O. Reg. 431/20
 with the trustee at the Village of
 Spencerville, and the commissioner
 at the City of Hamilton,
 in the Province of Ontario,
 this 4th day of August, 2021



 A Commissioner, etc.



 Mark Morbrook

This is Exhibit "A" referred to in
the Affidavit of Mark Morbrook
virtually sworn before me herein
this 4th day of August, 2021.

A handwritten signature in cursive script, appearing to read "J. Harris".

A Commissioner for taking Affidavits, etc.

This is **Exhibit "B"** referred to in
the Affidavit of Mark Morbrook
virtually sworn before me herein
this 4th day of August, 2021.

A handwritten signature in black ink, appearing to read "J. Harris". The signature is fluid and cursive, with a large initial "J" and a stylized "H".

A Commissioner for taking Affidavits, etc.

Kelsie L. Edwards

Subject: FW: Morgrove Holsteins Ltd. restructuring

From: Melissa Cluett <mcluett@bng-cpa.ca>
Sent: July 5, 2019 9:20 AM
To: Mark Morbrook <mpmorbrook@hotmail.com>
Subject: RE: Morgrove Holsteins Ltd. restructuring

Hi Mark,

That's perfect. Mike will see you at 10:00am at BNG WOODSTOCK on the 18th.

Just a reminder that we are located at 514 Princess Street, upstairs in the *Abacus House* building.

Have a great day!

Melissa

From: Mark Morbrook <mpmorbrook@hotmail.com>
Sent: July-04-19 9:59 PM
To: Melissa Cluett <mcluett@bng-cpa.ca>
Subject: Re: Morgrove Holsteins Ltd. restructuring

Hi Melissa, 10 am?

From: Melissa Cluett <mcluett@bng-cpa.ca>
Sent: July 4, 2019 9:33 AM
To: Mark Morbrook
Subject: RE: Morgrove Holsteins Ltd. restructuring

Hi Mark,

Unfortunately, that day is booked up now.

Would the morning of the 18th work in Woodstock?

Thanks,
Melissa

From: Mark Morbrook <mpmorbrook@hotmail.com>
Sent: July-04-19 9:31 AM
To: Melissa Cluett <mcluett@bng-cpa.ca>
Subject: Re: Morgrove Holsteins Ltd. restructuring

Hi Melissa, real busy here. Would he have an opening mid-day on the 10th? Tillsonburg is fine as well.

From: Melissa Cluett <mcluett@bng-cpa.ca>
Sent: June 24, 2019 9:12 AM
To: Mark Morbrook
Subject: RE: Morgrove Holsteins Ltd. restructuring

Hi Mark,

Sure, that works.

Mike will be off tomorrow afternoon through to July 10th. Would you like to just touch base then? Or would you like to tentatively book at meeting at 10:00am on Wednesday July 10th? The only thing is, is that it would take place in our Tillsonburg office.

Alternatively, we could look at the morning of Thursday July 18th in Woodstock in the morning.

Let me know. Thanks,
Melissa

From: Mark Morbrook <mpmorbrook@hotmail.com>
Sent: June-21-19 9:10 PM
To: Melissa Cluett <mcluett@bng-cpa.ca>
Subject: Re: Morgrove Holsteins Ltd. restructuring

Hi Melissa, we are still trying to get stuff in the ground, can we just float times passed eachother? Monday is a scratch, hoping a time can open up soon...planting window horrible.

Thanks Mark

From: Melissa Cluett <mcluett@bng-cpa.ca>
Sent: June 20, 2019 9:11 AM
To: Mark Morbrook
Subject: RE: Morgrove Holsteins Ltd. restructuring

Good morning Mark,

Thanks for letting me know. Would you like to reschedule for Monday afternoon @ 3:30pm?

Thanks,
Melissa

From: Mark Morbrook <mpmorbrook@hotmail.com>
Sent: June-19-19 5:53 PM
To: Melissa Cluett <mcluett@bng-cpa.ca>
Subject: Re: Morgrove Holsteins Ltd. restructuring

Hi Melissa!

I regret that I won't be able to make it to tomorrow's meeting. It's sunny and we plan to work very late tonight and hopefully into tomorrow if the rain holds off. Sorry for the last minute cancelation. Hopefully we can reschedule for a later date.

Thanks!

Mark

From: Melissa Cluett <mcluett@bng-cpa.ca>

Sent: June 16, 2019 12:37 PM

To: Mark Morbrook

Subject: RE: Morgrove Holsteins Ltd. restructuring

Good afternoon Mark,

That sounds great. I will let Mike know to expect you, barring any weather situation.

Our Woodstock office is located at 514 Princess Street in the Abacus House building. Once you enter the front doors, go right up the stairs to the second floor.

Please let me know if you would like me to send you directions.

Best regards,

Melissa

From: Mark Morbrook <mpmorbrook@hotmail.com>

Sent: June-13-19 9:04 PM

To: Melissa Cluett <mcluett@bng-cpa.ca>

Subject: Re: Morgrove Holsteins Ltd. restructuring

Good evening Melissa,

I would like to say Thursday at 8:30 could work..fighting with rain currently not in win column. Looking at long range it could work.

Will let you know if anything changes, thank you

Mark

From: Melissa Cluett <mcluett@bng-cpa.ca>

Sent: June 12, 2019 11:50 AM

To: mpmorbrook@hotmail.com

Subject: RE: Morgrove Holsteins Ltd. restructuring

Good morning Mark,

How would Thursday June 20th suit you? Mike has 8:30am or 10:30am open that day, and this meeting would take place in our Woodstock office.

Please let me know at your earliest convenience.

Best regards and thank you,

Melissa Cluett

From: Mike Bossy <MRBossy@bng-cpa.ca>
Sent: June-12-19 10:26 AM
To: mpmorbrook@hotmail.com
Cc: Melissa Cluett <mcluett@bng-cpa.ca>
Subject: FW: Morgrove Holsteins Ltd. restructuring

Good morning Mark:

I am interested in assisting you. My second in command will call you to arrange an appointment in my Woodstock office
 Best regards,

Michael R. Bossy, CPA; CA; CFP®; TEP; CAFA; KCC
*Chief of Exponential Opportunities,
 President, Director of Marketing*
 Kolbe "A" Index 5-5-9-1
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From: Simona Polgar
Sent: Wednesday, June 12, 2019 9:27 AM
To: Mike Bossy <MRBossy@bng-cpa.ca>
Subject: FW: Morgrove Holsteins Ltd. restructuring



Simona Polgar, CPM
Manager, IT and HR Administration
Toll Free 1-888-522-2231

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From: Mark Morbrook [<mailto:mpmorbrook@hotmail.com>]

Sent: June 12, 2019 8:53 AM

To: info <info@bng-cpa.ca>

Subject: Morgrove Holsteins Ltd. restructuring

Dear Mr. Michael Bossy,

Good morning! We own and operate a dairy farm just east of Brantford with my brother but we have reached a point where we would like to break down the farm and go our separate ways. My wife and I would like to be able to keep some quota and farm elsewhere, if at all possible, but we need assistance with the whole process. We were given your name by Lynden Stuart and are wondering if you would be able to help us through these steps. If this is something that you would be interested in, please reply to this email: mpmorbrook@hotmail.com and we can provide you with further information.

Looking forward to hearing from you.

Sincerely,

Mark Morbrook

Morgrove Holsteins Ltd.

This is **Exhibit "C"** referred to in
the Affidavit of Mark Morbrook
virtually sworn before me herein
this 4th day of August, 2021

A handwritten signature in black ink, appearing to read "J. Harris", is positioned above a horizontal line.

A Commissioner for taking Affidavits, etc.

Agreement of Purchase and Sale Commercial

Form 500

for use in the Province of Ontario

 This Agreement of Purchase and Sale dated this 21 day of October, 2019
BUYER: Mark Morbrook or His Assignee, agrees to purchase from
(Full legal names of all Buyers)
SELLER: Richard James Schutten, the following
(Full legal names of all Sellers)
REAL PROPERTY:

 Address 1221 County Rd 21, Spencerville, ON

 fronting on the South side of County Rd 21

 in the Municipality of Eldersburg Cardinal

and having a frontage of more or less by a depth of more or less

 and legally described as Sec Schedule 'A'. Being 160 acres more or less.
(Legal description of land including easements not described elsewhere)
PURCHASE PRICE:

 Dollars (CDN\$) \$4,100,000
Four Million One Hundred Thousand Dollars

DEPOSIT: Buyer submits Upon acceptance
(Herewith/Upon Acceptance/as otherwise described in this Agreement)
Five Thousand Dollars (CDN\$) 5,000.00

 by negotiable cheque payable to... Culligan Real Estate Limited Brokerage in Trust "Deposit Holder"
 to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A - 6 pages, "B" - 1 page and "C" - 1 page attached hereto form(s) part of this Agreement.

1. IRREVOCABILITY: This offer shall be irrevocable by Buyer until 6 p.m. on
(Seller/Buyer)
 the 25th day of October, 2019, after which time, if not accepted, this offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

2. COMPLETION DATE: This Agreement shall be completed by no later than 6:00 p.m. on the 15 day of January, 2020.
 Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

INITIALS OF BUYER(S):

MM

INITIALS OF SELLER(S):

RS

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- 3. NOTICES:** The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. **Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.** Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.: 613-345-4773
(For delivery of Documents to Seller)

FAX No.:
(For delivery of Documents to Buyer)

Email Address: allan@culliganrealty.com
(For delivery of Documents to Seller)

Email Address: mpmorbrook@hotmail.com
(For delivery of Documents to Buyer)

- 4. CHATTELS INCLUDED:** any built in dishwashers and all window coverings ~~AND ALL APPLIANCES~~ 
see Schedule A clause 10 and Schedule B 

Unless otherwise stated in this Agreement or any Schedule hereto, Seller agrees to convey all fixtures and chattels included in the Purchase Price free from all liens, encumbrances or claims affecting the said fixtures and chattels.

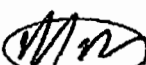
- 5. FIXTURES EXCLUDED:** none

- 6. RENTAL ITEMS (Including Lease, Lease to Own):** The following equipment is rented and not included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable:

Seller shall provide a list of any rental items upon acceptance.

The Buyer agrees to co-operate and execute such documentation as may be required to facilitate such assumption.

- 7. HST:** If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price. The Seller will not collect HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Seller in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. If the sale of the property is not subject to HST, Seller agrees to certify on or before closing, that the transaction is not subject to HST. Any HST on chattels, if applicable, is not included in the Purchase Price.

INITIALS OF BUYER(S): 

INITIALS OF SELLER(S): 

8. **TITLE SEARCH:** Buyer shall be allowed until 6:00 p.m. on the 8 day of January, 2020 (Requisition Date) to examine the title to the property at his own expense and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy himself that there are no outstanding work orders or deficiency notices affecting the property, that its present use (Agricultural) may be lawfully continued and that the principal building may be insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.
9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.
10. **TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telecommunication services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telecommunication lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire (Title Insurance) in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.
11. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Ontario. Unless otherwise agreed to by the lawyers, such exchange of Requisite Deliveries shall occur by the delivery of the Requisite Deliveries of each party to the office of the lawyer for the other party or such other location agreeable to both lawyers.
12. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.
13. **INSPECTION:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this offer there shall be a binding agreement of purchase and sale between Buyer and Seller.
14. **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

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- 15. PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.
- 16. DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O.1990.
- 17. RESIDENCY:** (a) Subject to (b) below, the Seller represents and warrants that the Seller is not and on completion will not be a non-resident under the non-residency provisions of the Income Tax Act which representation and warranty shall survive and not merge upon the completion of this transaction and the Seller shall deliver to the Buyer a statutory declaration that Seller is not then a non-resident of Canada;
(b) provided that if the Seller is a non-resident under the non-residency provisions of the Income Tax Act, the Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate.
- 18. ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.
- 19. TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
- 20. PROPERTY ASSESSMENT:** The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage, Broker or Salesperson, for any changes in property tax as a result of a re-assessment of the property, save and except any property taxes that accrued prior to the completion of this transaction.
- 21. TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money shall be tendered with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.
- 22. FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O.1990 unless the spouse of the Seller has executed the consent hereinafter provided.
- 23. UFI:** Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.
- 24. LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.
- 25. CONSUMER REPORTS:** The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.
- 26. AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.
- 27. TIME AND DATE:** Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S):

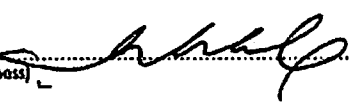
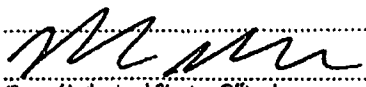
INITIALS OF SELLER(S):



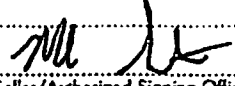
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28. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.
SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

(Witness)  (Buyer/Authorized Signing Officer)  (Seal) (Date) Oct 21 2019
(Witness) (Buyer/Authorized Signing Officer) (Seal) (Date)

I, the Undersigned Seller, agree to the above offer. I hereby irrevocably instruct my lawyer to pay directly to the brokerage(s) with whom I have agreed to pay commission, the unpaid balance of the commission together with applicable Harmonized Sales Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the brokerage(s) to my lawyer.
SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

(Witness)  (Seller/Authorized Signing Officer)  (Seal) (Date) Oct 24/2019
(Witness) (Seller/Authorized Signing Officer) (Seal) (Date)

SPOUSAL CONSENT: The undersigned spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O. 1990, and hereby agrees to execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

(Witness) (Spouse) (Seal) (Date)
CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at a.m./p.m. this 24th day of OCTOBER, 2019
(a.m./p.m.)

(Signature of Seller or Buyer)

INFORMATION ON BROKERAGE(S)	
Listing Brokerage <u>CULLIGAN REAL ESTATE LIMITED</u>	(613) 345-3125 (Tel. No.)
<u>ALLAN EARLE</u> (Salesperson/Broker/Broker of Record Name)	
Co-op/Buyer Brokerage	(Tel. No.)
(Salesperson/Broker/Broker of Record Name)	

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

(Seller) (Date)
(Seller) (Date)
Address for Service
Seller's Lawyer PAUL JANSSEN (Tel. No.)
Address 215 VAN BUREN ST Kemptville
Email paule.janssen@law.com
(Tel. No.) 613-258-7462 (Fax No.) 613-258-7761

(Buyer) (Date)
(Buyer) (Date)
Address for Service
Buyer's Lawyer
Address
Email
(Tel. No.) (Fax No.)

FOR OFFICE USE ONLY

COMMISSION TRUST AGREEMENT

To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale:

In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all monies received or receivable by me in connection with the Transaction as contemplated in the MLS® Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS® Rules and shall be subject to and governed by the MLS® Rules pertaining to Commission Trust.

DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale.

Acknowledged by:

(Authorized to bind the Co-operating Brokerage)

N/A
(Authorized to bind the Co-operating Brokerage)

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Schedule A

Agreement of Purchase and Sale – Commercial

Form 500

for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER: Mark Morbrook or His Assignee and

SELLER: Richard James Schutten

 for the purchase and sale of 1221 County Rd 21, Spencerville, ON. Ewardsburg Cardinal

 dated the 21 day of October 2019
 Buyer agrees to pay the balance as follows:

LEGAL DESCRIPTION:

For the purpose of this Agreement this farm is included in this transaction and known as Farm # 1.

Farm # 1: PIN 681430085. Being 160 acres more or less.

PT LT 11-12 CON 6 EDWARDSBURGH AS IN PR124990; S/T EG14756, EG14757; EDWARDSBURGH/CARDINAL.

The following 2 legal descriptions will be optioned to the Buyer and be known in this Agreement as Farm # 2 and Farm # 3.

Farm # 2: PIN 681420461. Being 137.8 acres more or less.

PT LT 13-14 CON 6 EDWARDSBURGH AS IN PR66209, SAVE AND EXCEPT PARTS 1 & 2 ON PLAN 15R-11779; S/T EG14766; EDWARDSBURGH/CARDINAL.

Farm # 3: PIN 681430054. Being 104 acres more or less.

S 1/2 LT 12 CON 7 EDWARDSBURGH; EDWARDSBURGH/CARDINAL.

The Buyer agrees to pay the balance of the purchase price, subject to adjustments, to the Seller on completion of this transaction, with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.

1. The Buyer has received a copy of Geowarehouse documentation showing this farm to be 160 total acres more or less and satellite measurements estimating the tillable acres to be 115 acres before signing this offer.

2. The Parties to this Agreement acknowledge that the Real Estate Broker(s) so named in this Agreement has recommended that the Parties may obtain independent professional advice such as but not limited to; lawyers, home inspectors, surveyors, accountants, insurance agents or brokers, mortgage consultants, land use planners, environmental consultants, water, well and septic consultants, prior to signing this document. The Parties further acknowledge that no information provided by such Real Estate Broker(s) is to be construed as legal, tax or environmental advice.

3. This offer is conditional by the Buyer under the following terms:

(a) The Buyer completing his due diligence and arranging suitable financing for the above described property and being satisfied at his sole and absolute discretion.

(b) The Buyer's lawyer reviewing this Purchase and Sale Agreement and finding it satisfactory in the Buyer's Lawyer's sole and absolute discretion.

(c) The Buyer completing a full inspection of the property and equipment and accepting both in their present state. The Seller will provide access for this inspection with proper notice.

Unless the Buyer gives notice delivered to the Seller in writing by no later than 6pm on the 29th day of November, 2019, that these conditions have been fulfilled, this offer shall be null and void and the deposit returned to the Buyer in full.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

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Schedule A

Agreement of Purchase and Sale – Commercial

Form 500

for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER: Mark Morbrook or His Assignee

and

SELLER: Richard James Schutten

for the purchase and sale of 1221 County Rd 21, Spencerville, ON.

Ewardsburg Cardinal

dated the 21 day of October, 2019

4. The Buyer agrees to pay a further sum of ONE HUNDRED THOUSAND DOLLARS [\$100,000.00], to Culligan Real Estate Ltd., by negotiable cheque, at the time of notification of fulfillment or removal of all conditions, as an additional deposit to be held in trust pending the completion or other termination of this agreement. This amount is to be credited towards the purchase price on completion of this transaction.

5. Included in the Purchase Price will be 72.16 kg of Dairy Quota, as issued by the Dairy Farmers of Ontario (DFO) at the time of closing. It is understood that the actual transfer of the Quota cannot occur until after the closing of the transaction. The Seller shall deliver all documents required by the DFO to the Buyer on or before closing, to complete the transfer of the Quota. This term shall survive closing. Any transfer fee will be paid by the Seller.

6. This offer is conditional upon the Dairy Farmers of Ontario (DFO) giving tentative approval to transfer 72.16 kgs of Dairy Quota Licence No 569712 owned by Danyowen Farm c/o Richard Schutten (the Seller) to the Buyer, prior to closing. Seller and Buyer accept any increases or decreases in the amount of Quota due to DFO policies, which will not affect quota prices. Seller and Buyer agree to cooperate fully to submit the transfer application including signing of all necessary documents no later than 1 month before closing. Failure of the Board to approve this transfer leaves this offer null and void and the deposit will be returned to the Buyer in full without penalty or interest. Any changes to the number of kg of Quota transferred will be adjusted at \$24,000/kg. The Seller acknowledges that a DFO field representative will inspect the farm prior to completion, and further the Seller will comply with all regulations & policies (including regulation 761 of the Milk Act) of the DFO and make the recommended updates, if any, at the Sellers cost prior to completion. The premises shall be 100% Grade A approved on closing.

7. Both parties agree that the milk sales shall be adjusted, if required, as of the effective date on which the transaction is completed. All milk proceeds paid to or received by a party are acknowledged to be the property of the other party, and shall be held on behalf of and in trust by such party for the other party to whom the payments belong, and shall be delivered over to such party forthwith upon determination of such amount. In addition, it is agreed that each party shall be responsible for their own over-production in respect of quota adjusted effective the effective date.

8. It is understood and agreed by both parties that under and over all credits will be adjusted for all the time of completion of this transaction at SEVEN DOLLARS (\$7.00) per KG.

9. Seller and Buyer agree that the revenue of milk produced on the day of closing will be credited to the Seller for the a.m. milking and to the Buyer for the p.m. milking.

This form must be initiated by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

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Schedule A

Agreement of Purchase and Sale – Commercial

Form 500

for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER: Mark Morbrook or His Assignee, and

SELLER: Richard James Schutten

for the purchase and sale of 1221 County Rd 21, Spencerville, ON, Edwardsburg Cardinal

dated the 21 day of October, 2019

10. Included in the Purchase Price will be:

- (a) The quota described in this Schedule "A"
- (b) The real estate legally described in this Schedule "A".
- (c) 130 head of purebred Holstein cattle as per clause #11
- (d) The machinery and all stationary equipment described in Schedule "B".

11. It is understood and agreed by the Seller and the Buyer that included in the Purchase Price will be 130 purebred Holsteins, with a minimum of 70 mature cattle (in lactation and dry) included in the sale. The Buyer will have the right to have the cattle inspected by a veterinarian at the Buyer's own expense at a mutual agreed time between Buyer and Seller. Any change in the numeration of cattle will be adjusted for on completion as follows; \$2,000/ Dairy Cow, \$1,200/Heifer, & \$600/ Calf [0 to 6 months]. The Seller will provide the Buyer within 14 days of acceptance a list identifying the cattle that may be in this transaction. The Seller will not sell any females after acceptance normal culling practices to stay within quota excepted. Buyer will choose 130 head out of approximately 140 head prior to completion.

12. The Seller agrees to provide, without numeration, training to the Buyer in orientation on the operation of the farm for a period of one week up to 40 hours prior to closing and to provide assistance and advice with trouble shooting for a period of 3 months after closing.

13. It is understood and agreed that all barn hardware related to this dairy operation, present at the time of showing, whether fixed or as a chattel shall be included in the Purchase price, such as, but not limited to; bulk milk tank, conveyor belts (stationary and mobile), all feed bins, all penning and gates, calve pens, calve hutches, buckets, calf bottles, pitch forks, ventilation equipment, freezers and fridges in the barn, fans. The Seller agrees to repair and maintain all of the above in good working order up to and including the completion date. The Buyer agrees to accept title to all of the above in an "as is" condition on completion date. All personal hand tools not associated with the day to day operation of this dairy will remain the property of the Seller.

14. The Seller covenants and agrees to make it's reasonable best effort to operate the farm in usual workmanlike manner. Such as but not limited to; maintaining standards of milking, breeding, feeding, vaccination and herd health as well as maintaining buildings, farm and barn equipment, and administering the best acceptable practice of animal husbandry and good crop management.

15. Seller agrees to provide the Buyer with all drawings, blueprints, plans, documents, sketches, tile maps, etc. regarding land, buildings and related items and to further supply all contracts, manuals and any other documentation regarding equipment on the farm, and in the Seller's possession, to the Buyer on or before closing.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

Schedule A

Agreement of Purchase and Sale – Commercial

Form 500

for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER: Mark Morbrook or His Assignee, and

SELLER: Richard James Schutten

 for the purchase and sale of 1221 County Rd 21, Spencerville, ON Ewardsburg Cardinal

 dated the 21 day of October, 2019

16. The Seller warrants that the septic system for the house is operating properly and shall be operative at closing.

17. The Seller agrees to supply to the Buyer, prior to the last date set for examining title, a current Bacteriological Analysis of Drinking Water (for any and all wells that supplies the property) from the local health authority having jurisdiction over the area, with a rating indicating that there is no significant evidence of bacterial contamination a minimum of 10 days before completion.

18. The Seller represents and warrants to the best of the Seller's knowledge and belief that during the period of his ownership of the property, that all environmental laws and regulations have been complied with, no hazardous conditions or substances exist on the land, no limitations or restrictions affecting the continued use of the property exist, other than those specifically provided for herein, no pending litigation respecting Environmental matters, no outstanding Ministry of Environment Orders, investigations, charges or prosecutions regarding Environmental matters exist, there has been no prior use as a waste disposal site, and all applicable licences are in force. The Seller agrees to provide to the Buyer upon request, all documents, records, and reports relating to environmental matters that are in the possession of the Seller. Furthermore the Sellers agree that as a part of the transaction they will agree to fill out an Environmental Questionnaire by Financial Institution, supplying mortgage funding to the Buyer.

19. The Seller agrees to discharge all existing liens or any other encumbrances against the real and personal property at his own expense, subject to clause 10 herein, and to pay out any municipal township or other title loans which may exist against the property on or before closing date.

20. The Buyer shall have the right to re-inspect the property prior to completion for the purpose of inspection for (e.g., financing, insurance, estimates, from contractors etc) at a mutually agreed upon time. The Seller agrees to provide access to the property for the purpose of the inspections.

21. The Seller warrants that 45 acres are tile drained @ 60 foot centres, 10 acres @ 50 foot centres and the rest of the tillable acres are randomly tile drained. The land being renovated by the Seller will be tiled at 50 foot centres.

22. It is agreed and understood by the Buyer and Seller that:

(a) The Buyer is purchasing 160 acres more or less with 150 acres to be tillable. As some of this acreage is being renovated by the Seller, the Buyer will have use of all tillable acreage on Farm #2 until such time that the Seller has completely renovated and tile drained the land (at his sole expense) on the main farm with the final tillable acreage to be a minimum of 150 acres. There will be no cost to the Buyer for the use of this land during this "crop year to crop year" term.

(b) The Buyer will lease all tillable land on Farm #3 from the Seller for a period of 5 years @ \$150 per acre beginning in the spring of 2020. Present GPS measurement shows 67 acres tillable. Should the Seller renovate additional acreage during this term, the additional acreage will become part of the lease once fully renovated and tile drained. This lease will expire at the end of the 2024 crop year.

This form must be initiated by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

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Schedule A

Agreement of Purchase and Sale - Commercial

Form 500

for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER: Mark Morbrook or His Assignee and

SELLER: Richard James Schutten

for the purchase and sale of 1221 County Rd 21, Spencerville, ON Edwardsburg Cardinal

..... dated the 21 day of October 2019

22 (c) The Buyer will lease the land on Farm #2 under the same terms and conditions as stated above once the Seller has completed all renovations on the main Farm. Cropland consulting will provide GPS measurements of the tillable acreage on Farm #2 at that time.

(d) 50% of all rent will be due and payable on May 1st of each crop year and 50% will be due and payable on December 1st of each year.

(e) Should the Seller wish to offer either or both of Farms #2 and #3 for sale at the end of any lease term, the Buyer will have the option to purchase these properties at fair market value. The Seller, will after consultation with area farm realtors, set the fair market value and give written notice to the Buyer. The Buyer will have 45 days after receiving said notice to enter into a binding agreement to purchase one or both of these farms. Should the Buyer not exercise his option to purchase within the time limit, the Seller may offer these properties for sale and upon receiving an acceptable offer from a third party will give the Buyer written notice of the offer and the Buyer will have 7 days to match price and all terms of the acceptable offer failing which the Seller may proceed with his sale to the third party.

(f) Should the Seller not wish to sell either of these properties at the end of 5 years, the Buyer will have the option to renew the lease for an additional 5 years under the same terms

(g) The Sellers lawyer will draft this lease agreement including the options to purchase to be signed by both parties on completion. (h) The Buyer will have the option to amend this agreement of purchase and sale up to 10 days prior to the completion date to include any or all machinery listed in Schedule 'C' at the prices listed in this Schedule

(i) The Buyer and Seller will amend the purchase price in this agreement a minimum 10 days prior to the completion date to add the feed inventory value as follows: Corn Silage @ \$30/tonne (approx 600 tonnes); Haylage @ \$55/tonne (approx 500 tonnes); Grain Corn @ \$190/tonne (approx 175 tonne) 3' x3' x7' straw bales @ \$25 each (approx 150). Buyer and Seller will verify inventory at that time.

(j) The Seller will have the shared use of the machinery storage building to store his machinery until May 1, 2020.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

MM

INITIALS OF SELLER(S):

RS

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This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER: Mark Morbrook or His Assignee, and

SELLER: Richard James Schutten

for the purchase and sale of 1221 County Rd 21, Spencerville, ON. Ewardsburg Cardinal

dated the 21 day of October, 2019

Machinery and Equipment included:

NH T6020 4x4 90 HP tractor with loader and attachments
Trioliet TMR Mixer Solomix 1200VLH-C
Case IH JX1100U 4x4 tractor
New Holland L220 Skid Steer with attachments
Jaylor Mini Mixer model A50
Baumalight portable PTO Generator QC45
Arctic Cat 4 wheeler

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

MM

INITIALS OF SELLER(S):

RS



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Schedule A

Agreement of Purchase and Sale – Commercial

Form 500

for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER: Mark Morbrook or His Assignee , and

SELLER: Richard James Schutten

for the purchase and sale of 1221 County Rd 21, Spencerville, ON Edwardsburg Cardinal

..... dated the 21 day of October , 2019

23. The Seller and the Buyer shall agree to a realistic allocation of values prior to the date of closing. In the event that no mutual agreement can be reached within the stated time, this shall in no way impede with closing.

Allocation of Values:

Quota: 72.16 kgs @ \$24,000 - \$1,731,360

House and 1 acre -

Machinery -

Cattle -

Land -

Buildings, Barn Equipment, Bins -

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

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Confirmation of Co-operation and Representation

BUYER: Mark Morbrook or His Assignee
SELLER: Richard James Schutten

 For the transaction on the property known as: 1221 County Rd 21, Spencerville, ON Ewardsburg Cardinal
DEFINITIONS AND INTERPRETATIONS: For the purposes of this Confirmation of Co-operation and Representation:

"Seller" includes a vendor, a landlord, lessor, or a prospective, seller, vendor, landlord or lessor and "Buyer" includes a purchaser, a tenant, lessee or a prospective, buyer, purchaser, tenant or lessee and "sale" includes a lease, and "Agreement of Purchase and Sale" includes an Agreement to Lease. Commission shall be deemed to include other remuneration.

The following information is confirmed by the undersigned salesperson/broker representatives of the Brokerage(s). If a Co-operating Brokerage is involved in the transaction, the brokerages agree to co-operate, in consideration of, and on the terms and conditions as set out below.

DECLARATION OF INSURANCE: The undersigned salesperson/broker representative(s) of the Brokerage(s) hereby declare that he/she is insured as required by the Real Estate and Business Brokers Act, 2002, (REBBA).

1. LISTING BROKERAGE

a) ☒ The Listing Brokerage represents the interests of the Seller in this transaction. It is further understood and agreed that:

- 1) ☐ The Listing Brokerage is not representing or providing Customer Service to the Buyer.
(If the Buyer is working with a Co-operating Brokerage, Section 3 is to be completed by Co-operating Brokerage)
- 2) ☒ The Listing Brokerage is providing Customer Service to the Buyer.

b) ☐ **MULTIPLE REPRESENTATION:** The Listing Brokerage has entered into a Buyer Representation Agreement with the Buyer and represents the interests of the Seller and the Buyer, with their consent, for this transaction. The Listing Brokerage must be impartial and equally protect the interests of the Seller and the Buyer in this transaction. The Listing Brokerage has a duty of full disclosure to both the Seller and the Buyer, including a requirement to disclose all factual information about the property known to the Listing Brokerage. However, the Listing Brokerage shall not disclose:

- That the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
- That the Buyer may or will pay more than the offered price, unless otherwise instructed in writing by the Buyer;
- The motivation of or personal information about the Seller or Buyer, unless otherwise instructed in writing by the party to which the information applies, or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
- The price the Buyer should offer or the price the Seller should accept;
- And; the Listing Brokerage shall not disclose to the Buyer the terms of any other offer.

However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the property will be disclosed to both Seller and Buyer to assist them to come to their own conclusions.

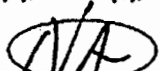
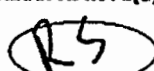
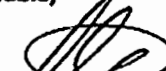
Additional comments and/or disclosures by Listing Brokerage: (e.g. The Listing Brokerage represents more than one Buyer offering on this property.)

2. PROPERTY SOLD BY BUYER BROKERAGE – PROPERTY NOT LISTED

- ☐ The Brokerage represent the Buyer and the property is not listed with any real estate brokerage. The Brokerage will be paid
(does/does not)
- ☐ by the Seller in accordance with a Seller Customer Service Agreement
- or: ☐ by the Buyer directly

Additional comments and/or disclosures by Buyer Brokerage: (e.g. The Buyer Brokerage represents more than one Buyer offering on this property.)

INITIALS OF BUYER(S)/SELLER(S)/BROKERAGE REPRESENTATIVE(S) (Where applicable)

BUYER

CO-OPERATING/BUYER BROKERAGE

SELLER

LISTING/BROKERAGE

3. Co-operating Brokerage completes Section 3 and Listing Brokerage completes Section 1.

CO-OPERATING BROKERAGE- REPRESENTATION:

- a) ☐ The Co-operating Brokerage represents the interests of the Buyer in this transaction.
- b) ☐ The Co-operating Brokerage is providing Customer Service to the Buyer in this transaction.
- c) ☐ The Co-operating Brokerage is not representing the Buyer and has not entered into an agreement to provide customer service(s) to the Buyer.

CO-OPERATING BROKERAGE- COMMISSION:

- a) ☐ The Listing Brokerage will pay the Co-operating Brokerage the commission as indicated in the MLS® information for the property
 to be paid from the amount paid by the Seller to the Listing Brokerage.
 [Commission As Indicated In MLS® Information]
- b) ☐ The Co-operating Brokerage will be paid as follows:

Additional comments and/or disclosures by Co-operating Brokerage: (e.g., The Co-operating Brokerage represents more than one Buyer offering on this property.)

Commission will be payable as described above, plus applicable taxes.

COMMISSION TRUST AGREEMENT: If the above Co-operating Brokerage is receiving payment of commission from the Listing Brokerage, then the agreement between Listing Brokerage and Co-operating Brokerage further includes a Commission Trust Agreement, the consideration for which is the Co-operating Brokerage procuring an offer for a trade of the property, acceptable to the Seller. This Commission Trust Agreement shall be subject to and governed by the MLS® rules and regulations pertaining to commission trusts of the Listing Brokerage's local real estate board, if the local board's MLS® rules and regulations so provide. Otherwise, the provisions of the OREA recommended MLS® rules and regulations shall apply to this Commission Trust Agreement. For the purpose of this Commission Trust Agreement, the Commission Trust Amount shall be the amount noted in Section 3 above. The Listing Brokerage hereby declares that all monies received in connection with the trade shall constitute a Commission Trust and shall be held, in trust, for the Co-operating Brokerage under the terms of the applicable MLS® rules and regulations.

SIGNED BY THE BROKER/SALESPERSON REPRESENTATIVE(S) OF THE BROKERAGE(S) (Where applicable)

[Name of Co-operating/Buyer Brokerage] 4856 COUNTY ROAD 6 BROCKVILLE Tel: Fax: (613) 345-4773 [Authorized to bind the Co-operating/Buyer Brokerage] (Date) [Print Name of Salesperson/Broker/Broker of Record]		CULLIGAN REAL ESTATE LIMITED [Name of Listing Brokerage] 4856 COUNTY ROAD 6 BROCKVILLE Tel: (613) 345-3125 Fax: (613) 345-4773 [Authorized to bind the Listing Brokerage] (Date) ALLAN FARLE [Print Name of Salesperson/Broker/Broker of Record]	

CONSENT FOR MULTIPLE REPRESENTATION (To be completed only if the Brokerage represents more than one client for the transaction)

The Buyer/Seller consent with their initials to their Brokerage representing more than one client for this transaction.



BUYER'S INITIALS



SELLER'S INITIALS

ACKNOWLEDGEMENT

I have received, read, and understand the above information.

[Signature of Buyer] [Signature of Buyer]	[Date] Oct 21 2019	[Signature of Seller] [Signature of Seller]	[Date] Oct 24 2019
[Signature of Buyer]	[Date]	[Signature of Seller]	[Date]

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SCHEDULE 'C'

MACHINERY OPTION

RICHARD SCHUTTEN EQUIPMENT EVALUATION

* THIS MACHINERY IS

WEAGANT

INCLUDED AS PER SCHEDULE 'B'

ACE	VT0550-52	TANK	\$600
FIRESTONE	18.4X42	DUAL WHEELS	\$2,000
GEHL	980	FORAGE BOX	\$6,000
GEHL	980	FORAGE BOX	\$6,000
MILLER PRO	5100	FORAGE BOX	\$6,000
HARDI	RG2000	SPRAYER	\$24,000
HORST	DE50BO500	BALE SPEAR SKIDSTEER	\$300
HORST		BALE SPEAR TRACTOR	\$300
HORST		MANURE FORK SKIDSTEER	\$600
HORST	SFR70BO50	STONE FORK	\$1,300
HORST	SP350009	SNOW PUSHER	\$2,500
HORST	SSB60BO500	SAND SLINGER	\$3,700
JBM	CCFW7X24D	FEEDER WAGON	\$3,000
JBM	CP8.5X30	RACK WITH GEAR	\$4,000
KUHN	8210-19W	DISC HARROW	\$32,000
MARKET	14'X6"	FERTILIZER AUGER	\$1,600
MARKET		GRAVITY BOX	\$2,500
NH	166	RAKE INVERTER	\$6,500
NH	195	MANURE SPREADER	\$6,000
NH	FP230 & HEADS	FORAGE HARVE	\$28,000
NH	H7450	HAYBINE D	\$20,000
NH	L220	SKID STEER	\$21,000
NH	T6020 & LOADER	TRACTOR	\$45,000
NH	T7030	TRACTOR	\$60,000
NH	TS135A	TRACTOR	\$45,000
CIH	JX1100U	TRACTOR	\$21,000
TITAN	14.9X46	DUAL WHEEL	\$1,500
TRIOLET	1200VLH-C	TMR	\$30,000
KELLY RYAN	CENTERLINE	BAGGER	\$30,000
HOULE	3200	MANURE TANKER	\$18,000
WHITE	6600	CORN PLANTER	\$13,500
CIH	5100	GRAIN DRILL	\$3,500
BRILLION		PACKER	\$6,000
BAUMALIGHT	QC45	GENERATOR	\$4,500
HOULE	16'	MANURE PUMP	\$4,000
WOODSPLITTER		WOODSPLITTER	\$1,000
KWASAKI		MULE	\$3,500
ARCTIC CAT		4-WHEELER	\$4,000
JAYLOR		MINI MIXER	\$6,000
AGROTREND		DUMP TRAILER	\$1,500
SUNFLOWER		CULTIVATOR	\$12,000
TOTAL			\$508,100.00

MU
Buyer

Seller

RS

This is **Exhibit "D"** referred to in
the Affidavit of Mark Morbrook
virtually sworn before me herein
this 4th day of August, 2021.



A Commissioner for taking Affidavits, etc.

BENEDICT & FERGUSON**BARRISTERS & SOLICITORS**

322 Argyle Street South
Caledonia, Ontario
N3W 1K8

**RALPH W. BENEDICT
DAVID V. FERGUSON**

**TELEPHONE (905) 765-4004
FACSIMILE (905) 765-3001**

January 20, 2020

Mr. Mark Morbrook

Dear Sirs:

RE: MORGROVE HOLSTEINS LTD.

Further to our earlier conversations and documentation, I enclose draft Letter of Intent regarding the proposed sale of your interest in Morgrove Holsteins Ltd. to Robert Morbrook.

Yours very truly,

BENEDICT & FERGUSON

Per:



Ralph W. Benedict

RWB/bw
Encl.

LETTER OF INTENT

January 20, 2020

RE: MORGROVE HOLSTEINS LTD.

This letter of intent will confirm our mutual understanding regarding our intention to complete our current negotiations and to enter into an agreement for sale of all of the shares and interest of Mark Morbrook in Morgrove Holsteins Ltd. to Robert Morbrook

To date, the following terms and conditions have formed the basis of our understanding:

1. The parties should move as expeditiously as possible to determine a current value of the shares of the Corporation.
2. The purchase sale price of the shares of Mark is to be agreed to, which amount will include all amounts owing to Mark for shareholder loans, notes or other items.
3. Upon completion of the transaction, the parties will provide mutual releases to the other.
4. The completion date for the transaction is to be agreed to.
5. The transaction is conditional upon Robert obtaining any financing that may be required for the purchase.

Notwithstanding that this letter of intent contains few of the essential points regarding the proposed purchase and sale, this is not intended to be a legally enforceable agreement. Would you kindly sign the enclosed copy of this letter and return it to us as confirmation of the status of our negotiations. We confirm that a formal and binding contract will be entered into only following completion of negotiations as to all terms.

It has been agreed between us to continue negotiations in good faith and towards the conclusion of the binding agreement as soon as possible. Until such binding agreement is executed and delivered, it has been agreed between us that all parties will proceed to complete the agreement in accordance with its terms.

We hereby agree with the foregoing.

Dated at Brantford this day of January, 2020

WITNESS

Mark Morbrook

Robert Morbrook

This is **Exhibit "E"** referred to in
the Affidavit of Mark Morbrook
virtually sworn before me herein
this 4th day of August, 2021.

A handwritten signature in cursive script, appearing to read "J. H. Davis".

A Commissioner for taking Affidavits, etc.



Ross & McBride LLP

PAUL POP

Direct Dial: 905-667-6406

E-mail: ppop@rossmcbride.com

Delivered via courier

February 24, 2020

Robert Morbrook
194 Salt Springs Church Road
Brantford, ON N3T 5L9

Dear Mr. Morbrook:

Re: Purchase of Mark Morbrook's Shares in Morgrove Holsteins Ltd.

We are solicitors for Mr. Mark Morbrook.

Please find enclosed a Letter of Intent ("LOI") prepared on behalf of our client in respect of the purchase of his shares in Morgrove Holsteins Ltd. (the "Corporation").

As this matter has been ongoing for several months and our client has not received any response from you, our client requires the LOI signed and returned to our client or a response to this letter by no later than **March 10, 2020**, failing which we will seek instructions from our client to commence, without any further notice to you, legal action against you and/or the Corporation to have this matter resolved.

Sincerely,

ROSS & McBRIDE LLP

Per:

Paul Pop
Encls.

Private and Confidential

February 24, 2020

Robert Morbrook
194 Salt Springs Church Road
Brantford, ON N3T 5L9

Dear Mr. Morbrook:

Re: Sale of Mark Morbrook's Shares in Morgrove Holsteins Ltd.

Mark Morbrook (the "Vendor") provides this letter of agreement (the "Agreement") to sell 100% of the issued and outstanding shares of Morgrove Holsteins Ltd. (the "Company") held by the Vendor (the "Vendor's Shares") to Robert Morbrook (the "Purchaser"). The sale of the Vendor's Shares to the Purchaser is hereinafter referred to as the "Proposed Transaction". This Agreement effectively withdraws and supersedes any prior offers or agreements between the parties.

1. Purchase Price

- 1.1 The purchase price to acquire the Vendor's Shares is CAD \$2,700,000.00 plus all amounts owing to the Vendor for shareholder loans, notes or other items (the "Purchase Price").

2. Payment of the Purchase Price

- 2.1 The Purchase Price shall be payable by certified cheque or bank draft to the Vendor or the Vendor's lawyers on such date as is mutually agreed upon by the parties (the "Closing Date").

3. Closing Conditions

- 3.1 Without limiting the generality of the foregoing, the Proposed Transaction shall be conditional upon the satisfaction of the following, which shall include, but are not limited to:
- a. the Proposed Transaction shall be subject to the satisfaction of other customary and usual closing conditions consistent with a transaction of this nature;
 - b. the Vendor and Purchaser shall each provide a mutual release to the other as at the Closing Date; and

- c. the Company shall provide the Vendor a release and indemnity in his capacity as shareholder, officer and director of the Company.

4. Definitive Purchase Agreement

- 4.1 On a date that is twenty (20) days from the execution of this Agreement, or such other date as agreed between the parties, the Purchaser will deliver a definitive agreement of purchase and sale (the "Definitive Purchase Agreement") to the Vendor for review and execution, subject to reasonable revisions to be made by the Vendor and its counsel.
- 4.2 The signed Definitive Purchase Agreement will supersede and replace this Agreement.
- 4.3 The Definitive Purchase Agreement shall contain representations, warranties, covenants, conditions and indemnities customarily associated with and consistent with the Proposed Transaction contemplated by this Agreement.

5. Binding Agreement

- 5.1 Upon execution by the parties hereto, this Agreement shall constitute a binding agreement between the parties subject to the terms and conditions hereof. Should this Agreement become null and void or terminated, the provisions of sections 7 (*Confidentiality*) and 11 (*Governing Law*) shall be deemed (with this sentence) to be binding and enforceable obligations of each of the parties hereto.

6. Costs

- 6.1 Each of the parties agrees to be responsible for and to bear all of their own costs and expenses in connection with the Proposed Transaction and the transaction contemplated by the Definitive Purchase Agreement.

7. Confidentiality

- 7.1 The parties hereto undertake to keep confidential, at all times, the subject matter of this Agreement (the "Confidential Information") and its existence, and to make no public announcement concerning this Agreement, its existence or the existence of discussions about, or regarding the Proposed Transaction without the prior written consent of the other parties hereto, except as may be required by law or by the rules or policies of any securities regulatory authority (including any stock exchange), to the extent necessary. In the event that public announcement of the subject matter of this Agreement is required by law or regulatory authority, the party making such public announcement shall give prior notice thereof to the other parties hereto to enable such other parties the opportunity to provide their comments with respect to such public announcement. Notwithstanding the

foregoing, the parties may share Confidential Information with those Representatives who require access to the Confidential Information for the purpose of assisting them in their evaluation and consummation of the Proposed Transaction and who are informed of the confidential nature of such information.

- 7.2** As used herein, "Representatives" shall mean, in respect of a party, consultants, attorneys, accountants, financial advisors, actual or potential financing sources and equity and other stakeholders. All Representatives receiving Confidential Information pursuant to this section shall first agree to be bound by the same terms of confidentiality as set forth herein.

8. Modification/Amendment

- 8.1** This Agreement may be supplemented, amended, or modified only by the mutual agreement of the parties and shall not be binding unless it is in writing and signed by all parties.

9. Time Is of the Essence

- 9.1** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor and the Purchaser or by their respective lawyers who may be specifically authorized in that regard.

10. Currency

- 10.1** Unless otherwise stated, all monetary references herein are in the lawful currency of Canada.

11. Governing Law

- 11.1** The provisions of this Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights of the parties shall be governed by, the laws of the Province of Ontario and the laws of Canada applicable therein (excluding any conflict of law, rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). Each of the parties hereto irrevocably submits to the non-exclusive jurisdiction of the courts of Ontario with respect to any matter arising hereunder or relating hereto.

12. Entire Agreement

- 12.1** This Agreement shall constitute the entire Agreement between the Purchaser and the Vendor. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as

expressed herein. This Agreement shall be read with all changes of gender or number required by the context.

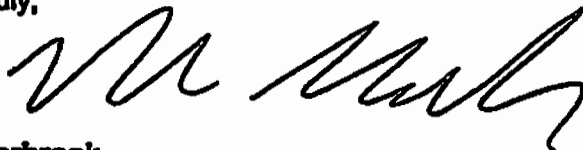
13. Counterparts

13.1 This Agreement may be signed by facsimile or electronic means and in counterpart, and each such counterpart will constitute an original document and such counterparts, taken together, will constitute one and the same instrument. Counterparts may be submitted, and authorizations required hereunder may be granted, by electronic transmission.

I am prepared to discuss all aspects of the foregoing with you or your advisors at your convenience. If the foregoing is acceptable to you, please sign and return a copy of this letter to me, which will thereupon constitute our mutual understanding with respect to the matters contemplated in this letter. If this Agreement is not executed and a signed copy returned to me by 5:00 p.m. (Toronto time) on March 10, 2020, or if this letter or its contents are disclosed to third parties (other than to any advisor to the Company, Vendor or Purchaser), the terms of this letter shall expire and be of no further effect.

I look forward to continuing discussions and working with you in connection with the Proposed Transaction.

Yours truly,

A handwritten signature in black ink, appearing to read 'Mark Morbrook', written in a cursive style.

Mark Morbrook

The undersigned acknowledge that they have received independent legal advice with respect to this Agreement and that they are signing this Agreement willingly and with sufficient understanding after having read it in its entirety. The undersigned confirm, accept, and agree to the terms of this Agreement this _____ day of _____, 2020.

MORGROVE HOLSTEINS LTD.

By: _____
 Name: Robert Morbrook
 Title: President

"I have the authority to bind the corporation"

 Witness

)
)
)
)

 Robert Morbrook

This is **Exhibit "F"** referred to in
the Affidavit of Mark Morbrook
virtually sworn before me herein
this 4th day of August, 2021.

A handwritten signature in black ink, appearing to read "J. Davis". The signature is fluid and cursive, with the first letter of the last name being a large, stylized 'D'.

A Commissioner for taking Affidavits, etc.



WATEROUS HOLDEN AMEY HITCHON LLP
LAWYERS

P.O. Box 1510
20 Wellington Street,
Brantford, ON N3T 5V6
t. (519) 759-6220
f. (519) 759-8360
www.waterousholden.com

April 8, 2020

VIA EMAIL - ppop@rossmcbride.com

Ross & McBride LLP
1 King Street W 10th Floor
Hamilton, ON L8P 1A4

Attention: Paul Pop

Dear Mr. Pop:

RE: Share Purchase from Mark Morbrook of Morgrove Holsteins Ltd. (the
"Corporation")
Our File No. 127422

Further to our telephone conversation of this week I can advise that my client is in the process of having an independent accountant review the documents which your office had provided and financial statements of the Corporation. We have reached out to the Corporation's accountant and the independent accountant, and have been advised that due the COVID-19 pandemic and the employee benefits from the Federal Government that are being provided, they are extremely busy and are working to review our file but are unsure when that will occur.

Further, my client is reviewing the appraisal provided by your office and will be reaching out to a different appraisal company to arrange his own independent appraisal. He notes that when appraisals have been completed previously the appraiser tours the property, my client is does not think that his occur. For example, I am advised that some acerage on Parcel #2 is within the flood plain and should be valued accordingly. My client is in the process of trying to contact and arrange an appraisal but due to the COVID-19 pandemic has been unable to arrange same at this time.

With respect to the Asset Breakdown provided, there is no reference to the overdraft at the bank which is approximately \$400,000.00. The value of cattle has gone down.

As well, my client has been in contact with his bank to discuss a potential purchase, once the share price is agreed to but have been advised that they are not reviewing, considering or approving any non essential loans at this time.

As I am sure your can appreciate with the COVID-19 pandemic, the timelines for everything to happen will take longer, how long, we are unsure. I can advise that my client is taking steps to complete his due diligence. At this time, we can advise that my client would consider making a

Patrick Corless	Deborah Ditchfield *	Sharon Binning	Allan Lovett *	Edward Vance	Clark Holden* Retired	Richard Waterous 1955-2012
James Hitchon *	Brian Finnigan	Steven Portelli *	Heather Hall	Jamie Hitchon	Peter Forbes Retired	Paul Amey* 1974-2017
Peter Quinlan	David Clement	Dennis Touesnard *	Stephanie Hermans	John Morrissey	Lorne Parkhill Retired	
Kevin Davis *	Sondra Gibbons	Andrew Nicholls	Heather Alexander		Timothy Sheldon Retired	

* Professional Corporation

counter proposal once he has received the necessary information from his representatives and confirmed with his bank.

I look forward to hearing from you.

Yours very truly,

WATEROUS HOLDEN AMEY HITCHON LLP

Per:

A handwritten signature in black ink, appearing to read "E. Vance", with a stylized flourish at the end.

Edward W. Vance

EWV/mft

Email: evance@waterousholden.com

Direct: (519) 759-6220 Ex. 386

This is **Exhibit "G"** referred to in
the Affidavit of Mark Morbrook
virtually sworn before me herein
this 4th day of August, 2021.

A handwritten signature in black ink, appearing to read "J. Davis". The signature is fluid and cursive, with a large initial "J" and a stylized "Davis".

A Commissioner for taking Affidavits, etc.



SHENE HARRIS

Direct Dial: (905) 667-6403

e-mail: sharris@rossmcbride.com

June 8, 2020

VIA EMAIL evance@waterousholden.com

Mr. Edward Vance
Waterous Holden Amey Hitchon LLP
20 Wellington Street
P.O. Box 1510
Brantford, ON N3T 5V6

Dear Mr. Vance:

Re: Share Purchase from Mark Morbrook of Morgrove Holsteins Ltd.

We write further to correspondence exchanged between our offices regarding the above-noted matter.

Please be advised that this matter has now become urgent and has been referred to Ross & McBride LLP's litigation department for future handling. Going forward, please direct all communications to the undersigned.

Based on our review of correspondence exchanged, you last advised on April 8, 2020, that your client, Robert Morbrook, was in the process of obtaining an independent accountant review of the documents our office provided, and the financial statements of Morgrove Holsteins Ltd. (hereinafter the "Corporation"). We understand that there was some delay in obtaining said accountant review due to Covid-19, and that your client was seeking to obtain an independent review or appraisal from a different accounting firm.

While we appreciate that there may be some delays due to the Covid-19 pandemic, we note that this matter has now been outstanding for nearly 8 months. There was an understanding and representations that our client would obtain his equity out of the Corporation. Our client relied upon this understanding and representations in moving forward. Your client was made aware of our client's intentions to purchase another farm operation in October 2019. He was further advised that our client made an offer to purchase said farm operation in November 2019, which was conditional on his obtaining financing for the purchase from the sale of his shares in the Corporation. Our client has since made numerous attempts to settle this matter with your client and to receive his portion of the equity in Corporation, to no avail.

The vendors of this farm property being purchased by our client have been exceedingly patient with our client thus far, and have agreed to extend the closing date for several months now to allow our client time to resolve this matter. Both the sellers and our client's supplemental source of financing for the new farm have become (understandably) quite impatient. Our client will suffer irreparable harm should he not be able to close the transaction for the new farm.

Accordingly, we have instructions to commence an Application in the Superior Court of Justice if we are unable to resolve this matter by June 22, 2020.

With the view to avoid the delay and expenses associated with same, we would ask that you confirm that your client has obtained the appraisal or provide us with satisfactory documents to show what steps he has taken to obtain same. This matter needs to be resolved right away and your client cannot continue to delay the matter.

We note that your April 8, 2020, correspondence indicates that the value of cattle has gone down, presumably due to Covid-19. However, it is our client's position that current values (during this time) are not applicable. Firstly, our client has been seeking to sell his shares since the end of 2019. Secondly, these values will surely increase once the pandemic and associated restrictions subside.

It is also our understanding that your client's son was fired from his job in and around September 2018, following which he received employment insurance payments. However, it appears he was simultaneously paid through the Corporation for approximately one year, and was being paid more than triple the wages of any other employee of the Corporation. Our client advises that, during that year in which he was receiving payments through the Corporation, the Corporation's funds were also used for fuel and multiple truck repairs to his truck. Our client has requested copies of receipts, information and records relating to his hours worked, hourly pay rate, and receipts for expenses, none of which have been provided to our client.

Furthermore, we understand that your client has failed to submit receipts for reimbursement within a timely manner for well work completed and costs incurred by the Corporation as a result of work commenced by a neighbouring farm for which the Corporation should have been reimbursed. As a result, the Corporation's financial status was negatively impacted in 2020.

The above conduct by your client is both inappropriate and oppressive to our client. Accordingly, we would ask that your client provide documents relating to his son's employment by the Corporation and financial documents related to same, including documents related to expenses for his vehicle.

We look forward to your prompt response to the above.

Yours very truly,
ROSS & McBRIDE LLP
Per:



Shene Harris
SH/t

AFFIDAVIT
(Sw

ROSS & M
Barristers &
1 King Stre
Hamilton O

SHENE HA
sharris@ro
Tel: (905) 5
Fax: (905) 5

Lawyers for
Mark Morbr

MARK MORBROOK
Applicant

v.

ROBERT MORBROOK et al.
Respondents
Court File No. CV-21-00076292-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at HAMILTON

APPLICATION RECORD

ROSS & McBRIDE LLP
Barristers & Solicitors
1 King Street West, 10th Floor
Hamilton ON L8P 1A4

SHENE HARRIS (LSO# 69826C)
sharris@rossmcbride.com
Tel: (905) 526-9800
Fax: (905) 526-0732

Lawyers for the Applicant,
Mark Morbrook

This is **Exhibit “F”** referred to
in the Affidavit of Marsha Singh
Sworn before me this 4
Day of May, 2026



A commissioner for taking Affidavits Virtually
Commissioned by Jakob Bogacki
LSO # 85032Q, in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely



Credit Agreement for business

In this form, you and your mean the business customer and we, our, us and the Bank mean Scotiabank, The Bank of Nova Scotia

This Credit Agreement, together with the Credit Agreement section of the Business Banking Services Agreement, all certifications and consents provided in any application for any banking services, and any schedules attached hereto, is the complete agreement between you and the Bank for the loans described here. Security for all loans is set out under the heading "Security".

Business Customer Information

Date (mm/dd/yyyy)
06/10/2016

Business Customer's Full Legal Name (Name of Individual Unless a Registered Partnership or Corporation)			
MORGROVE HOLSTEINS LTD			
Trading As			
Main Business Address	City or Town	Province	Postal Code
461 HWY 54 STATION MAIN	BRANTFORD	ON	N3T5L9
Deposit Account Number	Branch BRANTFORD DOWNTOWN - 40212 170 COLBORNE STREET BRANTFORD, ON N3T 2G6		

Your Loans With Us Credit Line

The completed sections describe the loan or loans you requested and we approved.

Limit	Interest	
\$	Prime plus	%
Application Fee	Monthly Account Fee	Monthly Monitoring Fee
\$	\$	\$

Your Credit Line must be repaid as set out in the Credit Agreement section of the Business Banking Services Agreement. Your Credit Line must be paid on demand.

Overdraft Protection

Limit	Interest	Monthly Availment Fee
\$	Prime plus	%
		\$

Your Overdraft Protection credit must be repaid as set out in the Credit Agreement section of the Business Banking Services Agreement. Your Overdraft Protection credit must be paid on demand.

ScotiaLine® for business VISA® Card

Limit	Interest	Monthly Payment/Option
\$	Prime plus	%
		☐ 3% ☐ 2% ☐ Interest Only

Your ScotiaLine for business VISA card must be paid as set out in the Revolving Credit Agreement which will be delivered to you when you receive your ScotiaLine for business VISA card.

Scotiabank VISA® Business Card

Limit
\$

Your Scotiabank VISA Business Card must be paid as set out in the Scotiabank VISA Business Card Agreement which is provided to you prior to program implementation.

Credit Card for business

Credit Card	Limit
	\$

Your card must be paid as set out in the Revolving Credit Agreement which will be delivered to you when you receive your Credit card.

Term Loan

Is the loan guaranteed under the Canada Small Business Financing Act (CSBFA) or the Canadian Agriculture Loans Act (CALA) or La Financiere agricole du Québec (FADQ)?

☐ Yes If Yes, you confirm that you make the declarations in section 10 of the Credit Agreement contained within the Business Banking Services Agreement and that they are true and correct.

☒ No

Amount of Loan	Term of Loan	Amortization	Government Registration/Application Fee
\$ 1,500,000	months	months	\$

Purpose of Loan

ScotiaFlex For Agriculture

Advance Arrangement

As per Addendum for Business Scotia Flex

Principal Repayment Arrangements for your Term Loan

You will make your first principal payment on (mm/dd/yyyy)	Approved interest only period
	months

Check and complete one of the three options below.

☐ Floating rate, principal payments plus variable rate interest payments.

Interest	Principal Payment	Principal Payment Frequency
Prime plus	%	\$

☐ Fixed rate, blended payments of interest and principal.

Interest	Payment Amount	Final Payment	Payment Frequency
%	\$	\$	

☐ Fixed rate, principal plus variable interest payments.

Interest	Principal Payment	Final Payment	Principal Payment Frequency
%	\$	\$	

Other Fees

These fees do not apply for CSBFA, CALA or FADQ loans.

Fee Type	Payment	Payment Frequency
Credit Review	\$ 175	Per occurrence
Fee Type	Payment	Payment Frequency
	\$	

Amendments to a Previous Agreement

If this agreement amends a previous agreement, complete the following.
This Credit Agreement amends the previous Customer or Credit Agreement dated but does not create a new loan.

(mm/dd/yyyy)

Other Conditions

Please initial if there is a Schedule of Conditions and Reporting Requirements for your loan attached to this Credit Agreement. Your initial is your agreement to be bound by the terms of this schedule.

Security

Please read and initial the completed sections for the property you are granting to the Bank as security for your obligations under this Credit Agreement and the Credit Agreement section of the Business Banking Services Agreement. Your initials confirm that you are hereby granting the mortgage, security interest, assignment and hypothec outlined in section 12 of the Credit Agreement section of the Business Banking Services Agreement on the property described beside your initials (notwithstanding any limitations contained in any Application(s) - Banking Services for business). If any of the property is located in Quebec, the mortgage and security includes a hypothec for an amount equal to 150 percent of the aggregate of the initial limits described in the first page hereof.

Initials
N/A

General Security All present property and property acquired in the future, including inventory, furniture, fixtures, office equipment, industrial equipment, manufacturing equipment, machinery, plant, tools, vehicles, intangible personal property, securities, documents of title, instruments, chattel paper, money and accounts receivable.

Equipment or Goods Equipment or goods include furniture, fixtures, office equipment, industrial equipment, manufacturing equipment, machinery, plant, tools and vehicles, but not inventory. Attach a schedule if you need more room to describe your equipment or goods.

Initials
N/A

Description	Serial Number	Value \$
Description	Serial Number	Value \$
Description	Serial Number	Value \$

Leaseholds Leasehold improvements, as specifically described.

Initials
N/A

Description	
Legal Description of Premises	Value \$

Other Security Other property, specified below

Initials
N/A

Type	Particulars
Type	Particulars
Type	Particulars

Other Agreements You must provide the following other agreements to the Bank.

Initials
RM
mm
Am

Type	Particulars
Farm Real Estate	1st Collateral mortgage for \$1,500,000 over 461 Highway 54, Brantford, Ontario
Other	Addendum to Credit Agreement for Business Scotia Flex
Type	Particulars

Third Party Security You must make sure that the following security from other persons is provided to the Bank. Third party guarantors and corporate guarantors must sign the Bank's standard guarantee form.

Initials
N/A

Type	Particulars
Type	Particulars

Personal Guarantees

By signing this Credit Agreement, the guarantor agrees to be bound by this agreement and the Credit Agreement section of the Business Banking Services Agreement, and is responsible for the repayment of the customer's obligations to the Bank, to the amount noted below. The guarantor also acknowledges having received and read the Business Banking Services Agreement, in particular, the section of the Credit Agreement, which outlines the guarantor's obligations.

Guarantor Name	Guarantee Amount
ARTHUR MORBROOK	\$ Unlimited.
Guarantor Signature	Witness
Guarantor Name	Guarantee Amount
ROBERT MORBROOK	\$ Unlimited.
Guarantor Signature	Witness
Guarantor Name	Guarantee Amount
MARK MORBROOK	\$ Unlimited.
Guarantor Signature	Witness

Signatures

By signing below, you agree that this Credit Agreement for business:
• is a binding agreement and incorporates the Credit Agreement section of the Business Banking Services Agreement.

- Your signature also confirms that:
- you will provide us with evidence of insurance for your property granted as security with loss payable to the Bank.
 - you have received a copy of the Business Banking Services Agreement and you have read and understood the Credit Agreement section before signing this Credit Agreement.
 - you have received a copy of the Scotiabank Group Privacy Agreement
 - you and the Bank require that this agreement and all related documents be drawn up and executed only in English. Les parties conviennent et exigent expressément que ce contrat et tous documents et avis émis en vertu de celui-ci ou s'y rattachant soient rédigés en anglais.
 - you are aware of the information disclosure authorized by the Credit Agreement section of the Business Banking Services Agreement and the applicable loan request or credit application.

Customer - Individual

Signature	Witness

Partnership or Corporation

Business Name MORGROVE HOLSTEINS LTD			
Signature 	Title SECRETARY	Signature 	Title Treasurer

The Bank of Nova Scotia

Per (Authorized Signing Officer)

DATE RECEIVED
RECORDED
APPROVED
E.O.
AUDITOR



Addendum to Credit Agreement Scotia Flex™

Business customer's full legal name MORGROVE HOLSTEINS LTD
Trading as

Scotia Flex™ Global Limit \$ 1,500,000.00

For Scotia Flex for Agriculture programs, complete the following:

Is there a Scotia Total Equity Plan (STEP) collateral mortgage registered on the same property? ☐ Yes ☒ No

If "Yes" you confirm that the Scotia Flex collateral mortgage is/will be registered in second position behind the STEP collateral mortgage. ☐ Yes ☐ Not applicable (if "No" indicated above)

Repayment Options Legend

- A Principal payments plus interest payments, interest rate fixed
- B Principal payments plus interest payments, interest rate floating
- C Blended payments of interest and principal, interest rate fixed
- D Interest payments, principal due at maturity, interest rate fixed or floating

		Credit Cards	Credit Line	Term Loans			Other
Terms and Conditions	ScotiaLine for business™ VISA* card	Momentum for AG VISA					
Loan/Account Number	45346497002191		402120001716				
Amount or limit	\$10,000	\$20,000	\$481,000	\$989,000	\$	\$	\$
Interest Rate	Prime + 1		Prime + 0.5	Prime + 2.5	Prime +	Prime +	Prime +
Repayment Option	Interest only			A B C D ☐ ☐ ☒ ☐	A B C D ☐ ☐ ☐ ☐	A B C D ☐ ☐ ☐ ☐	
Non Revolving Loans Only							
• Principal Payment Frequency							
• Payment Amount				\$4430.39	\$	\$	\$
• Next Payment Due Date				(mm/dd/yyyy)	(mm/dd/yyyy)	(mm/dd/yyyy)	(mm/dd/yyyy)
• Term (months)				60			
• Amortization (months)				300			

Signatures By signing this Addendum, you acknowledge that the first and/or second collateral mortgages as indicated above have been provided to the Bank as security for the above loans and/or any subsequent advances made to you by the Bank, that the collateral mortgages are not transferable to another financial institution and must be discharged, that the collateral mortgages prohibit any further encumbrances on the real property which is subject to the mortgages without the Bank's prior written consent and that you will be responsible for any costs associated with discharging the collateral mortgages owing to the Bank and refinancing any debts with another financial institution including all discharge fees, legal fees, appraisal fees and registration fees which may be involved.

You promise to pay the loans specified in the Credit Agreement for business and any Addendum. You also agree to be bound by the terms and conditions on this document and in the Credit Agreement section of the Business Banking Services Agreement. You acknowledge receipt of a copy of the Credit Agreement as contained in the Business Banking Services Agreement. You agree that through this agreement you have granted a security interest and/or hypothec in the property described in this Credit Agreement for business as security for the loan (s) set out in this Addendum. This Addendum forms part of the Credit Agreement for business dated Jun 10 2016.

Customer -

Signature	Date

Partnership or Corporation

Business name MORGROVE HOLSTEINS LTD			
Signature	Title	Signature	Title
	SECRETARY		Treasurer

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® Registered trademark of The Bank of Nova Scotia.

* Trademark of VISA International Service Association and used under License.

Credit Agreement for business
Schedule of Conditions
and Reporting Requirements

This Schedule of Conditions and Reporting Requirements is part of the complete agreement between you and the Bank for the loans described here.

This schedule is part of the Credit Agreement *for business* dated Jun 10 2016 between The Bank of Nova Scotia and MORGROVE HOLSTEINS LTD (the "Customer"). The loans are subject to the following additional terms and conditions:

Conditions

Until all the debts and liabilities under the SCOTIA FLEX FOR AGRICULTURE have been discharged in full, the following conditions will apply:

- ☐ Direct advances are not to exceed the "Borrowing Base", which is defined as the aggregate of
 - ☐ % of good quality accounts receivable (excluding accounts over 90 days, off-sets and inter-company accounts);
 - ☐ % of inventory;
 less security interests or charges held by other parties and specific payables which have or may have priority over the Bank security.
 - ☐ Advances against inventory are limited to
- ☐ The aggregate of
 - ☐ % of good quality accounts receivable (excluding accounts over 90 days, off-sets and inter-company accounts);
 - ☐ % of inventory;
 is to provide full cover of/ a margin of % (delete whichever is not applicable) at all times over direct advances, security interests or charges held by other parties and specific payables which have or may have priority over the Bank security.
 - ☐ The maximum inventory allocation is
- ☐ Working capital is to be maintained at all times in excess of
- ☐ Tangible Net Worth (TNW) is to be maintained in excess of at all times. TNW is defined as the sum of share capital, earned and contributed surplus and postponed funds less (i) amounts due from officers/affiliates, (ii) investment in affiliates, and (iii) intangible assets as defined by the Bank.
- ☐ The ratio of Debt (including deferred taxes) to Tangible Net Worth is not to exceed : 1
- ☐ Other conditions, as described below:

Reporting Requirements

Until all debts and liabilities under the SCOTIA FLEX FOR AGRICULTURE have been discharged in full, you will provide the Bank with the following:

- ☐ Annual Financial Statements - audited/ prepared* within days of your fiscal year end.
- ☐ Interim Financial Statements - monthly/ quarterly* within days of period end.
- ☐ Statement of Security/Borrowing Base Calculation - monthly/ quarterly* within days of period end. * delete one
- ☒ Other reporting requirements, as described below:

- The Corporation's (Borrower's) signed financial statements for the most recent fiscal year are to be provided to the Bank annually.
- The Corporation's (Borrower's) Notice of Assessment (NOA) for the most recent tax year is to be provided to the Bank annually.
- T1 Generals for the most recent tax year for each Owner and each Guarantor are to be provided to the Bank annually.
- Notice of Assessments (NOAs) for the most recent tax year for each Owner and each Guarantor is to be provided to the Bank annually
- A signed Summary of Personal Finances (SOPF) for each Owner and each Guarantor is to be provided to the Bank annually.

Initials
 BM mm
 AM

This is **Exhibit “G”** rereferred to
in the Affidavit of Marsha Singh
Sworn before me this 4
Day of May, 2026



A commissioner for taking Affidavits Virtually
Commissioned by Jakob Bogacki
LSO # 85032Q, in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely



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Business Banking Services Agreement

May 2016

Welcome to Scotiabank

We would like to take this opportunity to welcome you to Scotiabank. It is our commitment to become your business banker. We look forward to working with you to add value to your business.

So, What's in this Booklet?

This booklet is a companion document to your Statement – About the Business and Statement – About You or Business Account – Service Request, or Application – Banking Services *for business*, or Indirect Agriculture Financing – Credit Application and (where applicable) the Credit Agreement *for business* and contains important terms and conditions which form part of your agreement with the Bank. These terms and conditions, unless specifically identified as pertaining to a particular product or financial service, apply to all Scotiabank business banking products and services, which we may provide to you from time to time.

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Some Definitions you need to know

We, our, us, Scotiabank and the Bank mean The Bank of Nova Scotia and, as appropriate, any of our Canadian subsidiaries.

“You” and “your” mean the business customer, except in the “About You” section on page 6 where “*you*” and “*your*” mean the owner, officer, partner, co-borrower, or guarantor providing personal information and except in the Scotiabank Group Privacy Agreement where “*you*” and “*your*” mean an individual who has made application to us for, enrolled in or signed an application in respect of any personal or business banking, insurance, brokerage or financial product or service offered by us (“Service”), including any co-applicants, guarantors or personal representatives.

Inactive Accounts are personal deposit accounts that have no customer initiated transactions for 24 consecutive months or business accounts that have no customer initiated transactions for 12 consecutive months.

Business and Personal Information

This section outlines the terms and conditions relating to information, both personal and business, provided to us.

In this section, you and your mean the owner, partner or guarantor providing personal information to Scotiabank and the business customer.

About the Business Customer

The business customer:

- Authorizes us to collect further information about the business customer from time to time in connection with any banking relationship the business customer is applying for, will apply for, or already has with us.
- Authorizes Scotiabank to use the business information to adjudicate and administer the products and services requested and agrees that we may do this during our banking relationship with the business customer.
- Authorizes us to collect and disclose information about the business customer from and to other credit reporting agencies, credit bureaus, other credit grantors, any person the business customer has or proposes to have financial relations with, and as otherwise permitted or required by law, and agrees that we may do this both during our banking relationship with the business customer and after it has ended.
- Authorizes Scotiabank to tell the business customer about Scotiabank products and services, and to disclose this information about the business customer to other members of the Scotiabank Group (where the law allows this) so that they may directly offer the business customer their products and services both during our banking relationship with the business customer and after it has ended.
- Authorizes us to check the information the business customer has given us from time to time.
- Authorizes and directs any person we may contact in this regard to provide us with such information.
- Confirms receipt of Scotiabank's Business Accounts – Your Guide to Fees and Interest Schedules (applicable if this application includes a request for a business account).

About You

As the owner, officer, partner, co-borrower, or guarantor providing personal information, you:

- Agree these terms and conditions apply in connection with any banking relationship you, or a business you are involved in, are applying for, or already have with us (the “Banking Relationship”).
- Agree that, if you are applying for, or are providing a guarantee in respect of any Scotiabank personal or business banking products or services, and while you are a Scotiabank customer you will be bound by and abide by the Scotiabank Group Privacy Agreement, a copy of which has been included in this booklet, or which can be obtained at any Scotiabank branch.
- Certify that, if you (with anyone else, if applicable) signed the Statement – About the Business, or the Application – Banking Services *for business* or the Business Account – Service Request or Indirect Agriculture Financing – Credit Application on behalf of the business customer, you (with any other signatories) are authorized to do so by the business customer.
- Certify that the business customer (if an incorporated company) is authorized to borrow money and grant security (not applicable to third party guarantors).
- Certify that any information and documents (including evidence of incorporation) submitted by you to us are true, correct and complete.

PERSONAL GUARANTEE (GUARANTEE BY PERSONS OTHER THAN CO-BORROWERS)

- You (except for co-borrowers) agree that, if the business customer is incorporated, you guarantee, and are personally responsible for, repayment of the business customer’s obligations to Scotiabank arising under this application (if approved). This provision does not apply where your guarantee is documented in the Credit Agreement *for business* or a separate guarantee. The guarantor also agrees to be bound by the terms and conditions in this book, the Business Banking Services Agreement, in particular the section of the Credit Agreement which outlines the guarantor’s obligations.

Scotiabank Financial Services Agreement

1 Your contract with us

- 1.1 This agreement is given for consideration. It sets out the terms under which we operate accounts, provide certain financial services and carry out instructions.
- 1.2 When you sign the Scotiabank Financial Services Agreement Signature Form, Statement – About the Business, the Application – Banking Services for Business or the Business Account – Service Request, you are bound by this agreement. In addition, you are responsible for:
 - any instruction given on the accounts
 - any request made for service relating to the accounts, and
 - all your liabilities and obligations to us.
- 1.3 If you are a partnership, joint venture or organization that is not incorporated, each individual or entity which is a member (but not the limited partners of a limited partnership) is responsible for:
 - all obligations to provide any money needed to fund the account
 - all present and future transactions entered into or which may be entered into with us in your name, and every promissory note, bill of exchange, draft, cheque, receipt, security agreement, mortgage, encumbrance or charge, agreement or other instrument or document made, drawn, accepted, endorsed or signed in your name by any of the number and combination of persons who have been authorized from time to time to enter into the transactions with us in your name; and
 - your obligations even if the partnership or joint venture is dissolved or the membership changes.
- 1.4 If the customer consists of more than one individual or entity, each individual or entity will be jointly and severally responsible for your obligations.
- 1.5 You agree not to use any of our services or give any instructions for any unlawful or improper purpose, or otherwise in violation of applicable law, including laws relating to economic or trade sanctions. You also agree to perform your obligations under this agreement in accordance with applicable law and that we may comply with any lawful third party demand that we may receive in connection with your accounts.

2 Your authorization to us

- 2.1 You authorize us to act on any instruction you give us relating to the accounts and the services we provide for those accounts under this agreement.
- 2.2 In this agreement, “instruction” means a request to transfer funds to or from, or receive funds in, the accounts. Examples include instruments, pre-authorized payments, deposits, electronic transfers and any other orders for the payment or receipt of money, including transfers between accounts. In this agreement, “instrument” means any document evidencing or that can be used to evidence an instruction, including cheques,

money orders and other bills of exchange. Instructions may be given by electronic or written communication. Instructions may have the signature electronically or mechanically produced or imprinted. Instructions must be given by a method that is acceptable to us at the time they are given.

- 2.3 You authorize us to record any telephone or other verbal communication.
- 2.4 You agree that we may record and store information about your accounts and services in any form and a copy of our permanent business record(s) (in any form, including microfilm, photocopy, CD-ROM, image) of any communication may be substituted for the original. You agree that those records, or any recorded verbal communication, may be used as conclusive evidence of the content of that communication in any legal or other proceedings.
- 2.5 We may, but are not obliged to, act on any oral instruction or any instruction that contains insufficient, inconsistent or incorrect information, does not comply with all requirements for clearing the instruction or is otherwise not properly given. Clearing is any process by which we settle payment for instructions.
- 2.6 You acknowledge that, subject to section 2.5 above, if the words and numbers of an instruction differ, we may deem the words to be correct, and if there is a discrepancy between any instruction and the written confirmation of it or an instruction is otherwise ambiguous, the instruction as we understood it will be taken as correct.
- 2.7 You authorize us to obtain, store and use system specifications of your computer system relating to the provision of a service but we are not required to do so.
- 2.8 You acknowledge that any electronic communication, including fax or email, (i) may not be secure, private and confidential, (ii) may not be reliable and may not be received by the intended recipient promptly or at all, and (iii) may be subject to interception, loss and alteration. You assume full responsibility for risks associated with electronic communication and agree that we will not be responsible or liable for any loss or damage arising from any use of electronic communication, including but not limited to any loss or damage arising from the risks referred to in the preceding sentence.

3 Your account obligations

- 3.1 You must:
 - give us specific authorization or additional information if reasonably required by us
 - ensure that all your instructions to us meet our requirements with regard to form, signatures, verification and authorization
 - ensure that all confidential information we give you is kept confidential.
- 3.2 You agree to maintain security systems, procedures and controls to effectively prevent and detect:
 - theft of funds and instruments
 - forged, fraudulent and unauthorized instructions, and
 - losses due to fraud, forgery, unauthorized access to the service or other improper or unlawful actions.

Without limiting your agreement immediately above, you will:

- ensure that all instruments are numbered sequentially
- ensure that all instruments are secured in the same way as large amounts of cash
- ensure that cheque imprinters, facsimile signature devices and other equipment that might be used in giving instructions are effectively secured when not in authorized use
- ensure that access to passwords, procedures and other information required for giving instructions is limited to those who need access for their authorized duties
- conduct periodic audits of your systems, procedures and controls
- ensure that those responsible for reviewing the statements we provide you are not those responsible for preparation or security of instruments, instructions and related matters, and
- diligently supervise and monitor the conduct and activities of all employees and other persons having any role in the preparation of instructions, security relating to banking functions or other matters relating to your accounts.

4 Your payment obligations

- 4.1 You are responsible for settling payment of your instructions. Unless you have made specific arrangements with us, you will ensure that your accounts have sufficient cleared funds to settle any instructions at the time that you give us an instruction. We may, but are not required to, settle an instruction if sufficient cleared funds are not available in your account. The reported balances for your account may include amounts which are not cleared funds. "Cleared funds" means cash or any funds from any deposit which have been finally settled through the clearing system.
- 4.2 We may process your payment instructions and any charges to your account in any order convenient to us. Where more than one instruction is presented for payment on your account, the order of processing may affect whether an instruction is honoured if there are insufficient cleared funds in the account.
- 4.3 You acknowledge that we must clear instructions using a clearing system and are bound by the rules of any clearing system we use, including rules for endorsement of instructions, identity of payee and the time for final settlement. These rules affect our ability to honour your request to cancel instructions and the procedures we must follow to settle your instructions and clear funds for you. You acknowledge and agree that these rules shall in no way whatsoever operate or be construed to impair or limit any rights or remedies we have against you.
- 4.4 We reserve the right to clear and transfer instructions by whatever method we choose, whether they are drawn on your account or negotiated by you. You grant us sufficient time to settle all instructions. You acknowledge that we may delay crediting your account until we receive the cleared funds for the instruction.
- 4.5 If we cannot charge a payment, fee or expense to your account, or if we ask you to, you must immediately pay us any amounts you are required to pay under this agreement, plus interest at our published overdraft rate. Interest will be calculated on a daily basis and will be payable monthly or as we may otherwise require.

- 4.6 We may at any time without prior notice refuse to honour an instruction for any proper or lawful reason, including garnishment, a trust provision or an instruction which would overdraw your account or increase the overdraft in it. We retain this right even if we have previously chosen not to exercise it.
- 4.7 You authorize us to charge the following to any of your accounts, even if they are not specifically designated for the instruction or service:
- the amount you ask us to pay in any instruction
 - the amount of any instruction we have paid to you or credited to your account that is reversed in whole or in part for any reason (including fraud, loss or endorsement error), or in respect of which we do not receive settlement for any reason (including fraud, loss or endorsement error) together with all related costs
 - the amount of any counterfeit or otherwise invalid currency deposited or transferred to your accounts
 - payment of any amount you owe us, including fees, charges, costs and expenses.
- 4.8 We may, in our discretion, permit instructions to be given on your account in a currency other than the currency of the account. If we do so, we may sell to you or purchase from you the amount of the other currency required to settle your instruction. The sale or purchase will be at our customer rate of exchange in effect at the time. Any costs for this exchange will be added to the sale amount payable by you or deducted from the purchase amount otherwise payable to you. We will charge the resulting total sale amount or credit the resulting net purchase amount to your account. We are not responsible for any loss you may incur due to changes in foreign currency exchange rates or funds not being available due to foreign currency restrictions.
- 4.9 We may at any time, without notice to you, apply any credit balance you may have in any account or any other obligation of any kind that we or any of our affiliates may have to you (whether or not presently due), against any obligation of any kind that you may have to us or any of our affiliates (whether or not presently due). This right is in addition to any other rights that we may have with respect to set-off or combining accounts.

5 Cancellation of instructions (stop payment)

- 5.1 We may treat all instructions as final when given to us.
- 5.2 Once we have received an instruction, you do not have the right to reverse, change, stop or cancel it (collectively called “cancel” below) unless we give our consent. Our consent will not be given if we have already acted on the instruction.
- 5.3 If you ask to cancel an instruction (which includes a stop payment), you must follow the procedures set out in any service materials and any form which we give you. You must also communicate the cancellation to us in writing or by electronic communication (if permitted) before final settlement. You acknowledge we must follow any applicable clearing system rules and this may affect our ability to cancel an instruction.
- 5.4 If you ask to cancel an instruction, we will not be obliged to hold the affected funds or return the funds to you unless:
- we are able to have the instruction cancelled and cleared funds are returned to us, and

-
- if the service materials specify a procedure for you to cancel instructions, you correctly follow that procedure.

5.5 You are responsible for any cost of a cancellation.

6 Overdrafts Granted in Absence of Overdraft Protection or an Overdraft Facility (unprotected overdrafts)

6.1 On occasion we may allow your account to be overdrawn even though you do not have Overdraft Protection or an Overdraft Facility. Interest is calculated daily on the daily closing overdrawn balance at the rate published in Your Guide to Fees and Interest Schedules for business accounts. In addition, an Overdraft Handling Fee applies for each item which places your account in an overdrawn position and for each additional item that is paid while the account is overdrawn (normal transaction fees still apply). The amount of the fee is also published in Your Guide to Fees and Interest Schedules for business accounts. Unprotected overdrafts are payable in full immediately.

7 Instructions through third parties

7.1 We may act on your instructions and provide services through third parties of our choice, including payment or clearing services, correspondents and electronic data processing service bureaus. We may choose the method of communication with the third party for the service provided.

8 Verifying your accounts

8.1 We will periodically provide you with statements of your accounts in printed or electronic form.

8.2 You must review each statement carefully to check and verify the entries. If you believe there are any errors, omissions or other discrepancies of any kind whatsoever, whether or not arising from unlawful or improper actions, you must tell us in writing within 30 days of our mailing the statement or making it available for pick-up electronically or in person. Except for errors, omissions and discrepancies that you identify to us in writing within that 30 days (but in that case, subject to section 14 of this agreement), and except for amounts mistakenly or improperly credited to your account (which we may correct at any time), after that 30 days it will be conclusively settled that:

- all entries and the balance shown in your statement is correct
- all instructions affecting your account are authentic, duly authorized, properly issued and otherwise valid
- all amounts charged to your accounts are properly charged to you, including all interest and service charges, whether or not the statement discloses how interest and charges are calculated
- you are not entitled to be credited with any amount not shown on your statement, and
- the use of any service shown is correct.

8.3 After the 30 days, you cannot claim, for any purpose, that any entry on your statement is incorrect and will have no claim against us for reimbursement relating to an entry, even if the instruction charged to your account was forged, unauthorized or fraudulent or was improperly charged for any other reason whatsoever, including our gross

negligence. After the 30 days, we will be released from any claim whatsoever relating to your statement, whether for negligence, breach of contract, breach of trust, breach of fiduciary duty, conspiracy, unlawful interference or otherwise.

- 8.4 We will tell you in the service materials or a notice if the nature of any service requires more frequent statements, exchange of information, reports or verification than described generally for the account. The account verification conditions described above will apply regardless of the reporting frequency, but the time period will be the one described in the service materials or notice and not the 30 days as above.
- 8.5 We will mail your statements of account to your latest address on our records or make them available for pick-up at the branch or electronically, as may be agreed in writing from time to time. You will notify us promptly, in writing, of any change of your address. If you do not receive a statement, or pick it up where this has been agreed, within 10 days after the end of the statement period, you must let us know within 15 days after the end of the statement period. If you do not let us know, you will be deemed to have received the statement 5 days after the mailing date, for all purposes, including the 30 day period to review the statement and advise us of any error.

9 The services we provide and how you access them

- 9.1 This agreement applies to any service which you access under this agreement or by your signing a service request.
- 9.2 You apply for a service by signing the applicable service request. We have the right to not provide a service to you even if you give us a service request. Our agreement to provide a service will be given by notice to you or our starting to provide the service.
- 9.3 You agree to follow the most current procedures, service materials and instructions we establish for the services we provide to you. Service materials include the forms, user guides, software and other information either in written or electronic form, describing the service and the procedures you must use to operate the service.
- 9.4 We have the right to make changes to any service. If we do, we will give you notice at least 30 days before making any changes, either through a written or electronic notice or by posting a notice in our branches.

10 Your obligations in using our services

- 10.1 You must:
- submit a service request in advance for each service you wish to receive or change under this agreement
 - promptly give us any information we request in the service request or when providing the service
 - change initial security access codes, if applicable.
- 10.2 You agree to make your own arrangements to provide the equipment and software you need to meet your desired levels of service, security and reliability. Equipment includes computer systems and telecommunication devices. All equipment and software must meet our requirements and specifications for the service we are providing. All purchase, installation and maintenance costs will be at your expense.

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- 10.3 We may, if we choose, specify security procedures for a service, which you must follow. You agree to keep any keys, access codes, security devices and verification procedures safe and confidential, and change them at least as often as the service materials specify. We may establish a procedure to verify the source and authenticity of instructions you give us and may verify an instruction before acting on it. We may act on instructions that contain the verification procedure without checking authority.
- 10.4 For all service materials, including software, we give you, you agree:
- we and any lessor or licensor will retain all ownership rights, including any copyright
 - you will not disassemble or reverse engineer the software
 - you will not copy, remove, modify, transfer, adapt or translate the service materials without our consent
 - when we stop providing you a service you will delete the applicable software from your computer hardware.
- 10.5 We may, but are not required to, confirm or obtain endorsements if we choose to do so. If a service we provide involves accepting and processing unendorsed third party cheques, we may do so. You will reimburse us for any amount we cannot collect as a result of a problem in clearing an unendorsed third party cheque.
- 10.6 If electronic communication is part of a service for an account, you authorize us to accept electronic files and instructions as described in the service request.

11 Our service obligations

- 11.1 After your service request has been received by us, and we agree to provide the service, we will give you any relevant service materials, which you agree to follow.
- 11.2 When we agree to provide a service, we will give you the access or security devices and codes, passwords and procedures you need to use that service. We will tell you how to change the access codes so that you can restrict access to your accounts, and you must promptly do so.
- 11.3 Any services we provide for the accounts will be governed by this agreement and the applicable service request and service materials. In providing you with any service, we will meet reasonable and usual standards for the provision of similar services by other service providers.

12 Fees and charges

- 12.1 You agree to pay the fees, charges and interest promptly when due, as set out in any applicable fee schedule, service request or statement relating to your accounts. You also agree to pay all taxes we must collect on the products and services we provide.
- 12.2 We may change any of our fees, charges or interest rates. If we do, we will give you notice at least 30 days before they go into effect, either through a written or electronic notice or by posting a notice in our branches.
- 12.3 We will advise you of fees, charges, interest and other amounts we deduct from your accounts.

- 12.4 You agree to pay us for any out-of-pocket or other expenses we incur at your request or in the course of providing a service to you. These expenses include communication charges, transmission charges and transportation or delivery charges incurred by us.
- 12.5 If the fees and charges you pay are based on our standard rates, they will change in accordance with changes to our standard rates as published from time to time. If the fees and charges you pay differ from our standard rates as published from time to time, you agree that:
- unless otherwise specified in your service request or pricing contract, any such fees and charges shall be adjusted annually without notice effective January 1st (the “Adjustment Date”) following the anniversary of the applicable service request or pricing contract
 - fees and charges shall be adjusted based on the percentage increase in the Consumer Price Index (“CPI”) for the previous 12 months, as most recently published by the Government of Canada (Statistics Canada) before the Adjustment Date
 - if the CPI is discontinued or revised, we will select another governmental index or computation as a substitute for the CPI in order to obtain substantially the same result as if the CPI had not been discontinued or revised.
- 12.6 In addition to the CPI adjustment above, if the fees and charges you pay are based on your agreement to maintain a specified level of transaction volumes or deposits, you agree that:
- we reserve the right to revise the fees and charges if actual transaction volumes during any 12 month period differ by more than 15% from the specified levels
 - we reserve the right to revise the fees and charges if actual average deposit balances during any 12 month period (beginning 3 months after the contract starting date) differ by more than 15% from the specified levels
 - if you cancel the applicable service under this arrangement before the first anniversary of the service request or contract, we reserve the right to collect the full amount of fees and charges that you would have been expected to pay over the full 12 month period.
- 12.7 If we pay you interest on your deposit balances based on your agreement to maintain a specified level of transaction volumes or deposits, you agree that we reserve the right to revise the interest arrangement if:
- actual transaction volumes during any 12 month period differ by more than 15% from the specified levels, or
 - actual average deposit balances during any 12 month period (beginning 3 months after the contract starting date) differ by more than 15% from the specified levels.

13 Cancelling a service

- 13.1 You may cancel any of our services under this agreement by giving us two days’ written notice unless the service request provides for a different notice period.
- 13.2 We may cancel any service to you without a reason by giving you 30 days’ written notice.

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- 13.3 We may immediately cancel or suspend any service at any time without notice if you default on any obligations to us under this or any other agreement to which you and we are parties, you become insolvent or bankrupt, a receiver is appointed over a significant amount of your assets, we have reason to suspect that you are engaged in any improper or unlawful activity in connection with the accounts or services, or are the victim of fraud or identity theft, or we believe that it is necessary to terminate our relationship with you in order to protect our customers or employees from physical harm, harassment or other abuse. We will let you know promptly if we cancel or suspend a service for one of the above reasons.
- 13.4 If any service is cancelled, you will be liable for any instructions issued before it was cancelled and for all payments required to be made by this agreement.
- 13.5 If any service is cancelled, you will return to us in good condition any keys, equipment and service materials which we have provided to you regarding the service.
- 13.6 We may elect not to send a statement to you regarding any account if there is no activity in the account since either the date it was opened or the date of the last statement we have sent you. If you have not had any contact with us concerning an account for at least one year, we may elect to designate the account as inactive. We may charge reasonable service fees to maintain an inactive account. We may close an account if you have not had any contact with us concerning the account and there has been no activity in the account for at least one year, and the balance of the account is nil. We will comply with applicable law concerning abandoned accounts, which may require us to transfer balances to the federal government.

14 Limits of our liability

- 14.1 We are not liable for any loss or damage you suffer in connection with your accounts or the provision of any service, or refusal to provide any service, except if it was caused by our gross negligence or wilful misconduct (and then our liability is subject to the other provisions of this agreement and other legal rights we have).

You acknowledge this means, among other things, we are not liable for the following specific matters, unless caused by our gross negligence or wilful misconduct:

- honouring, or refusing to honour or cancel, an instruction, for any reason
- any delay in completing or failing to provide a service for any reason even if this means you are unable to access funds in your account
- any matter arising from your actions or your failure to perform your obligations properly under this agreement even if you are not at fault
- a forged, unauthorized or fraudulent use of services, instruction, or material alteration to an instruction, even if you or we did or did not verify the signature, instruction or authorization.

- 14.2 If we are found to be liable for loss or damage you suffer for any reason whatsoever, our liability will not be more than the direct cost to you of any loss of funds you suffered. This loss will be calculated from the time we should have made the funds available to you until the time we did make them available, or until you should reasonably have discovered their loss, whichever is earlier.

14.3 Under no circumstances will we be liable for any indirect damage or damages that are a consequence of a loss.

14.4 Under no circumstances will we be liable for any loss, damage or other amount resulting from:

- the actions, or failure to act, of any other person, including you and including your failure to comply with this agreement;
- any instrument or instruction that is forged (in whole or in part), has a material alteration or is otherwise fraudulent or unauthorized, unless you prove (i) it was made by a person who was at no time your director, officer, employee, agent or contractor; and (ii) its occurrence was unavoidable despite your having complied with all of your obligations under this agreement and was otherwise beyond your control;
- our failure to perform or fulfill any obligation due to any cause beyond our reasonable control;
- incomplete or incorrect information supplied by you to us.

15 Indemnity agreement

15.1 You agree to:

- release us from liability
- indemnify and hold us harmless, and
- compensate both us and any third party providing services or settling instructions for any claim, proceeding, loss, damage, payment, penalty, fine, legal expense (based on the solicitor's fees charged to us) and other cost, as may be applicable, resulting from:
 - any service performed or refused,
 - any instruction honoured, processed, negotiated, settled, changed, cancelled, reversed or refused,
 - your failure to properly provide information or comply with this agreement or any service agreement,
 - our compliance with any lawful demand by a third party relating to the operation of your account, including but not limited to any demand made in connection with actual or potential legal proceedings, or
 - other events of any kind whatsoever arising from us being your banker.

15.2 We will let you know if a claim arises for which you have agreed to indemnify us. We will each cooperate in dealing with the claim, but any costs will be at your expense. You may defend a claim before making a payment to settle it, as long as we are satisfied that your interests do not conflict with ours and that this will not cause us to be exposed to further loss. Your agreement to indemnify us will survive any closing of your account.

16 Waivers

16.1 Subject to any specific instructions you have given us in writing, you agree that you have waived presentment, notice of dishonour and protest of all instructions drawn, made, accepted or endorsed.

17 Notices

- 17.1 We may give you any notices under this agreement, including with respect to amendments to the terms of this agreement, by any means of written or electronic communication, or by posting notice in our branches and any of those will be adequate delivery of notice. When sending notices to you, we may send them to your latest address on our records. You will be deemed to receive notice five days after mailing, or at the time of delivery of a personal delivery, the sending of an electronic communication or the posting of a notice in our branches. If we both post notice in our branches and send you notice, the effective time of notice will be the date of posting in our branches.
- 17.2 You must deliver any notices or communications concerning a particular account to the branch where you have the account.

18 This agreement

- 18.1 You acknowledge that we have made no promise, representation, warranty or agreement except as expressly stated in this agreement, as amended by us from time to time. This agreement, as amended by us from time to time, any service request approved by us and any service materials are the only descriptions of the services and what we will do and are responsible for.
- 18.2 We will give you at least 30 days notice of any amendment we make to the terms of this agreement. If you continue to use the accounts or services after the effective date of any amendment, you will be deemed to have accepted the amendment.
- 18.3 This agreement, as amended by us from time to time, takes precedence over any other agreement, service request or service materials relating to any instruction or services and replaces any previous version of this agreement or any similar agreement that you have signed. However, we retain all our rights under any law respecting loans, set-off, deposits and banking matters even if they are not described in this agreement.

19 No assignment

- 19.1 The terms and conditions in this agreement are binding on you and any person who succeeds you (including heirs, executors, administrators and legal representatives) or takes on your obligations.
- 19.2 You may not assign this agreement without getting our written permission first.

20 Governing law

- 20.1 This agreement is governed by the laws of the province or other jurisdiction that is the location of our branch that we designate as your branch of account.

21 Language

- 21.1 All parties have asked to have this agreement and all related documents drawn up and executed in English. Les parties exigent que cette convention et tous documents qui s'y rattachant soient rédigés en anglais.

22 Obtaining and Disclosing Information

- 22.1 While we are committed to protect the privacy and security of the information which you provide to us, you agree and instruct us to disclose information:

- In response to credit enquiries from qualified financial institutions (usually with respect to your application at that financial institution);
 - Pursuant to legal process or subpoena served on us (we will usually notify you where permissible under the applicable legal process); and
 - If disclosure is reasonably necessary to protect our interest (we will usually notify you where permissible under the applicable legal process).
- 22.2 You authorize us to obtain further information about you from time to time in connection with any banking relationship being applied for or you have with us and to verify the information you have given us from time to time from any public or private sources.
- 22.3 You authorize us to request and disclose information about you from and to credit reporting agencies, credit bureaus, other credit grantors, any person whom you have or propose to have financial relations, and as otherwise permitted or required by law. You also authorize any person we may contact in this regard to provide us with such information.
- 22.4 You request and authorize us and our subsidiaries to send you information about services we or they offer from time to time and to disclose your name and address to our subsidiaries for this purpose.
- 22.5 You hereby consent to and authorize such disclosure, and we shall not become liable by reason of the giving of any such information or of its being inaccurate or incomplete. We may do these things both during our banking relationship with you and after it is ended.

23 Beneficial Ownership

- 23.1 You confirm that all credits to the accounts are and will be beneficially owned by you and that the products and/or services subscribed to will not be used to conduct business on behalf of a third party unless otherwise specified to us.

Credit Agreement

This section contains terms and conditions that apply when you are approved for small business credit products and services.

We may cancel the approval if we find there has been any material change to your financial status, as disclosed in the Credit Application, or if there has been any misrepresentation of facts in the Credit Application or other documentation.

1. Your contract with us

The agreement constitutes a binding contract between you and us.

If the business customer consists of more than one individual or entity, you agree that:

- every such person is responsible jointly and severally (in Quebec, solidarity) for the payment and performance of each obligation described in the agreement or derived therefrom
- the Bank can choose among you to decide who will pay back the obligations.

If we approve a ScotiaLine® *for business* Visa* card, Scotia Momentum® *for business* Visa* card or ScotiaGold Passport® *for business* Visa* card, you agree to be bound by the terms of the Revolving Credit Agreement which you will receive with your Scotiabank credit card carrier to which your approved ScotiaLine *for business* Visa card, Scotia Momentum *for business* Visa card or ScotiaGold Passport *for business* Visa card will be attached when the card is issued and delivered to you by us.

You understand and agree that you are liable for all charges incurred on your account with any supplementary card issued in connection with the account. When you request Scotiabank to issue a supplementary card, we will also issue renewal and replacement cards for such supplementary card, unless the card is cancelled by you or Scotiabank. You understand and agree that a supplementary cardholder's signature on or use or retention of the supplementary card issued in his or her name shall evidence your receipt of the agreements relating to the account and your acceptance of their terms.

If we approve a Scotiabank Visa Business Card, you agree to be bound by the terms of the Scotiabank Visa Business Card Agreement which is provided to you before your card is issued, and to the Scotiabank Visa Business Card Cardholder Agreement that is provided to you when the Scotiabank Visa Business Card is issued and delivered to you by us.

2. Your promise to pay

You promise to pay the Bank the full amount of the obligations described in the agreement, the interest on it when due and payable and any applicable fees and charges levied by us from time to time. You also promise to pay us any expenses that we incur to realize on security or collect payments from you and costs of preparing and registering any security or notice with respect to any security.

3. Advances

If we approve a credit line or overdraft facility, you may borrow up to the limit specified by us, and for ongoing credit risk management purposes, you agree to maintain with the Bank all your business operating accounts as long as you have a credit line or overdraft facility with us. We can, however, cancel your credit line or overdraft facility at any time and not permit you to borrow after that. Cancellation does not relieve you of any obligations under this agreement until the credit line balance or overdraft facility balance has been paid to us in full. Regardless of such cancellation, you are responsible for paying us for all debits or other charges made following cancellation.

The amount of an overdraft is paid down and readvanced as you deposit or withdraw money from your account. The amount of a credit line may be readvanced if it is paid down. We are not required to advance to you more than the limits that are agreed by us.

If we approve a term loan, the Bank advances the money in one or more amounts as outlined by us.

4. Payments

You agree to pay back your indebtedness to us, including without limitation principal, interest, fees and charges according to the terms of the agreement.

If your credit facility is repayable on demand, you agree to immediately pay back the entire amount of the credit facilities at any time if we ask you to do so.

For non-farm overdraft facilities excluding those fully secured by readily realizable security (e.g. cash) or real estate, prior to the following month-end, you must make deposits to your business account of at least 3% of the authorized outstanding overdraft amount indicated on each month-end statement as at the month-end statement date (minimum \$50). For nonfarm overdraft facilities fully secured by readily realizable security (e.g. cash) or real estate, prior to the following month-end, you must make deposits to your business account of at least the interest amount calculated and charged to your business account as of the month-end (minimum \$50). For any non-farm overdraft facilities, the total minimum deposit amount will be communicated on your month-end statement if applicable. We may require a different monthly payment and will notify you of this beforehand. Any overdue payment or overlimit amount must be paid in full as soon as you receive your statement and the total minimum deposit amount includes your current minimum deposit amount, plus any overdue or overlimit amounts.

Any farm overdraft facilities must be repaid at the end of the production cycle as determined by the Bank from time to time.

If you borrow via a term loan, the entire amount of the indebtedness remaining unpaid is due and payable at the end of the term specified in the agreement or earlier if you default on any of the terms in the agreement, or in any other agreement with us. If you do, we can demand that you immediately pay back the entire indebtedness to us under this agreement.

If we demand repayment of the entire amount, we will give you notice according to legal requirements.

We can deduct payments from your account(s) with the Bank.

5. Fees and charges

You are specifically responsible for paying any late payment fees and interest charges on all payments you do not make when they are due. You agree to pay us these late payment fees and interest charges which are published by us from time to time.

If there are any amounts due and payable by you to us, we can deduct them from any of your accounts with the Bank. This includes any fees and charges described in this agreement (but may also include any other fees and charges the Bank may charge).

We may change the fees and charges published by the Bank or described in this agreement. If we do, we will post a notice of the new fees and charges in each branch, at least 30 days before they go into effect.

6. Record of your indebtedness

We will keep a record of the amount of principal, interest costs and fees you owe us. This record will show the amount of each advance we make to you and the amount of each payment of principal and interest costs you make to us. For a credit line or overdraft facilities we will give you this information monthly. For all other indebtedness, we will give you this information, when you ask for it.

Unless we have made a clear mistake, this record is conclusive evidence of the amount you owe the Bank. You are still responsible for paying the amount you owe, even if there is a mistake in our record or in the statements we provide.

7. Interest

You must pay interest on your advances at the rate specified by us from time to time. If the interest rate is based on “prime”, that means the prime lending rate of the Bank. Our prime lending rate is the variable per annum reference rate of interest as announced and adjusted by us from time to time for loans made by us in Canada in Canadian dollars.

We calculate your interest daily on the daily balance you still owe us. Interest is due and payable as follows:

- for credit lines, interest is payable monthly on the 22nd day of each month unless you request a different payment date
- for an overdraft facility or overdraft protection, interest is payable monthly on the date your business account statement is prepared and printed
- for term loans with non-monthly blended payments or loans under the Canadian Small Business Financing Act (CSBFA) and the Canadian Agriculture Loans Act (CALA) with non-monthly principal plus interest payments, interest is payable at the time of the principal payment
- for all other term loans, interest is payable monthly on the date of the principal payment.

Interest is paid in arrears and, for each obligation, is due both before and after your obligation matures and before and after any default or judgement.

If you don't pay the interest when it is due, we may charge you interest on the interest. If we charge this additional interest, it is payable at the same rate as specified in the agreement and at the same time as specified in the agreement. This additional interest may increase your effective rate of interest.

8. Prepaying your term loans

If you have a floating rate loan prepayment is permitted without penalty at any time in whole or in part. Prepayments on floating rate loans are noncumulative and are to be applied against installments of principal in the inverse order of their maturities.

If your fixed rate loan stipulates a closed/lock-in period, no prepayment is permitted during the closed/lock-in period. Prepayment is permitted if your fixed rate loan is open (has no closed/lock-in period) or after a completed specified closed/lock-in period and the cost to pay-off some or the entire principal amount of your term loan early is the higher of three-months' interest cost at the originally approved term loan rate on the amount you want to pre-pay, or the "Interest Differential". Prepayments are noncumulative from year to year and are to be applied against installments of principal in the inverse order of their maturities

"Interest Differential" means the amount, if any, by which interest at the rate applicable to the term loan exceeds interest at the prevailing rate at the time of prepayment calculated on the amount of the principal prepayment for the remaining term of the loan. (The "prevailing rate at the time of prepayment" is defined as that rate at which the Bank would then lend to you, based on the same security, for the remaining term of the loan.)

If you have a term loan with a fixed interest rate that is guaranteed by the Government of Canada under the CSBFA, you can make a 10 percent principal prepayment without penalty or notice once a year on the anniversary date of the loan. The 10 percent amount is based on the original principal balance of the loan.

9. Overdraft Protection for business™

Overdraft Protection *for business* (ODP) is a temporary credit arrangement involving a specified business account.

If we have approved you for ODP, we will honour debit entries originated by you (eg. cheques, electronic funds transfers, etc.) ("debits") drawn on your specified deposit account, within your approved ODP limit. You agree to pay interest on the amount of the overdraft at the rate specified by us, plus any applicable fees.

You agree to reduce your overdraft to zero within 30 days after it is created.

We do not have to honour any debit if the action would result in your specified overdraft limit being exceeded, if your specified deposit account has been overdrawn for more than 30 days, or if we have made a demand for payment. In addition, we can cancel ODP for your specified account at any time without notice and refuse to honour any further debits that create an overdraft. Cancellation does not relieve you of any obligation under this agreement until the overdraft amount has been paid in full. Regardless of such cancellation, you are responsible for paying us for all debits or other charges made following cancellation.

On occasion, we may allow your account to be overdrawn even though you will exceed your authorized ODP limit (unprotected overdraft). An Overdraft Handling Fee applies for each item which places your account in an unprotected overdraft position and for each additional item that is paid while the account is in an unprotected overdraft position (normal transaction fees still apply). The amount of the Overdraft Handling Fee is published in the Guide to Fees and Interest Schedules for business accounts. Unprotected overdrafts are payable in full immediately.

If we allow you to exceed your authorized ODP limit from time to time, that permission shall not be considered to be a permanent increase in your credit limit.

If we have not agreed to provide ODP, we do not have to honour any debits that create an overdraft. We do not have to tell you that we are not going to honour a debit in these cases.

10. Declarations and Agreements

Everyone signing the Statement – About the Business, or the Application – Banking Services *for business* or Indirect Agriculture Financing – Credit Application, and, where applicable, the Credit Agreement *for business* is making the following declarations. These declarations are specifically needed for any loan in the agreement guaranteed by the Government of Canada under the CSBFA, CALA:

- the owner of the business is properly described in the agreement
- to the best of your knowledge, the information in the applicable loan request or credit application is complete and correct
- to the best of your knowledge your loan application complies with all the applicable provisions of the CSBFA, CALA and will continue to comply until your loan is repaid in full
- if the loan is guaranteed under CALA, you hold an interest in a farming operation as prescribed by CALA.

If the loan is approved, you agree:

- to use the proceeds of the loan for the purposes you specified in the agreement and not for anything else
- to give us any information we require to satisfy ourselves that you have used the loan for the purpose stated in the agreement
- to properly use, maintain and repair your property (secured to the Bank)
- not to put a mortgage, lien or charge on any property purchased with the loan money or pledged or given as security for the loan unless you have our prior permission in writing
- not to dispose of any property you purchase with the loan money or pledged or given as security for the loan unless you have our prior permission in writing
- to give us any additional information we reasonably require about your business, such as copies of documents and business records
- to give us, from time to time and at your expense, any security and insurance we require to secure the loan and the interest on it
- to pay the cost of any insurance we may choose to obtain or renew if you do not provide or keep up the insurance we require
- to pay the cost of the necessary registration or filing and gathering of evidence about the priority of our security.

If the loan is approved, you:

- authorize us to register or file the security, or notice thereof, if necessary, and obtain evidence that satisfies us about the priority of the Bank's security

- authorize us to sell the property which is the security given for the loan, or to realize on it in any way that is authorized by applicable law, if you default in any payment or other obligation under the agreement or under any other agreement with us from time to time (We will subtract our expenses from the money we get from the sale or realization. We will then apply the balance of the money to your debt. If there is not enough money to pay off your debt, you must pay the shortfall to the extent permitted by law. Under CSBFA, this is currently a maximum of 25 percent of the original balance of the loan for an individual or one or more individual guarantors who have guaranteed a CSBFA loan.)
- acknowledge that the terms of the government guarantee may require us to sell or realize the security given for the loan in a short time, and we are not allowed to grant any period of time for you to correct your default, except as required by law
- authorize us to give all the information about your loan or the agreement to any person involved in the administration of the CSBFA, CALA. We will give the information only to a person appointed by or on behalf of the Government of Canada
- acknowledge that all the loans you may have which are guaranteed by the Government of Canada are not and cannot be more than the applicable limit announced by the Government of Canada.

11. Your obligations

You are required to satisfy a number of legal obligations to us when you borrow money from us. You agree to:

- pay us the money you owe us when it is due or on demand
- pay all amounts you owe to other people to protect your property from other liens or claims
- tell us right away if you can't pay the amount you owe us
- tell us right away if you commit any default under these terms and conditions or any other agreement with us
- tell us before you change the ownership or nature of your business or use of any property
- tell us if any information in the agreement changes
- tell us right away if you move the property which is security for your indebtedness under the agreement, but only tell us when you change the main base of operation for this property if the property you move normally goes from one location to another
- give us any information we request on your business or property
- give us, when we request, your current financial statements, personal financial or net worth statement and any other information we may reasonably require from time to time
- make sure your guarantor, when we request, also provides current financial statements, personal net worth statements and any other relevant information we may reasonably require from time to time
- keep the property you have put up as security in first class order and repair, and replace all worn, broken or defective parts
- let us on your premises at any time so we can inspect your property

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- insure your property with an all-risks insurance policy satisfactory to us that protects your property from all hazards, including fire, theft and collision for motor vehicles
 - amend your all-risks insurance policy to put our interest as “loss payee”, and deliver satisfactory proof of insurance or our form of insurance certificate to us
 - keep your property free of any mortgages, liens, charges, or security interest, except the ones granted to us
 - tell us right away if you are involved in a lawsuit or another creditor makes a claim against you
 - keep proper accounting records
 - give us all the other certificates, agreements and assignments we may request from time to time (that relate to these terms and conditions or the terms and conditions of the agreement and the granting of security for your indebtedness)
 - observe and conform to all laws and requirements of any federal, provincial or any other governmental authority that relate to the environment and the operation of your business activities, and notify us of any failure to do so
 - not change your name without giving us written notice
 - undertake and pay the expenses of any environmental investigation, assessment or clean-up which we require
 - notify us of any unfavourable change in the environmental condition of your business premises or equipment
 - notify us of any unfavourable change in the environmental impact of your business activities
 - authorize us to make, at any time, credit enquiries which may involve full information disclosure, and you hereby waive to the extent permitted by law any right to privacy or confidentiality of credit information.

12. Security Agreement

By signing the Statement – About the Business, or the Application – Banking Services *for business* or Indirect Agriculture Financing – Credit Application and where applicable, the Credit Agreement *for business*, you grant us a mortgage and charge, and hereby grant, bargain and sell to the Bank for security purposes and grant a hypothec and security interest in the property, both current and acquired in the future (other than consumer goods) that is provided for in the Statement – About the Business, or the Application – Banking Services *for business* or the Credit Agreement *for business*.

Our security interest also includes all your rights, interests and benefits in that current property and property acquired in the future and specifically secures your obligations under any agreement with us.

The security interest you grant us is in the form of a fixed and specific mortgage. We may register your grant of security against the secured property in such registries as we choose, including personal property registration systems.

If the collateral covered by the security interest includes your book debts, you assign and transfer to us all book debts, such as accounts receivable.

Where required by the Bank or law, we will physically hold the property as security for your obligations to us, which may include securities in uncertified form by notice to the clearing corporation. The grant of security, mortgage and hypothec includes any grant, bargain and sale required to complete this grant of security and mortgage. It also includes our right to have and to hold property for the purposes of this agreement. If we hold securities in our possession, we are not required to keep them separate from other securities held.

If the Bank holds property, we are not responsible if the property decreases in value for any reason. Your security on money or cash equivalents entitles us to seize the money or cash equivalents and immediately set-off against your indebtedness.

The business customer grants Scotiabank a security interest, and a hypothec if property is located in the Province of Quebec, on all present property and property acquired in the future, (other than consumer goods) including inventory, furniture, fixtures, office, equipment, industrial equipment, machinery, plant, tools, vehicles, intangible personal property, securities, documents of title, instruments, chattel paper, money and accounts receivable. If any of your property is located in the Province of Quebec, the security interest includes a hypothec on the property described in the agreement for an amount equal to 150% of the aggregate of the initial limits for all Lines of Credit, ScotiaLine® *for business* Visa* card, Scotia Momentum® *for business* Visa* card, ScotiaGold Passport® *for business* Visa* card and the Scotiabank Visa Business Card as described in the first page of the Application – Banking Services *for business* – About the Business or the Statement – About the Business. This provision does not apply when the Credit Agreement for business is used. Except as otherwise agreed, this security interest and hypothec:

- Is granted when the limits for all credit lines ScotiaLine® *for business* Visa* card, Scotia Momentum® *for business* Visa* card, ScotiaGold Passport® *for business* Visa* card and overdraft facilities (“Credits”) approved under this application plus the limits for any existing Credits total more than \$50,000; and,
- Secures all Credits approved under this application and any existing Credits.

The mortgages and security interest you grant to us are to secure payment and performance of all your obligations to us that are described in this agreement, and any other agreement you enter into with us. These obligations include but are not limited to:

- the repayment of the principal amount of all your indebtedness to us
- the payment of interest to us, including without limitation, interest on overdue interest
- the payment of all our costs, charges, expenses and fees, including without limitation, legal fees on a solicitor and client basis, that relate to the agreement or the enforcement or realization of security.

All attachments, accessories, parts, repair parts and other equipment, to the extent applicable, become part of the property secured and described in the agreement as being covered by the security interest you grant us.

The grant of security over any property described in the agreement includes all proceeds, money and property from the secured property including insurance proceeds whether it is cash or other proceeds of any nature and kind. It also includes all your records relating to your business and the property that is secured.

If you are a corporation, the Limitation of Civil Rights Act and the Land Contracts Act of the Province of Saskatchewan do not apply to this agreement.

The time for attachment of any security interest created has not been delayed. The security interest attaches, which means it takes effect, when you sign the agreement.

You acknowledge that you have received and read a copy of these terms and conditions.

You waive the right to receive a copy of any financing statement, financing change statement or verification statement we may register or receive.

13. Guarantee and obligations of the guarantor

Each guarantor agrees to be bound by the following terms of guarantee:

- the guarantee is a continuing guarantee, is not released by any change in capacity or death of the guarantor and is security for the indebtedness that is guaranteed to us
- this agreement of guarantee is given for valuable consideration
- the guarantor agrees that he or she is responsible to us to the maximum extent permitted by applicable law for all indebtedness and obligations outlined in the agreement, including all interest, fees, legal and other costs and all charges and expenses
- we are entitled to demand payment from a guarantor even if we have not tried to get payment from the business customer, any other person, any other security or any other guarantee or guarantor
- we do not need to demand or get payment from all guarantors; we can demand and get the whole amount from any guarantor or guarantors we choose (this is often called joint and several liability and in Quebec, solidarity).

If the business customer defaults on any payment owed to us, we are entitled to treat all guaranteed liabilities as due and payable. We may then immediately demand and collect the total guaranteed amount from the guarantor.

The guarantor must pay us immediately after we demand payment and the guarantor's liability to make payment arises forthwith after such demand. We will demand payment in writing and will mail or deliver our letter to the guarantor's address.

Until we are paid in full, the guarantor agrees its interests including all amounts owing by you (the business customer) to the guarantor are fully postponed to us, waives all rights to take legal action against the business customer and to exercise rights of subrogation, which are the rights to take our position and security. We are not required to marshall property, which is the act of realizing security in a certain order.

The guarantor's liability includes the liability to pay any interest the customer has not paid, and interest from the date of demand. This interest is charged at the applicable rate in the agreement. The guarantor must also pay all of the costs and expenses we incur to get the money the customer owes us, including any costs and expenses of collecting from the guarantor including without limitation legal fees on a solicitor and his/her own client basis.

The guarantor is not released from the guarantee if, from time to time, we change the terms of your indebtedness, or if we deal with the customer on different terms than the agreement.

These changes include the terms of the credit arrangements and the granting of time, extensions, renewals, indulgences, releases and discharges. We do not have to notify the guarantor if we make any of these changes.

This guarantee is not discharged or affected by any change in the capacity or status of the customer, including bankruptcy or other insolvency, even if we advance more money after the bankruptcy or insolvency.

This guarantee is in addition to any security and any other guarantee we hold. The liability under the guarantee may be limited, however, only if the limitation is set out in the agreement.

Default events and remedies

14. Default events

We have the right to require immediate payment at any time if the agreement specifies that a credit facility must be paid on demand.

If a credit facility is not a demand loan, we still have the right to demand immediate payment of the entire amount if any of the following events happen. These events are called default events:

- you fail to pay, when it is due, any payment required by the agreement
- a guarantor fails to pay any amount owing to us on any obligation to us
- you fail to observe or perform any provision of these terms and conditions or any other agreement with us
- you fail to comply with the terms of the security granted to us
- you, or a guarantor, become insolvent or commit an act of bankruptcy
- you, or a guarantor, make an assignment or bulk sale of all or a substantial part of your or, its property
- you sell the property which is secured under the agreement, except in the ordinary course of business
- a creditor moves to have you or a guarantor declared bankrupt
- you take a step or a guarantor take(s) a step to make an arrangement with creditors, wind up business or appoint a receiver
- anyone legally takes possession of a significant portion of your or a guarantor's property, particularly the property which is security for your indebtedness, or obtains a judgement permitting him or her to do so
- any security required to be provided in the agreement is not valid and in force
- in our opinion, there is any material unfavourable change in your financial condition, the financial condition of any guarantor or the operation of your business
- any declaration, representation or warranty you make to us or to the Government of Canada under the CSBFA, CALA is false in any material way
- you or a guarantor fails to comply with all applicable provisions of the CSBFA, CALA with respect to your loan

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- any property secured is in danger of being lost, damaged or confiscated
 - any guarantee of the credit facilities is withdrawn, determined to be invalid or made ineffective for any reason
 - you are in breach of any term of any other agreement you have entered into with us from time to time, even if it does not relate to the agreement
 - you complete any reorganization, amalgamation or merger without our prior permission in writing
 - there is a change of control in the ownership of your business
 - in our opinion, there is any unfavourable change in the environmental condition of your business premises or equipment
 - in our opinion, there is any unfavourable change in the environmental impact of your business activities.

15. Default remedies

If a default event occurs, we are entitled to demand that you immediately pay back the full amount you owe us. We are also entitled to exercise the rights in the agreement, or in law.

As well, we are entitled to realize on any security you granted to us under these terms and conditions and any other agreement you enter into with us from time to time. We are not required to take any action, however, and any delay or failure to do so does not release your obligations.

“Realize” includes the right to take possession, sell or lease, foreclose, seize and keep the property which is secured. We may choose how we want to realize. You are responsible for all our costs, including legal fees on a solicitor and his/her own client basis, and for interest on such expenses we have paid. We will charge this interest at the same rate as the interest rate in the agreement. We can deduct expenses from your account(s) with us.

If a default event occurs, we also have the following remedies:

We do not have to make any more advances to you or provide any banking services.

We can declare you to be in default under any other agreement with us.

We have, in addition to the rights and remedies in this agreement, all the rights and remedies provided by law and under any statute that applies, including all rights of legal and equitable set-off. This includes without limitation, the applicable personal property security legislation in every province and territory of Canada where you have property.

We are entitled to take possession of the property which is secured, and we can enter any of your premises to do so. If we incur any costs to take possession of the secured property, we can charge those costs to your account, and they will be added to the amount you owe us. The security you grant to us covers these costs.

We may hold, insure, maintain, repair, process, protect, preserve, prepare for disposition and dispose of the property. If we do, we will charge the costs to your account, and they will be added to the amount you owe us. The security you grant to us covers these costs.

We may appoint a receiver or a receiver-manager if we choose to do so. The receiver or receiver-manager will have all our rights, benefits and powers provided by these terms and conditions or any law, including the right to sell or lease property.

Once the receiver or receiver-manager has been appointed, he or she has the power, but not the obligation, to operate your business, and may borrow money for that purpose. The receiver or receiver-manager will be your agent, however, and we will not be responsible for any misconduct or negligence on his or her part. If we appoint a receiver or receiver-manager, we will charge the costs to your account, and they will be added to the amount you owe us. The security you grant us will cover these costs and any money borrowed by the receiver or receiver-manager.

16. Sale of secured property

We are entitled to seize or foreclose and take the property which is the security for your indebtedness. If we do, we will consider the indebtedness to be repaid to the extent required by law.

We can choose how to deal with the property once we can realize. We are entitled to realize at any time after you default on any of the requirements of the agreement or we have demanded payment and you have failed to pay in full. We are only required to give you the notice required by law.

We can sell the property in any way we choose, including private sales and auctions. We may purchase the property for ourselves in any sale process and we can accept deferred payment terms in any sale.

If we sell the property, we may apply the proceeds of the sale to the costs and expenses including without limitation receivership costs and legal fees on a solicitor and his/her own client basis, and then to repay your obligation to us as we determine. After that, we will pay you any remaining amount as required by law.

You must pay any remaining amount if the proceeds from the sale or the value of property seized or foreclosed is not enough to repay your entire obligation to us. We are only required to be reasonable in the sale, seizure or foreclosure process. We are not required to get the best price or wait to sell if the market isn't good.

Other

17. Amendments

You and we may amend the agreement at any time but each amendment must be in writing and signed by each of you and us. Any amendment made to the agreement may change the business arrangements between you and us, including the legal relationship.

18. Governing law

This agreement is governed by the laws of the province or territory where your main business office is located as indicated in the Business Account – Service Request, Statement – About the Business or the Application – Banking Services *for business* or Indirect Agriculture Financing – Credit Application or the Credit Agreement *for business* and the laws of Canada applicable therein. The limitation period for this agreement is extended to six years where permitted by provincial or territorial laws.

19. Assignment

The agreement is binding on you and any person who succeeds you or takes on your obligations by assignment.

You must not assign the agreement without getting our prior written permission. For example, you must not change your business from a proprietorship or partnership to a corporation as this is an assignment.

The Bank may assign your obligations and our rights under the agreement.

20. Financial review

We may conduct reviews of your business and financial affairs from time to time, and inspections of your property at any time. We will give you reasonable notice of the time of any review or inspection.

21. Additional agreements

If we need further agreements for this credit arrangement, you will provide them on our request, and we can register those agreements.

22. Scotia Leasing Agreements / Conditional Sales Agreements

If we approve a Scotia Leasing lease agreement and/or conditional sales agreement financing transaction, you agree to be bound by the terms of the Scotia Leasing lease agreement and/or conditional sales agreement documentation which will be executed between you and Scotiabank at the time of drawdown.

In the event of a conflict, the terms and conditions of the executed lease agreement and/or conditional sales agreement supersede the terms and conditions of the Credit Agreement *for business* with regards to such lease agreements and/or conditional sales agreements.

Revolving Credit Agreement

(ScotiaLine® *for business* Visa* card, Scotia Momentum® *for business* Visa* card and ScotiaGold Passport® *for business* Visa* card)

You agree to be bound by the terms of the Revolving Credit Agreement which you will receive with your Scotiabank credit card carrier to which your approved ScotiaLine® *for business* Visa* card, Scotia Momentum® *for business* Visa* card or ScotiaGold Passport® *for business* Visa* card will be attached when the card is issued and delivered to you by us.

Scotiabank Visa Business Card Agreement

In this Agreement, you and your Company refer to the business customer and its Designated Cardholders We, our, us, and the Bank refer to The Bank of Nova Scotia.

If you agree to this Agreement, or sign the reverse of the card when we issue you a Visa* card or cards ("Card" or "Cards"), or provide Company with a renewal or replacement Card or Cards, and you keep or use the Cards, you agree to the terms and conditions of this Agreement, and where applicable, the Scotiabank Group Privacy Agreement (available at www.scotiabank.com). Your credit application is incorporated into and forms part of this Agreement.

COMPANY'S RIGHTS AND OBLIGATIONS

Using the Card

You can use the Cards we supply to you, wherever they are accepted to buy goods or services ("Purchases"), and for other purposes we may authorize from time to time. At your request, we will supply you with additional Cards for Purchases or cash advances.

Using the online Scotiabank Visa Business Card Management application, the Company will designate for us certain employees ("Designated Cardholders") to whom we will issue a Card embossed with the name of the Company and the Designated Cardholder name. You may impose use restrictions for any Cards issued to you, so long as your Card use restrictions comply with this Agreement, Visa regulations, and applicable law. The Company is solely responsible for all activities of its Designated Cardholders, and is responsible for obtaining from its Designated Cardholders any agreements or commitments you consider necessary to govern their use of the Cards.

Only Designated Cardholders may obtain cash advances from financial institutions that accept the Card. By using the Card with a personal identification number ("PIN"), Designated Cardholders can also obtain cash advances at any automated bank machine ("ABM") that we designate and displays the Visa* logo. If a Card is used by a Designated Cardholder to obtain a cash advance, you are assumed to have authorized the transaction.

You agree that all transactions, including all Purchases made using the Cards and all cash advances made using the Cards, will be for your business purposes. Your violation of this provision does not relieve you of your obligations to repay us for all such amounts along with any interest, fees or other amounts you may owe us pursuant to this Agreement.

Identification

Company warrants that, prior to requesting cards for any potential Designated Cardholder, Company shall have obtained, verified, and recorded information that verifies the identity of each potential Designated Cardholder. Further, Company warrants that any card request sent to the Bank by the Company shall only be for a potential Designated Cardholder that has been screened, whose identity has been verified and who is allowed to be issued a Card by, but not limited to, applicable Federal laws related to the prevention of money laundering and funding of terrorism as required of financial institutions.

Scotiabank Visa Business Card Coordinator

The Company will designate up to two (2) of your employees as "Scotiabank Visa Business Card Coordinator(s)" (the "Card Coordinator(s)") by completing and sending us a signed "Scotiabank Visa Business Card Coordinator Designation" form(s). All dealings and communications between you and the Bank in connection with the Cards will be conducted through the Card Coordinator(s). We may rely exclusively on any directions, authorizations and other communications we receive from a Card Coordinator whether communicated verbally, electronically or in writing. The Card Coordinator(s) will be responsible for notifying us of all Designated Cardholder misuse or termination, Designated Cardholder name changes, Card use restrictions, any change in address of the Company or a Designated Cardholder and any other information which we require to keep our records up to date.

Data and Privacy

Company understands that the Bank may outsource the processing and housing of Program information and data to a jurisdiction outside Canada. Company further understands that law enforcement authorities in the jurisdiction, under applicable legislation or statutes in the jurisdiction, may access the information and data.

From time to time, the Designated Cardholder acknowledges and consents that the Company may request and receive reports showing data and information regarding the Company's Program that may contain data and personal information pertaining to the purchases, travel arrangements and other activities of the Company's Designated Cardholders. The Designated Cardholder acknowledges that they have been given notice of this use of information. The Designated Cardholder explicitly consents to the collection, use and disclosure of such data and personal information to the Bank, the Company and other third parties. By signing this Agreement, the Company warrants to the Bank that the Company will abide by any and all applicable legislation including all laws governing privacy and personal information. The Company warrants that it will inform Designated Cardholders prior to requesting this information from the Bank, however failure to do so will not reduce the ambit of the consents given in this Agreement.

Repaying the Amounts You Owe

When you use the Cards or allow others to use them, you incur a debt owed to us ("debt"). Interest, service charges and annual fees that we may charge you under this Agreement will be added to Company's debt and are not refundable, even if this Agreement is cancelled or terminated. If we use the services of a third party to retrieve any Card from you, we may add the cost of the Card retrieval to your debt. You agree to repay us in full any debt you owe to the Bank. All amounts payable under this Agreement are the responsibility of the Company.

Making Your Monthly Payments

The Bank will provide you with access to an electronic monthly statement (the "Corporate Statement") containing information about each transaction during the statement period. The Bank is also authorized by you to issue to each Designated Cardholder access to an electronic monthly memo statement (the "Cardholder Monthly Statement"). All indebtedness incurred through the use of our Cards is billed and payable in the Card currency.

You agree to pay us, in full, the sum of all debt shown in your electronic Corporate Statement, in the currency stated in the statement. Interest is payable on cash advances from the transaction date indicated on the Corporate Statement to the date payment is received in full. Payment in full is due by the due date shown on your Corporate Statement or electronic notification, and any outstanding amounts will be debited from your business account on the due date shown on your Corporate Statement or electronic notification.

Requesting Cardholder Services

You have requested the features, benefits and services provided automatically with the Card. You understand that optional services may be available at an additional cost to you. You understand that firms independent of us may supply some Card features, benefits or services and that we are neither responsible nor liable for them. We are not liable if the Card(s) are not accepted or honoured at any time.

Adhering to our Scotiabank Visa Business Card Guidelines

You will adhere to our Scotiabank Visa Business Card Guidelines (the "Guidelines") as may be provided to you. These Guidelines provide you with information on the operation of a successful Scotiabank Visa Business Card Program. In the event of any inconsistency between the terms of this Agreement and our Scotiabank Visa Business Card Guidelines this Agreement shall prevail.

Cash Back Reward program (For Canadian Dollar Cards ONLY)

There is an annual rebate program, as set out below, associated with the Card. The program will be based on billing cycles from September 16 of the current year to September 15 of the following year, with actual payout at the end of the October billing cycle. Payments will only be made once a year, and will be based on all transactions recorded for each cardholder in your program. The annual program has 3 progressive payment. We reserve the right to modify this program from time to time. Progressive payment tiers are as follows:

Annual spending levels per card	Payment rate
\$ 0 - \$5000	0.25%
\$5000.01- \$10,000	0.50%
+\$10,000.01	1.00%

For example, during the course of the year, you will earn 0.25% cash back on the first \$5,000 of purchases with your Scotiabank Business Visa Card. On the next \$5,000 of purchases, you will earn 0.50%. After you reach \$10,000 of purchases, you will earn 1.00% cash back.

Note: The maximum cash back is \$25,000 per year at the program level (which includes all Cards issued for your program)

Calculation of your annual Cash Back Reward

The total reward amount will be calculated as follows:

- The payout will be calculated on all Designated Cardholder transactions less cash advances, finance charge fees, annual fees, credits, disputed transactions and fraudulent transactions;
- If your net reward (i.e. on an aggregated Company basis) is in a negative position at the end of the reporting cycle, no reward will be paid out for the period.

Reporting on the Reward program

- Your Card Coordinator will receive a monthly notification showing qualified spending for each cardholder.
- Payment of all reward funds will be done annually on the October billing cycle.
- Payment of all reward funds will be done electronically to the Company's Scotiabank business deposit account and not to the individual Designated Cardholder. To receive payment, the Company must have a Scotiabank business deposit account that is active and in good standing at the time of payment.
- Your Scotiabank Visa Business Card account must be in good standing to receive any reward payment under this program.
- If you exit the Scotiabank Visa Business Card program early, the payout date will remain

on the October billing cycle. The maximum annual cash back payout is capped at \$25,000 at the program level (which includes all Cards issued for your program).

Telling us about Loss, Theft or Unauthorized Use

You will inform the Scotiabank Visa Business Card Service Centre (as indicated in your Card Coordinator Guide) by telephone or in writing immediately upon discovering the loss, theft or unauthorized use of any Visa Card or PIN issued to the Company or Designated Cardholder. If you even suspect unauthorized use of any card or PIN, you will notify us immediately. Should you choose to advise us in writing, the date of receipt by the Bank of the notification shall be the actual notification date. If any Card is lost or stolen, you will be liable for debts, including accrued interest, resulting from their use prior to your notification to the Bank that they have been lost or stolen.

Changing Addresses

You will advise us of any change in the address of Company or a Designated Cardholder and you will give us other information that we may need from time to time to keep our records up to date.

Keeping the Personal Identification Number (PIN) Confidential

You and the Company's Designated Cardholders agree to keep each PIN assigned to a Card in safe keeping and confidential and to keep them separate at all times. If you or the Company's Designated Cardholders do not keep each PIN confidential, or you store the Cards and the PINs in a way that would enable someone other than a Designated Cardholder to use them together, you will be liable for all debt, including accrued interest, which may arise from their use in such circumstances. In order to ensure confidentiality of the PINs each Designated Cardholder must choose passwords that are not easily identified.

Telling us about Errors

If you think your Corporate or Cardholder Monthly Statement contains any errors, or if you need more information about a transaction on a statement you must contact us by phone at the Scotiabank Visa Business Card Centre, 1-888-823-9657 or fax us at 1-416-701-7022 within 10 days of the date of the Company or Cardholder Monthly Statement. After that time, the statement will be considered to be correct unless you can provide us with written proof that it is not. We will require the following information:

- The cardholder name, account number and significant date (password).
- The dollar amount of the suspected error and an explanation of why you believe there is an error.

Settling disputes

If a dispute arises about a transaction for which any of the Company's Visa cards were used, you must first attempt to settle it directly with the merchant or business concerned. You are also responsible for returning defective merchandise and ensuring proper credit is received. If this dispute is not resolved to the Company's satisfaction we may investigate any such dispute by your contacting the Scotiabank Visa Business Card Service Centre within 70 days of transaction date to initiate. If we investigate a dispute we will remove the disputed

item(s) from the Company's statement and you do not have to pay the portion of its debt owed in connection with a disputed transaction amount up to sixty (60) days while our Scotiabank Visa Business Card Centre investigates such dispute. However Company will remain obligated to pay the balance of its Corporate Statement debt, which is not in dispute. Interest continues to be charged during this period. If you are held to be liable, any amount in question becomes payable at the earlier of the time investigation is completed to the Bank's reasonable satisfaction, or 60 days from the payment due date for the Corporate Statement on which the amount in question first appeared, whichever is earlier. We make no representation or promise in regards to settling a dispute.

Cancelling Cards

You will promptly advise the Scotiabank Electronic Banking Contact Centre (as indicated in your Card Coordinator Guide) if a Designated Cardholder ceases to be authorized to use the Card, and retrieve all Cards and surrender such Cards to the Bank.

We can cancel this Agreement and require you to give your Cards back to us or to someone acting on our behalf, upon our demand. Cancellation of cards by either party does not relieve you of your responsibility to pay any debt you may owe the Bank.

When a Designated Cardholder has used the Card to authorize preauthorized payments on a continuing basis you are responsible for all such charges to the Card until you terminate such preauthorized payment arrangements with each payee. The Card Coordinator will require each Designated Cardholder to provide a current list of all such preauthorized payment arrangements that are to be paid by the Designated Cardholder by use of the Card. On the cancellation of the Card by the Card Coordinator(s) following the cancellation of a Designated Cardholder's use of the Card (either during employment or following termination of the employment of a Designated Cardholder) or on termination of this Agreement, the Card Coordinator(s) will notify the payees of all such preauthorized payment arrangements that all future preauthorized payments on the Card are immediately cancelled and will be returned by the Company if processed on behalf of the payee.

Observing your Cards Expiry Date

You agree not to use any Card after the expiry date embossed on a Card. If a Card is used after its expiry date, you agree to pay any debts that are related to or arise from such use.

Not Exceeding your Credit Limit

In connection with the use of all the Cards supplied to you, the Bank has assigned you an Aggregate Credit Limit set out in the Credit Agreement for business with you. Each Card is subject to an individual Card credit limit ("Individual Credit Limit") set out in the online Scotiabank Visa Business Card Management Application. You are responsible for ensuring the Aggregate Credit Limit and the Individual Credit Limits are not exceeded. The Bank may change the Aggregate Credit Limit as determined by the Bank in consultation with the Card Coordinator and in conjunction with a credit review.

Insurances

Insurance certificates will be delivered to each Card Coordinator, as applicable, at the time of card issuance.

OUR RIGHTS AND OBLIGATIONS

Charging Interest on Purchases, Cash Advances and Service Charges

You agree to pay us interest as set out below.

You must make payment in full of the amount due shown on the Corporate Statement notification and Cardholder Monthly Statements (representing Purchases, cash advances interest service charges transaction or other fees) by the due date shown on the monthly statement notification. We will debit your designated Bank account for the full amount due on the due date shown on the monthly statement notification.

Interest is payable on cash advances from the transaction date indicated on the Statement to the date payment is received in full. The interest rate applicable to cash advances is the Bank's prime lending rate as established at the beginning of each month.

If Company makes payment in full on or before the due date, we will not charge you interest on any Purchase, service charge, transaction fee or other fee that appears on the statement. If payment is not made in full, Purchases service charges transaction fees or other fees are subject to interest from the transaction date indicated on the Statement to the date it is repaid in full.

Our rate of interest, applicable to all transactions except cash advances is our "Scotiabank Visa Business Card interest rate". This interest rate is the Bank's prime lending rate, from time to time, as of the first business day of each calendar month plus 10.00% per annum, and is applied for the remainder of the current Statement period up to and including the current Statement period's Statement date, if payment in full is not received on or before the due date.

The Bank's prime lending rate is posted and available for your review in the Bank's branches and online at www.scotiabank.com.

Adding Interest to Company's Debt

We calculate interest on Company's average daily balance for each Statement period and we add it to Company's debt and report it on Company's statement as set out above. We calculate the amount of interest for each statement period by multiplying the average daily balance of the debt on which interest is payable by either the Scotiabank Visa Business Card interest rate or the Bank's prime lending rate, as applicable (which is determined based on whether the debt is cash advance or other), divide this by 365 days to get the amount of interest charged per day. This is then multiplied by the number of days in the monthly statement cycle to get a monthly interest charge. We get the Average Daily Balance by taking the beginning balance of the debt on which interest is payable each day during the statement cycle period, add any new transactions as of the date of the transaction, and subtract any payments and credits we apply to your debt as of the date each is applied. Then we add up all of the daily balances for the statement period and divide the total by the number of days in the statement period to get the Average Daily Balance. Interest calculated on Cash Advances is prime, calculated from the date the cash advance transaction takes place until payment is made. This is reported on your statement as a Cash Finance Charge and interest calculated on Purchases service charges transaction fees or other fees due to late payment is reported as a Purchase Finance Charge.

Telling you about Interest Rates, Service Charges and our Fees

You will pay the Bank fee(s) for the Cards as specified below:

CAD Program Annual Card Fees (per Card)	USD Program Annual Card Fees (per Card)
Silver \$65 CAD	Silver \$65 USD
Gold \$95 CAD	Gold \$95 USD

Fees to be charged at setup and annually thereafter.

Reporting option is determined at the Company level, not the Card level. The first annual fee for the Cards issued will appear on your first monthly statement and is not refundable. We may change any service charges or transaction fees from time to time and will give you 60 days prior notice of any such changes.

Please note that VRU (Voice Response Unit) Card Activation is a mandatory feature within the Scotiabank VISA Business Card Program. All cardholders will receive nonactivated cards. They will be required to call The Bank's Support Number and activate their cards via an automated process in order to use their cards.

Applying Payments

We apply payments first to interest charges that we have billed, then to any billed fees and service charges, then to any billed cash advances. Next we apply payments to any billed Purchases on which interest is payable then to billed Purchases on which interest is not yet payable. We then apply payments to unbilled current cash advances and finally to any unbilled current Purchases.

Applying Credit Vouchers

If a business gives you a credit, we will reduce Company's debt by that amount when the credit is received by us. We apply Company's credits first to any billed cash advances then to billed Purchases on which interest is payable. We then apply your credits to any unbilled current cash advances and finally to any unbilled current Purchases.

Foreign Currency Transactions

All your debt incurred through the use of a Canadian dollar Card will be billed and payable in Canadian currency. All Canadian dollar Card transactions completed in a currency other than Canadian dollars will be converted and posted to the Corporate Statement in Canadian currency. This includes debit and credit vouchers.

Visa International determines the foreign currency exchange rate for Cards on the date a transaction item is received and debited or credited to Company's Designated Cardholder's Card(s). The exchange rate at the date of conversion may be different from the rate in effect on the date the transaction was made. (For information purposes, the exchange rate includes an additional amount equal to 2.50% of the converted amount, which is applied to both debit and credit transactions).

Any gains made and any losses incurred by Company on foreign currency transactions following a debit and a credit on a Card due to currency rate fluctuations between the date the debit is posted to the Company's Card and the date any subsequent credit is posted to

Company's Card are for the account of Company and shall be payable to or by Company (as the case may be). We will not assume any risk of foreign currency exchange gains or losses from cross currency conversions resulting from Company's use of the Cards.

Automatic Banking Machines (ABMs)

The amount a Designated Cardholder may withdraw each day as a cash advance from an ABM is limited to the amount of the individual Card Credit Limit and is also subject to the ABM withdrawal limit set by the Bank or by other financial institution. The amount a Designated Cardholder may withdraw each day as a cash advance on the Card in an over the counter transaction at a financial institution is limited to the amount of the individual Card Credit Limit and is also subject to the daily allowable cash advance credit limit which we assign for your Cards. Over the counter transactions using a Card are subject to Card verification and authorization by the financial institution processing the transaction. The Bank is not liable for any losses the Company may suffer as a result of unauthorized cash advances obtained by Designated Cardholders using the Cards at any time. The Company is responsible for the repayment to the Bank of all cash advances obtained by a Designated Cardholder, including interest thereon, prior to your notification to the Bank that a Card has been lost or stolen.

Visa Canada regulations state that an ABM acquirer should not add a surcharge or fee to the cash advance transaction amount through the use of the Card, unless local law expressly provides that an ABM acquirer be permitted to impose a surcharge

Preparing and Sending Monthly Statements

Monthly Corporate and Cardholder statements are only prepared on business days, so the time between statements may vary from 27 to 34 days depending upon the number of business days in the month in which a statement is issued. If the end of the cycle date falls on a weekend or holiday, the statements will be prepared on the business day prior.

Security

If this credit account is secured by a mortgage, hypothec or security agreement, you will not further encumber the property without our permission. If you sell the property which is subject to the mortgage, hypothec or security agreement, you agree that you will immediately repay to us all amounts owing under this agreement.

TERMINATION

We may cancel this agreement and/or require you to pay your debt immediately if: You do not carry out your obligations under this agreement or any service agreement which forms part of this agreement; you become bankrupt, insolvent or any actions are taken to place you in bankruptcy, receivership, etc.; upon legal attachment, seizure, lien or execution against you or your property; or if any Card or PIN is used contrary to this agreement. Termination of this agreement does not relieve your liability for making all payments required under the agreement.

Termination for Convenience

The Company or the Bank may on thirty (30) days prior written notice to the other party hereto terminate the Agreement for convenience. In the event of such termination, the Bank shall be repaid the full balance of all Cardholder accounts, and any other amounts payable under the Agreement will be immediately due and payable in full.

Termination for Credit Risk

The Bank may on written notice to the Company terminate this Agreement due to a decline in the credit worthiness of the Company which in the reasonable opinion of the Bank increases the credit risk of the Bank in regard to the credit to which the Bank is exposed under this Agreement. The termination of this Agreement shall be effective at the date and time set out in the notice of termination. The Company agrees that any material deterioration in the credit worthiness of the Company is a cause for immediate termination of this Agreement by the Bank.

Overhead Costs or Profits

Whether the Bank terminates the Agreement with or without cause, in no event shall the Bank be responsible for termination expenses, for overhead costs associated with the Agreement, for any profits the Company or the Affiliates would have earned if it or they had completed the term of the Agreement, or for any special, consequential, punitive, incidental or indirect damages.

Offset

We may debit any other account you have with us with the amount of any payment you are required to make to us under this agreement and credit the amount to the outstanding debt under this agreement.

WARRANTIES AND REPRESENTATIONS

We make no warranties, representations or conditions whatsoever, except as stated in this Agreement. We will not be liable for any damages of any kind related to your use of the Cards, or any of the features, benefits or services contemplated in this Agreement, even if you have notified us in advance of such possible damages.

We will not be liable for the inability to perform the whole or any part of the features, benefits or services contemplated under this Agreement, which is reasonably beyond our control. In no event, will we be responsible for the activities of any third party. No claim arising from this Agreement may be brought by you more than one (1) year after your disputed matter occurred or a longer period if required by local laws.

Notice of Agreement Changes and Guideline

We may change this Agreement or the features, benefits or services that are available with the Cards at any time, but we will give you written notice before we make any such changes except in the case of features, benefits or services supplied by firms independent of us, which may be changed any time without notice. You agree that we will have satisfied our written notice obligation to you about anything contemplated under this Agreement, or any other matter relating to the Cards, when we send such notice to you at the address first written above by electronic transmission or mail, or hand deliver it, to the most recent Company address on our records. You also agree that our giving written notice to you constitutes written notice being provided to all users of the Cards. We may from time to time issue you guidelines related to the proper use of the Cards, or other services contemplated under this Agreement and you must comply with those guidelines.

Applicable Law

This Agreement and the transactions contemplated hereby, and any claim, dispute or controversy (whether in contract, tort or otherwise) at any time arising from or relating to this Agreement or the transactions contemplated hereby, are governed by and construed in accordance with applicable Canadian federal law and the applicable laws of the Province in which the Company resides. The legality, *enforceability and interpretation of this Agreement and the amounts contracted for, charged and reserved* under this Agreement will be governed by such laws.

English Language

Applicable in the province of Quebec only. It is the express wish of the Company and the Bank that this Agreement and any related documents be drawn up in English. Les parties conviennent que la presente convention et tous les documents s'y rattachant soient rediges et signes en anglais.

The parties signing on behalf of the Company certify that they are legally able to sign on behalf of the Company.

ScotiaCard® Cardholder Agreement

This *ScotiaCard* Cardholder Agreement sets out the terms that apply to your *ScotiaCard* banking card. It replaces all previous versions of the *ScotiaCard* Cardholder Agreement and it applies if we send or provide you with a replacement or reissue you a *ScotiaCard* banking card.

When you receive the *ScotiaCard*, select a PIN for the *ScotiaCard*, sign the reverse of the *ScotiaCard*, activate or use the *ScotiaCard*, that means you have received and read this Agreement and that you agree with, and are bound by, its terms.

Definitions You Need to Know

ABM(s) means designated automated banking machine(s).

Account means a deposit account, credit card account, investment or brokerage or loan account you have with us that can be accessed using your *ScotiaCard*.

Agreement means this *ScotiaCard* Cardholder Agreement as amended, modified or replaced from time to time.

Automated Banking Services means the services you use and receive through the following channels where you can access your designated Accounts by using your *ScotiaCard*:

- ABMs;
- Direct Payment Terminals;
- Mobile Banking;
- Online Banking;
- Telephone Banking;
- Card Not Present Transaction channels;
- Any other automated banking channel we may offer from time to time.

Bill Payment Company refers to a business, company, utility company or other party that has an arrangement with Scotiabank to be a payee of bill payments through the service for which you have been registered by Scotiabank for branch or Automated Banking Services bill payment access.

Business Day refers to regular weekdays only and excludes Saturdays, Sundays or statutory federal holidays.

Cardholder means the person to whom a *ScotiaCard* has been issued by the Bank.

Card Not Present Transaction means an online order, mail order or telephone order transaction (including payments and other funds transfers such as refunds) using the *ScotiaCard* and whereby you provide the *ScotiaCard*, *ScotiaCard* expiry date and/or CVV2 to the authorized merchant.

CVV2 means the three-digit security code on the back of the Card, where applicable.

Direct Payment refers to payments (or other funds transfers, such as refunds) made with your *ScotiaCard* using *Interac*[†] Debit, Visa^{*} Debit, NYCE, *Interac*[†] Flash or any other system we may designate from time to time to pay for goods or services by using your *ScotiaCard* at a Direct Payment Terminal.

Direct Payment Terminal means a point of sale terminal at which Direct Payments can be completed using your *ScotiaCard*.

Electronic Signature refers to each secret and confidential combination of numbers and/or letters selected by you, for your use, as a means of confirming your identity and authorizing transactions performed, and services accessed, by using your *ScotiaCard*. Your Electronic Signature includes, but is not limited to, your PIN and/or any other security codes such as access codes, passwords or passcodes which allow for your access to the Automated Banking Services. Reference to “Electronic Signature” throughout this Agreement refers to all Electronic Signatures that you have.

Inactive Accounts means those deposit Accounts having no customer-initiated transactions for 24 consecutive months.

Interac Flash Transaction means payments or other funds transfers (including refunds) made at a Direct Payment Terminal using an *Interac* Flash-enabled *ScotiaCard* without using an Electronic Signature.

Mobile Banking^{†††} means the Scotiabank mobile banking application downloaded to your Mobile Device or www.scotiabank.com through the Internet browser on your Mobile Device.

Mobile Cheque Deposit refers to cheques you deposit via your Scotiabank Mobile Banking Application.

Mobile Device means an internet-enabled smart phone or any other wireless handheld computing device that we allow you to use to access Automated Banking Services.

Online Banking means the Scotiabank services that can be accessed by your personal computer (and modem) through the Internet at *Scotia OnLine* (www.scotiabank.com).

PIN means the secret and confidential personal identification number you have selected for your *ScotiaCard*.

ScotiaCard means the *ScotiaCard* banking card, and any replacement *ScotiaCard* banking card, that we have issued to you and that has a unique card number that is:

- (i) associated with an Account(s);
- (ii) used with or without, as applicable, your Electronic Signature or Written Signature to access Automated Banking Services.

ScotiaCard also means the unique card number itself.

Telephone Banking means *TeleScotia*[®] automated telephone banking, the automated brokerage telephone service or any other telephone banking services that may be offered by Scotiabank from time to time.

Written Signature means the written signature that you provide to authenticate yourself, and confirm receipt of, a transaction record for certain types of Direct Payments made using the Visa^{*} Debit functionality on your *ScotiaCard*, where applicable.

We, our, us, Scotiabank and the Bank means The Bank of Nova Scotia and, as applicable, any of our Canadian subsidiaries, including but not limited to Scotia Securities Inc. and Scotia Capital Inc.

You and your mean the person to whom we have issued a *ScotiaCard*.

Visa Debit refers to the payment feature on selected *ScotiaCards* that allows you to shop online and internationally and pay directly from your bank account.

Security of Your *ScotiaCard* and Electronic Signature

Protecting the security of your *ScotiaCard* and your Electronic Signature is important. You are responsible for maintaining their confidentiality and safekeeping. This includes:

- keeping the *ScotiaCard* in your possession;
- keeping the *ScotiaCard* in a safe place and not letting anyone else use it;
- keeping the *ScotiaCard* in your sight, and taking the *ScotiaCard* and transaction record (when applicable), once a transaction at a Direct Payment Terminal or ABM is complete;
- keeping your Electronic Signature confidential and memorizing it or, if you must write it down, keep it separate from your *ScotiaCard* at all times such that they cannot be used together;
- selecting an Electronic Signature that cannot be easily guessed;
- not using an Electronic Signature that is a combination selected from your name, date of birth, telephone number(s), bank account number(s), address or social insurance number;
- taking all reasonable precautions to ensure that no one else sees or learns of your Electronic Signature when using the Automated Banking Services;
- always signing out or logging out of an Online Banking or Mobile Banking session using the applicable sign out or log out function;
- not leaving your computer or Mobile Device unattended while signed in to Online Banking or Mobile Banking;
- not voluntarily disclosing your Electronic Signature to anyone else at any time, including any family member, friend, law enforcement agency, or financial institution employee;
- not consenting to or allowing someone else to forge your Written Signature;
- not storing your Electronic Signatures on your computer or Mobile Device; and
- not using third party password generators.

You may use your *ScotiaCard*, PIN or Online Banking credentials to identify yourself to a third party, such as a government office, where this method is authorized by us and where this ability is available.

You must ensure that you regularly update your passbook and check your Account statements and balances to verify all transactions have been properly recorded. If entries do not accurately reflect your transaction activities, such as missing or additional transactions you must contact us immediately by visiting the nearest Scotiabank branch or through Telephone Banking.

A Lost, Stolen or Compromised *ScotiaCard* or Electronic Signature

You will notify us immediately if:

- your *ScotiaCard* is, or you suspect that it is, lost or stolen;
- someone else has, or you suspect that someone else has, used your *ScotiaCard*, Electronic Signature or forged your Written Signature;
- your *ScotiaCard* or Electronic Signature has, or you suspect that it has, become known to someone else or has otherwise been compromised.

You may notify us by visiting the nearest Scotiabank branch or by contacting us at the telephone numbers shown at the end of this Agreement.

In addition to notifying us, you should change your Electronic Signature. For example your PIN may be changed at the nearest Scotiabank branch or at our Scotiabank ABMs that allow you to make a PIN change. Online Banking and Mobile Banking passwords or passcodes can be changed by using the applicable reset password or reset passcode function.

Expiry Date

Your *ScotiaCard* has an expiry date. A new *ScotiaCard* will be reissued to you before the expiration date on the *ScotiaCard*. You agree not to use your *ScotiaCard* after its expiry date.

Automated Banking Services

Once your *ScotiaCard* is activated, you can access the Automated Banking Services by using your *ScotiaCard* and your Electronic Signature, or Written Signature where applicable. You may also use your *ScotiaCard* without the Electronic Signature or Written Signature for *Interac* Flash Transactions and Card Not Present Transactions at participating merchants. You will have the same rights and responsibilities for transactions that do not require an Electronic Signature or Written Signature as you would have had using your *ScotiaCard* and Electronic Signature or Written Signature.

In addition to the various other Automated Banking Services you will have access to by using your *ScotiaCard*, you will be able to obtain cash advances at designated ABMs from your Scotiabank Visa* card, your *ScotiaLine*® for business Visa* card, your Scotiabank American Express card, your *ScotiaLine*® personal line of credit and your *ScotiaLine*® personal line of credit for students accounts if:

- Automated Banking Services access via your *ScotiaCard* to these designated Accounts has been pre-arranged;
- your Accounts are in good standing, and
- your Account credit limit will not be exceeded by doing so.

You can also use your *ScotiaCard* to access your designated investment Accounts (including your GICs and your Accounts with Scotia Securities Inc.) and brokerage Accounts with ScotiaMcLeod®, HollisWealth™ and Scotia iTRADE®♦ through the Automated Banking Services.

You authorize Scotiabank to accept your instructions given through the Automated Banking Services as if you had given the instructions to us signed and in writing.

For certain purposes, when dealing with your investment Accounts, we may restrict access to some of your other Account options.

Branch Access to Accounts

You can access your designated Accounts by presenting your *ScotiaCard* together with your Electronic Signature, your passbook, your personalized Scotiabank cheque, or such other identification as we reasonably require, at any Scotiabank branch within Canada.

If you do not have a *ScotiaCard*, you will need sufficient identification to enable the branch to verify your identity and your home branch may need to be contacted to facilitate the transaction.

Inactive Accounts

Inactive Accounts cannot be accessed through any Automated Banking Service(s). You will need to visit a branch to reactivate your access to Inactive Accounts.

Transaction Charges & Fees

You agree to pay and we may deduct, without notice, from any of your Accounts (even if this creates or increases an overdraft) the following:

- a transaction charge at the prevailing rate (as determined by us from time to time) for each transaction for which your *ScotiaCard* has been used through the Automated Banking Services. A notice of the charges and fees is provided in the Day to Day Banking Companion Booklet and, for business Accounts, in the document called “Your Guide to Fees and Interest Schedules” provided with the Business Banking Services Agreement;
- the transaction charges or service fees imposed by other financial institutions (inside or outside Canada) for each transaction conducted through their ABMs or Direct Payment Terminals in which your *ScotiaCard* has been used. You should contact other financial institutions for information on their transaction fees or service fees they charge for using their ABMs.

Transaction Limits

We may establish and change limits, dollar or otherwise, from time to time, that apply to your use of the *ScotiaCard* and on the various transactions which may be available through the services, without prior notice to you. Cumulative limits currently in effect are:

- Limits for ABM cash withdrawals or cash disbursements from your bank Accounts and advances from your credit card Accounts, by using your *ScotiaCard* are as indicated on your *ScotiaCard* Banking Access Enrollment/Maintenance Form;
- Direct Payment limits and the Cashback limit are as indicated on your *ScotiaCard* Banking Access Enrollment/Maintenance Form.
- ABM or Mobile Cheque Deposit Limits
 - \$99,999 per transaction
- ABM transfer and ABM bill payment limits
 - \$100,000 and \$49,999 per day respectively

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- Online Banking, Mobile Banking, *TeleScotia* Telephone Banking transfers
 - \$100,000 limit for transactions between Accounts in the same currency.
 - \$10,000 CAD daily limit for cross-currency transfers (currently unavailable on mobile banking).
 - Online Banking, Mobile Banking, *TeleScotia* Telephone Banking bill payments
 - \$49,999 per transaction
 - *Interac* Flash
 - up to \$100 per transaction at authorized merchants.
 - Electronic Transfer Limit
 - as indicated on your *ScotiaCard* Banking Access Enrollment/Maintenance Form.
 - Online Purchase Limit (includes Card Not Present Transactions and *Interac* Online transactions)
 - as indicated on your *ScotiaCard* Banking Access Enrollment/Maintenance Form.

All fees and limits for Western Union money transfers or foreign currency transfers can change from time to time and can be viewed at Online Banking.

Transaction Records/Confirmation Numbers

At the completion of each Automated Banking Services and branch transaction, you will be given a transaction record, unless otherwise requested, or you will be provided with a reference number. If your *ScotiaCard* is used for a Direct Payment or Card Not Present Transaction, we may arrange for a third party, such as a merchant, to give you the transaction record. For some Direct Payment transactions you will need to provide your Written Signature on the transaction record. You agree that cheques or any other form of debit voucher transaction performed through any Automated Banking Services, at any Scotiabank branch other than at the branch where you maintain your Account(s), will not be returned to you, but rather a description of the transaction only (e.g. cheque, debit voucher or debit memo) will be reflected in your monthly statement or passbook. If you deposit your cheque through your Mobile Banking application, you must write “Deposited” on the front of your paper cheque, retain it for at least 5 business days and destroy it within 120 days.

***Interac* Flash - Description**

Interac Flash is a feature available on your *ScotiaCard* that enables Cardholders to use the *ScotiaCard* to pay for small purchases, up to \$100 at select merchants, by holding your *ScotiaCard* over a Direct Payment Terminal that supports *Interac* Flash. You do not have to insert your *ScotiaCard* or enter a PIN.

Note: If your *ScotiaCard* was issued before March 2013, your maximum purchase limit is \$50 at most merchants and \$100 at gas stations. Should you exceed the maximum amount at any merchant, you will be prompted for your PIN in order to complete the transaction. *Interac* Flash Transactions are only for the payment of goods and services – “cashback” transactions are not permitted.

Interac Flash - Enabling and Opting Out

When you are first issued a *ScotiaCard* with *Interac Flash* enabled, this feature will be activated the first time you conduct a successful PIN transaction at a Direct Payment Terminal, at an ABM or a branch.

You must have a pre-selected chequing Account linked to your *ScotiaCard* for *Interac Flash* to be enabled. If you requested to have the *Interac Flash* enabled on your current *ScotiaCard* any replacement *ScotiaCards* will also have the *Interac Flash* feature enabled.

You can have *Interac Flash* disabled on your *ScotiaCard* by contacting the Scotiabank Call Centre at 1-800-4SCOTIA or by visiting your nearest branch. If you request to have the feature disabled, any replacement *ScotiaCards* issued after the request will also have the *Interac Flash* feature disabled.

You may request to have the *Interac Flash* feature enabled at any time through the same contact methods. There is no charge to have the *Interac Flash* feature added to, disabled or enabled on your *ScotiaCard*.

Visa Debit

For *ScotiaCard* debit cards that have Visa Debit functionality, Visa Debit transactions will be processed through the pre-selected chequing Account linked to your *ScotiaCard*.

Liability

1. Your Liability

Reference to the *ScotiaCard* below also includes use of the *ScotiaCard* with Electronic Signature or Written Signature, as applicable.

- a) You are responsible for all debts, withdrawals, deposits, transactions, advances, other Account activity and losses resulting from:
- all authorized transactions which means transactions in which the *ScotiaCard* was used by you or by persons to whom you have made your *ScotiaCard* available or who received possession of your *ScotiaCard* with your consent;
 - any error or fraudulent use of the *ScotiaCard* by you, or authorized by you, including any errors or fraudulent or worthless deposit or other transaction using the Automated Banking Services;
 - failing to comply with your obligations to protect your *ScotiaCard* and Electronic Signature as described in the section above entitled “Security of Your *ScotiaCard* and Electronic Signature” or if you did not otherwise take reasonable steps that could have prevented the loss;
 - failing to notify us immediately if you become aware that your *ScotiaCard* or Electronic Signature has been lost, stolen or compromised (as described in section entitled “Lost, Stolen or Compromised *ScotiaCard* or Electronic Signature” above);
 - any other unauthorized use of the *ScotiaCard* to which you have contributed and is not otherwise exempted under a provision of this Agreement; and
 - any other failure by you to comply with the terms of this Agreement.

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- b) You are not liable for losses resulting from:
- technical problems and other system malfunctions;
 - errors, fraud or negligence caused by us;
 - unauthorized transactions after the *ScotiaCard* has been reported to us as lost, stolen or compromised;
 - unauthorized transactions after the *ScotiaCard* is cancelled or expired;
 - unauthorized transactions, where you have unintentionally contributed to such use, provided that you notify us immediately upon becoming aware of the transaction and fully co-operate in any subsequent investigation (the word “unintentionally” in this clause excludes any non-compliance with your obligations under the “Security of Your *ScotiaCard* and Electronic Signature” section of this Agreement); and
 - transactions using your *ScotiaCard* where it can be shown that you have been the victim of fraud, theft, trickery, force or intimidation provided that you notify us promptly of the incident, fully cooperate in any subsequent investigation and provided that you have not contributed to the loss.
- c) Your liability will not exceed the established transaction limits (including daily and weekly limits) for the applicable Automated Banking Services, however your liability may exceed the actual or available funds in an Account. This may occur, for example, if an Account has a line of credit or overdraft protection or is linked with another Account or multiple other Accounts (for example another banking Account or a credit Account).
- d) Where you are liable for the transactions on your Account(s) pursuant to the terms and conditions described in this “Your Liability” section, you understand that this liability is in addition to any liability for those transactions that you have under any credit agreements (including the Revolving Credit Agreement) and other banking agreements that apply to your Accounts.

2. Our Liability

WE ARE NOT LIABLE TO YOU FOR ANY DELAY, LOSS, DAMAGE OR EXPENSE THAT YOU INCUR OR ANY INCONVENIENCE WHICH RESULTS FROM OUR PROVIDING OR FAILING TO PROVIDE ANY SERVICE, EXCEPT WHERE SUCH LOSSES RESULT FROM:

- WILLFUL MISCONDUCT OR GROSS NEGLIGENCE BY THE BANK;
- ERRORS, TECHNICAL PROBLEMS OR SYSTEM MALFUNCTIONS FOR WHICH THE BANK IS SOLELY RESPONSIBLE.

ALSO, WE ARE NOT RESPONSIBLE FOR YOUR ACTS OR OMISSIONS OR THOSE OF ANY THIRD PARTY. FURTHERMORE, THE BANK SHALL IN NO WAY BE LIABLE FOR ANY ACCIDENT, ACT OF AGGRESSION, THEFT, LOSS OR DAMAGE YOU MAY SUFFER WHILE USING AUTOMATED BANKING SERVICES OR OTHER SERVICES, WHETHER YOU ARE ON BANK OR OTHER PREMISES.

TO THE EXTENT THAT WE MAY BE LIABLE TO YOU, WE WILL ONLY BE LIABLE FOR DIRECT DAMAGES. TO THE EXTENT NOT PROHIBITED BY LAW, IN NO EVENT WILL WE BE LIABLE TO YOU FOR ANY INCIDENTAL, SPECIAL, INDIRECT, CONSEQUENTIAL OR

PUNITIVE DAMAGES WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOST PROFITS, LOST OR DAMAGED OR CORRUPTED DATA, BUSINESS INTERRUPTION OR ANY OTHER COMMERCIAL DAMAGES OR LOSSES ARISING OUT OF OR RELATED TO YOUR USE OF ANY SERVICE, HOWEVER CAUSED AND REGARDLESS OF THE BASIS OF THE CAUSE OF ACTION INCLUDING, BUT NOT LIMITED TO, CONTRACT OR TORT (INCLUDING NEGLIGENCE, STATUTE OR ANY OTHER CAUSE OF ACTION) AND EVEN IF YOU HAVE BEEN PREVIOUSLY ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

OUR LIABILITY IS SUBJECT TO THE LIMITATIONS SET FORTH IN THIS SECTION AND IN ANY OTHER SECTION OF THIS AGREEMENT.

We are not liable to you if an ABM or if a store, retailer or merchant does not accept your *ScotiaCard* at any time or if you cannot use your *ScotiaCard* or your Electronic Signature at any time or for any reason, including if we cancel or temporarily deactivate your *ScotiaCard* or decline to authorize a transaction because we have detected activity in your Account or the use of the *ScotiaCard* that we consider to be unusual. When depositing cheques via Mobile Cheque Deposit, you accept the risk that an item may be intercepted or misdirected during transmission. We are not liable for any damage or loss resulting from the interception or misdirection.

No Warranties

Neither the Bank, nor any access service provider nor any other information technology service provider, makes any express or implied warranties concerning the Automated Banking Services including, but not limited to, any warranties of merchantability, fitness for a particular purpose or non-infringement of any third party proprietary rights unless disclaiming such warranties is prohibited by law.

Accepting Our Records

Our records as to whether an Automated Banking Services or branch transaction has been performed, and our determination of the details of that transaction, will be considered correct and binding on you, unless you provide us with evidence to the contrary within 30 days of the date of a disputed transaction.

Posting of Transactions, Cancelling Transactions and Updating Bill Payment Information

Any Automated Banking Services transaction (excluding automated bill payments) conducted in Canada before 12:00 a.m. (midnight) local time Monday through Saturday will normally be posted to your applicable Account as of the date of the transaction, unless that day is a holiday. Transactions conducted on Sundays or holidays will normally be posted to the applicable Account as of the next business day.

Any transaction conducted on a Saturday involving a Scotiabank chequing account or a current or business account will normally be posted to the designated Account as of the next business day.

Transactions conducted outside Canada may be posted to your designated Account at a later date.

For transactions conducted using Visa Debit, transactions are posted to and funds debited from your Account on the date the transaction is authorized by us. If there is a difference

between the original authorized amount and the final settled amount of the transaction, your Account may be credited with the original authorized amount and subsequently debited for the final settled amount of the transaction.

Any automated bill payment request made on or before 8:30 p.m. Eastern Standard Time, Monday through Friday will be posted to your designated Account on the day of the transaction. An automated bill payment made after 8:30 p.m. Eastern Standard Time, Monday through Friday or anytime on Saturday, Sunday or a holiday, will be posted to your designated Account on the next business day.

Any automated bill payment request will be deemed to have been received by us on the date the transaction is posted to the designated Account.

We are not responsible for the processing of or any of the posting procedures or practices of your designated Bill Payment Companies and we are not responsible if they charge you late fees or interest penalties. When you make a bill payment at one of our ABMs, branches, through the Automated Banking Services, you are responsible for ensuring that the Bill Payment Company (including account numbers and payee names) required by us to complete your payment instructions to that Bill Payment Company is accurate at all times. We may, without notice to you, update your bill payment profile information if we are advised of a change by the Bill Payment Company.

The debit to your Account for post-dated bill payments and fund transfers are processed at 6:00 p.m. Eastern Standard Time on the date to which your payment is post-dated.

Transactions involving Accounts with insufficient cleared funds at the time of processing may be rejected.

You acknowledge that once you have confirmed the details of a payment or transfer, you may not revoke or stop the payment or the transfer unless it is a post-dated payment or transfer you have set up in Online Banking, Mobile Banking or *TeleScotia* Telephone Banking. Such postdated payments and transfers can be cancelled directly through Online Banking until 6 p.m. Eastern Standard Time on the day they are scheduled to take place. You can also request cancellation of a postdated payment or transfer by speaking directly with one of our Customer Service representatives at the latest one (1) business day before the scheduled payment or transfer date.

You are responsible for notifying us of any changes to billing Account information.

Where a store, retailer or merchant becomes liable to make any refund to you, we will credit the designated Account with the refunded amount only upon our receipt of a properly issued credit voucher or other appropriate verification or authorization of the refund from the store, retailer or merchant.

We may at our discretion and without prior notice, refuse a request for authorization of any *ScotiaCard* transaction, and may notify third parties of such refusal as we think necessary. In exercising such discretion, we may take into account in calculating the funds available, any funds which we may decide have been credited or debited to an Account

We may place a hold on branch or ABM deposits pending verification.

Processing Foreign Currency Direct Payments, Card Not Present Transactions, Withdrawals and Advances

You can use your *ScotiaCard* to access your bank Accounts for the following foreign currency transactions from these Accounts:

- Direct Payments at designated Direct Payment Terminals that are outside of Canada;
- Card Not Present Transactions (*ScotiaCards* with Visa Debit functionality) through authorized merchants that are located outside of Canada; and
- Cash withdrawals from designated ABMs that are outside of Canada.

You can use your *ScotiaCard* to access your Scotiabank Visa card Accounts, *ScotiaLine* access card and Scotiabank American Express card Accounts for the following foreign currency transactions on those Accounts:

- Cash advances, other than from *Scotiabank*® U.S. Dollar Visa card Accounts, from designated ABMs that are outside of Canada; and
- Cash advances from designated ABMs within Canada in Canadian dollars from your *Scotiabank* U.S. Dollar Visa card Account.

For foreign currency transactions, other than cash advances from designated ABMs within Canada in Canadian dollars from your *Scotiabank* U.S. Dollar Visa card Account, a converted Canadian dollar amount will be deducted from your applicable Account based on an exchange rate set by the applicable payment network and determined on the transaction settlement date. For cash advances from designated ABMs within Canada in Canadian dollars from your *Scotiabank* U.S. Dollar Visa card Account, a converted U.S. dollar amount will be deducted from your applicable Account based on an exchange rate set by the applicable payment network and determined on the transaction settlement date. The exchange rate at the time of settlement may be different from the exchange rate in effect on the transaction date. Payment networks include Visa International, Visa Inc., ACXSYS Corporation, or other payment networks as appropriate. Foreign currency transactions are subject to the following foreign currency transaction fees:

- Foreign currency transactions on your bank Accounts using Visa Debit on your *ScotiaCard* will be subject to a fee that is calculated based on a 2.5% increase to the exchange rate and is included in the converted Canadian dollar amount of the transaction;
- Foreign currency transactions on your bank Accounts using your *ScotiaCard*, other than Visa Debit transactions, are subject to a fee that is calculated by adding 0.025 to the exchange rate;
- Foreign currency transactions on your Scotiabank Visa card Accounts, or Scotiabank American Express card Accounts, by using your *ScotiaCard* will be subject to the foreign currency transaction provisions of the Revolving Credit Agreement.

If you use your *ScotiaCard* for a transaction in a foreign currency and the store, retailer or merchant gives you a credit voucher (for example in the case of a refund), the two transactions (the purchase and the refund) may not balance exactly because of exchange rate and currency fluctuations between the date of the purchase and the date of the credit (or refund).

We will not assume any risks associated with foreign currency exchange gains or losses from cross-currency conversions resulting from the use of your *ScotiaCard*. Any gains made or losses incurred by you in connection with foreign currency transactions because of currency rate fluctuations between the date the transaction is posted and the date any subsequent credit is posted to the designated Account are your responsibility and shall be payable to you or by you (as the case may be).

Changing Designated Accounts

We may designate one or more of your Accounts for the FastCash™ or other services available through our Automated Banking Services. You can cancel or change a designation at any time by letting us know through *TeleScotia* Telephone Banking or by visiting the nearest Scotiabank Branch.

Changing or Cancelling Banking Services

We may at any time, without notice, withdraw any ABMs or Direct Payment Terminals from use, cancel or vary the whole or any part of the services we offer you through the use of the *ScotiaCard*.

No Automated Banking Services transactions will be processed after cancellation of the Automated Banking Service.

Adding or Changing the Terms of this Agreement

You acknowledge that we can add, change or replace the terms and conditions of this Agreement from time to time. Notice of additional, amended or replaced terms and conditions may be given to you in any of the following ways:

- a notice addressed to you at your last address in our records;
- a notice prominently displayed at all Scotiabank ABMs;
- a notice on the Scotiabank website;
- a notice in a readily accessible place in our branches;
- a notice in your monthly statement;
- an electronic notice or message sent to the Communications Centre of Online Banking or Mobile Banking; or
- such other methods as we may permit.

Your continued use of the Account, the Automated Banking Services or any other service with us, acknowledges that you agree to and accept the new terms and conditions of the *ScotiaCard* Cardholder Agreement and all agreements related to the Account or service as amended, modified or replaced. Scotiabank has the right to send you a new *ScotiaCard* with new features without prior notice.

Resolving Disputes

We are not responsible for any failure to supply, or lack of suitability of quality of, any goods or services purchased from Bill Payment Companies, merchants or others through the Automated Banking Services. All disputes between you and a Bill Payment Company, merchant or others, including your rights to compensation or any offset rights (set-off), shall

be settled directly by you with the Bill Payment Company. We do not verify, nor are we required to verify, that any purpose for which the payment is made has been fulfilled by the Bill Payment Company as a condition of honouring your payment request on your Account.

For cheque deposits made through the Mobile Banking application, we may request your cooperation with investigation as needed. You agree to promptly provide the deposited cheque to Scotiabank during the time you retain the cheque if requested. You are responsible for any and all costs associated with obtaining a replacement item in the event that you are requested to re-transmit a Cheque, if the original item was destroyed or otherwise lost. If you are unable to comply with this request, we reserve the right to place a hold on or reverse any credit made to your Account in relation to the item, even if this creates an overdraft on the Account. You agree to cooperate in any investigation of unusual transactions, poor quality transmissions, and resolution of customer complaints.

For all unauthorized claims, we will investigate the transaction and a determination regarding whether any reimbursement will be made based upon the investigation. We will respond to the Cardholder's report of an unauthorized *ScotiaCard* transaction within 10 business days. We may require a signed statement during the course of the investigation. Or, where appropriate, we may require a signed affidavit from the Cardholder, which may result in a temporary suspension of the 10 day limit, until the requested information is received.

No funds, or only partial funds will be reimbursed if our investigation determines that on the balance of probabilities, the Cardholder contributed to the unauthorized use of their *ScotiaCard*. If we cannot settle the complaint in your favour, you will be informed of the reasons for Scotiabank's position in the matter.

If a problem with a *ScotiaCard* transaction is not resolved to your satisfaction or you have not received a response to a claim of an unauthorized *ScotiaCard* transaction within the time period, please refer to the Complaint Resolution section of the Day-to-Day Banking Companion Booklet.

Other Agreements, Fees and Charges

You acknowledge that, in addition to all fees, charges, terms and conditions set forth in this Agreement, your Accounts are also subject to all fees, charges, terms and conditions set forth in the applicable Account-level agreements and documentation. Examples of Account-level agreements include the Revolving Credit Agreement (for credit Accounts), the Day-to-Day Banking Companion Booklet (for personal banking Accounts), the Business Banking Services Agreement (for business banking Accounts) and any other agreements, documentation or terms and conditions that apply to your Accounts.

If there is a conflict between this Agreement and the Account-level agreements, documentation or terms and conditions, the *ScotiaCard* Cardholder Agreement will prevail as it relates to the use of your *ScotiaCard* and the services contemplated in this Agreement.

In Quebec

The party(ies) to this Agreement has/have requested that this document be drawn up in English. Les parties ont demandé que ce contrat soit rédigé uniquement en anglais.

Customer Service

For any question or concern (including regarding a lost, stolen or compromised *ScotiaCard*; inquiring about fees, rates or services) please visit the Scotiabank branch nearest to you or call the numbers below:

- Service in English 1-800-4SCOTIA
(1-800-472-6842)
- Toronto 416-701-7200
- Service en français 1-800-575-2424
- Région de Toronto 416-701-7222
- TTY/TDD Service Only 1-800-645-0288

For more information about Automated Banking Services, fees or rates you can also visit us online at www.scotiabank.com.

Your *ScotiaCard* provides access to Automated Banking Services, wherever you see these symbols:



Scotiabank voluntarily adheres to the Canadian Code of Practice for Consumer Debit Card Services. For information about the Code visit www.cba.ca

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™ Trademarks of The Bank of Nova Scotia.

† Interac, the Interac logo and Interac Flash are all trademarks of Interac Inc. Used under license.

‡ Registered Trademark of SCENE IP LP, used under license.

* Trademark of Visa International Service Association and used under license.

®Σ American Express is a registered trademark of American Express. This credit card program is issued and administered by The Bank of Nova Scotia under license from American Express.

** Interlink is a registered trademark of Visa International Service Association used under license.

††† Mobile banking capability requires an Internet-enabled mobile device. Your wireless carrier's standard text messaging and data charges apply, as defined by your service plan with your carrier.

®♦ Scotia McLeod, Holliswealth and Scotia iTrade® (Order-Execution Only Accounts) are divisions of Scotia Capital Inc. ("SCI"). SCI is a member of the Investment Industry Regulatory Organization of Canada and the Canadian Investor Protection Fund.

Our Commitment to Business Banking Customers

Our ScotiaOne Service *for business* philosophy is our commitment to provide you with products and services that are practical, straightforward and give you more control over your business financial needs. As part of this commitment, we want to ensure that your business relationship with us is open.

Open Communication

We pledge to be straightforward and honest in all our communication and documents, providing you with a clear explanation on all our products and services. If you would like information on any Scotiabank product or service, we invite you to speak to the Branch Manager or Account Manager, Small Business at your Scotiabank branch.

When you obtain one of our services, we will provide you with agreements that clearly detail the terms and conditions of the services you have. We will explain in writing why we ask for the information on our application forms, and other documentation and how and when we use it. When we have information on our services that is of interest to you, it will be made available on our website www.scotiabank.com/small-business in person or over the phone.

We listen to you

We know that small businesses create more jobs than any other sector of the economy today. You're important to Canada, you're important to Scotiabank – and we're committed to ensuring that your relationship with us is built on trust, respect and open communication. We understand that everyone is in business to succeed, no matter what type of business you own. When you have a question or concern about any of our services, please ask us.

Privacy and confidentiality

We are committed to respecting your confidentiality. We will maintain the highest standards of confidentiality, releasing information only with your express and written permission, unless otherwise required or permitted by law.

In committing to Privacy and Confidentiality of your information, we are guided by stringent government legislation, regulation and directed to ensure we have the necessary processes and policies in place. If you need more information, please ask for our brochure “The Scotiabank Group & You – A Question of Privacy”.

Credit process

We're committed to a simpler credit process by:

- **Making it easier.** Scotiabank is continually looking for ways to make getting credit easier for you and to present our mutual agreements in plain language. We'll also give you information on how to apply, what the requirements are, and tell you approximately how long you can expect to wait for a decision.
- **Putting it in writing.** When your credit application is approved, we'll spell out the terms and conditions of your finances in writing. You'll know exactly how our relationship works and who is responsible for what.
- **Discussing alternatives.** If we can't approve your credit application, we'll tell you why. More importantly, we'll work with you to find ways to make your proposal work. Failing this, we'll direct you, where appropriate, to other sources of financing that may suit you better.
- **Evaluating change in circumstances together.** At times, a change in your circumstances may affect our credit relationship with you. Please be assured that we're always open to discussing alternatives – and you will be provided with at least 15 days' notice of any changes to the terms and conditions of your business credit arrangement.

If you have any concerns or questions that require review of your account(s), request a copy of our “Resolving Your Complaint” brochure, which is available in every Scotiabank branch.

Complaint Resolution

Step One:

Talk to the people at your Branch or Service Centre.

If the person you speak to at the branch/service centre where you do business is not able to resolve your concern to your satisfaction, please speak directly to the Manager, who has the authority to resolve the majority of problems that arise.

Step Two:

Contact the Office of the President.

If the Manager has been unable to resolve your complaint satisfactorily, a representative of the President will be pleased to assist you.

- Telephone English 1-877-700-0043 (in Toronto 416-933-1700)
 French 1-877-700-0044 (in Toronto 416-933-1780)
- Fax **1-877-700-0045** (in Toronto **416-933-1777**)
- e-mail mail.president@scotiabank.com
- Mail The President, Scotiabank,
 44 King Street West
 Toronto, ON M5H 1H1

Step Three:

Contact Scotiabank's Ombudsman.

Scotiabank's Ombudsman, who reports directly to our CEO, has been appointed to undertake an impartial review of all unresolved customer complaints. If you have gone through the first two steps and remain dissatisfied, submit your complaint to the Ombudsman in writing.

- Mail Scotiabank Ombudsman
 44 King Street West
 Toronto, ON M5H 1H1
- Fax **1-866-787-7061**
- e-mail ombudsman@scotiabank.com
- Telephone 1-800-785-8772 (in Toronto 416-933-3299)

Still not satisfied?

There is the Ombudsman for Banking Services and Investments (OBSI)

An independent Ombudsman has been appointed to serve the interests of customers of Canadian banks and investment firms. If you are not satisfied with our Ombudsman's response, you can refer your complaint to the OBSI. While we would expect to resolve your complaint within 90 days, if our best efforts have been unable to provide a resolution in that time, you may refer your complaint to the OBSI.

- Mail Ombudsman for Banking Services and Investments
401 Bay St. Suite 1505
P.O. Box 5
Toronto, ON M5H 2Y4
- Fax **1-888-422-2865**
- e-mail ombudsman@obsi.ca
- Telephone 1-888-451-4519

Contacting the Financial Consumer Agency of Canada (FCAC):

The FCAC supervises federally regulated financial institutions to ensure they comply with federal consumer protection laws. For example, financial institutions must provide consumers with information about fees, interest rates and complaint-handling procedures. They must also provide proper notice of closing a branch and, subject to certain conditions, must cash a federal government cheque up to \$1,500 and open a deposit account when acceptable identification is presented. If you have a complaint about such a regulatory matter, you can contact the FCAC in writing.

Financial Consumer Agency of Canada
6th Floor, Enterprise Building
427 Laurier Avenue West, Ottawa, Ontario K1R 1B9

By telephone at 1-866-461-3222 (French 1-866-461-2232)
or through its website at www.fcac-acfc.gc.ca

Scotiabank Privacy Agreement

Your privacy is important to Scotiabank. This Agreement sets out the information practices for Scotiabank in Canada, including what type of information is collected, how the information is used, and with whom the information is shared.

This Agreement may be amended from time to time. (See “Further Information”, below, for an explanation of how we will advise you of any future changes.)

In this Agreement, “we”, “our”, “us” and “Scotiabank” mean the Bank of Nova Scotia and any one, number, or all of The Bank of Nova Scotia’s affiliates and subsidiaries with respect to their operations in Canada and include any program or joint venture any of these parties participates in ; “you” and “your” mean an individual who has made application to us for, enrolled in or signed an application in respect of any personal or business banking, insurance, brokerage or financial product or service offered by us (“Service”), including any co-applicants, guarantors or personal representatives.

Collecting, using and disclosing your information

1. When you apply for, or provide a guarantee in respect of, or use any Service and while you are our customer, you agree that we may collect personal information from you and about you such as:
 - Your name, address, telephone number, nature of your principal business or occupation and date of birth, which is required by law;
 - Identification, such as a valid driver’s license or passport. We may also ask for documents such as a recent utility bill to verify your name and address;
 - Your annual income, assets and liabilities and credit history;
 - Information about your transactions, including payment history, account activity and how you intend to use the account or Service and the source of any incoming funds or assets;
 - Information we may need in order to provide you with a Service such as health information if you are applying for certain insurance products. In some instances, providing this information is optional;
 - Information about third parties such as your spouse if you are applying for certain Services, where this information is required by law; and
 - Information about beneficial owners, intermediaries and other parties, which is required by law.

For legal entities such as businesses, partnerships, trusts, estates, clubs or other organizations, we may collect the information referred to above from each authorized person, signatory, partner, trustee, executor and club member, as appropriate.

¹ For a list of Scotiabank’s affiliates and subsidiaries in Canada, please refer to the *Public Accountability Statement/Corporate Social Responsibility Report* available at any Scotiabank branch or on the Scotiabank website at www.scotiabank.com.

In addition, when you apply for, enroll in or use a Service via a digital channel (such as online or mobile banking), we may collect information about your computer or device, operating system, internet connection or telephone account, settings, IP address and device locational data, and transaction data, as well as personal information as described above. We may collect, use, disclose and retain this information for the purposes described below, as well as to determine which settings are appropriate for your computer system, to provide or enhance digital functionality and banking options, and for security purposes, internal analysis and reporting. You may withhold consent to the collection, use and disclosure of this information, although in some cases this may prevent you from using the digital channel to apply for or use a Service or to communicate with us, or may reduce the functionality of that channel.

We may collect your personal information, and use it, and disclose it to any person or organization for the following purposes:

- To confirm your identity;
- To understand your needs;
- To determine the suitability of our Services for you;
- To determine your eligibility for our Services;
- To set up, manage and offer Services that meet your needs;
- To provide you with ongoing Service;
- To provide you with various options for applying for and accessing Services;
- To satisfy legal and regulatory requirements that we believe are applicable to us, including the requirements of any self-regulatory organizations to which we belong;
- To help us collect a debt or enforce an obligation owed to us by you;
- To respond to a court order, search warrant or other demand or request which we believe to be valid, or to comply with the rules of production of a court;
- To manage and assess our risks;
- To investigate and adjudicate insurance claims, other claims or complaints; and
- To prevent or detect fraud or criminal activity or to manage and settle any actual or potential loss in connection with fraud or criminal activity.

When we collect your health information for the purpose of providing an insurance Service, we will use that information strictly for that purpose. (See below for more information.) We do not provide directly all the services related to your relationship with us. We may use third party service providers to process or handle personal information on our behalf and to assist us with various services such as printing, postal and electronic mail distribution and marketing (including by telephone and electronic means), and you acknowledge that we may release information about you to them. Some of our service providers are located outside of Canada. As a result, your personal information may be accessible to regulatory authorities in accordance with the law of these jurisdictions. When personal information is provided to our service providers, we will require them to protect the information in a manner that is consistent with Scotiabank privacy policies and practices.

2. We may collect, use and disclose your Social Insurance Number (SIN), as well as other information, for income tax reporting purposes, as required by law. In addition, we may ask you for your SIN to verify and report credit information to credit bureaus and credit reporting agencies as well as to confirm your identity. This allows us to keep your personal information separate from that of other customers, particularly those with similar names, and helps maintain the integrity and accuracy of your personal information. You may refuse to consent to its use or disclosure for purposes other than as required by law.
3. We may verify relevant information you give us with your employer or your references and you authorize any person whom we contact in this regard to provide such information to us. If you apply for or enroll in a Service and during the time you have the Service, we may consult various financial service industry databases or private investigative bodies maintained in relation to the type of Service you have applied for, enrolled in or have. You also authorize us to release information about you to these databases and investigative bodies.
4. You agree that we may monitor, record, and retain any telephone call or electronic communication we have with you. This is to establish a record of the information you provide, to ensure that your instructions are followed properly and to ensure customer service levels are maintained. Records of calls and electronic communications are destroyed when they are no longer required for business or other purposes, and any personal information is safeguarded in accordance with this Agreement.
5. Scotiabank may use video surveillance in and around our branches, bank machines and other locations for the purpose of safeguarding our clients and employees and protecting against theft, fraud and vandalism. Any video images recorded are destroyed when they are no longer required for business or other purposes, and any personal information is safeguarded in accordance with this Agreement.
6. If you have a Service with us, we may use, disclose to and collect from credit bureaus or financial service industry databases, credit and other information about you in order to offer you pre-approved credit products or margin facilities. We may also do this after the Service has ended. You may withdraw your consent at any time by giving us reasonable notice (see below).
7. We may give information (except health information) about you to other members of Scotiabank (where the law allows this) so that these companies may tell you directly about their products and services. Scotiabank includes companies engaged in the following services to the public: deposits, loans and other personal financial services; credit, charge, debit and payment card services; full service and discount brokerage services; mortgage loans; trust and custodial services; insurance services; investment management and financial planning services; and mutual funds investment services. This consent will also apply to any companies that form a part of Scotiabank in the future. You also agree that we may provide you with information from third parties we select. Your consent to this is not a condition of doing business with us and you may withdraw it at any time (see below).

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8. We may ask you for contact information such as your telephone, mobile or fax number or email address, and keep and use this information as well as disclose it to other members of Scotiabank so that we or any of these companies may contact you directly through these channels for the purpose of marketing, including telemarketing. This consent will also apply to any companies that form a part of Scotiabank in the future. Your consent to this is not a condition of doing business with us and you may withdraw it at any time (see below).
 9. If we sell a company or a portion of the business of a Scotiabank company, we may release the information we hold about you to the prospective purchaser. We will require any prospective purchaser to protect the information provided and to use it in a manner that is consistent with Scotiabank privacy policies and practices.
 10. We may keep and use information about you in our records for as long as it is needed for the purposes described in this Agreement, even if you cease to be a customer.
 11. You agree that all information that you give us will, at any time, be true and complete. If any personal information changes or becomes inaccurate or out of date, you are required to advise us so we can update our records.

Refusing or withdrawing consent

Subject to legal, regulatory and contractual requirements, you can refuse to consent to our collection, use or disclosure of information about you, or you may withdraw your consent to our further collection, use or disclosure of your information at any time in the future by giving us reasonable notice. However, depending on the circumstances, withdrawal of your consent may prevent us from providing you, or continuing to provide you, with some Services, means of access to Services, or information that may be of value to you.

We will act on your instructions as quickly as possible but there may be certain uses of your information that we may not be able to stop immediately.

You cannot refuse our collection, use and disclosure of information required by third party service providers essential for the provision of the Services or required by our regulators, including self-regulatory organizations. Some of our service providers are located outside of Canada. As a result, your personal information may be accessible to regulatory authorities in accordance with the law of these jurisdictions.

You can tell us at any time to stop using information about you to promote our Services or the products and services of third parties we select, or to stop sharing your information with other members of Scotiabank. If you wish to refuse consent or to withdraw consent as outlined in this Agreement, you may do so at any time by contacting the branch or office with which you are dealing or by calling us toll-free.

Scotiabank	1-800-4SCOTIA
Scotia Wealth Management (ScotiaMcLeod, Scotiitrust and Private Investment Counsel)	1-866-437-4990
ScotiaLife Financial	1-800-387-9844
Scotia iTRADE®	1-888-872-3388

In addition, if you apply for, accept, or guarantee, a line of credit, term loan, mortgage or other credit account with us

When you apply for, accept, or guarantee a loan or credit facility or otherwise become indebted to us, and from time to time during the course of the loan or credit facility, we may use, give to, obtain, verify, share and exchange credit and other information (except health information) about you with others including credit bureaus, mortgage insurers, creditor insurers, reinsurers, registries, other companies in Scotiabank and other persons with whom you may have financial dealings, as well as any other person as may be permitted or required by law. We may do this throughout the relationship we have with you. You also authorize any person whom we contact in this regard to provide such information to us.

If you have a Service with us such as a banking card, credit card or line of credit product with an access card, you agree that we may give information (except health information) about you to electronic payment service providers, credit or charge card associations, loyalty program partners and their employees and agents for the purpose of processing, authorizing and authenticating your transactions (as the case may be), providing you with customer assistance services and for other purposes related to your services. We may also give this information in respect of your participation in contests and promotions administered by the electronic payment service providers, credit or charge card associations and loyalty program partners on our behalf.

If you have a mortgage account with us, we may give information about you, including credit information, to mortgage insurers for any purpose related to mortgage insurance. Information retained by Canada Mortgage Housing Corporation will be subject to federal access to information and privacy legislation.

During the term of the loan or credit facility, you may not withdraw your consent to our ongoing collection, use or disclosure of your personal information in connection with the loan or other credit arrangement you have with us or have guaranteed. We can continue to disclose your personal information to credit bureaus even after the loan or credit facility has been retired, and you may not withdraw your consent to our doing so. We do this to help maintain the accuracy, completeness and integrity of the credit reporting system.

In addition, if you accept an insurance Service with us

When you apply for, enroll in or sign an application in respect of or accept an insurance Service from us, we may use, give to, obtain, verify, share and exchange information about you with others including references you have provided, from hospitals and health practitioners, from government health insurance plans, from other insurers, from medical information and insurance service bureaus, from law enforcement representatives, from private investigators, and from other groups or companies where collection is necessary to underwrite or otherwise administer the Service requested, including the assessment of claims. You also authorize any person whom we contact in this regard to provide such information to us.

If you accept an insurance Service with us, or if an insurance Service is issued on your life, you may only withdraw your consent as noted above so long as the consent does not relate to underwriting or claims where Scotiabank must collect and report information to insurance

service bureaus after the application has been underwritten or the claim has been adjudicated. This is necessary to maintain the integrity of the underwriting and claims systems.

Further information

You acknowledge that we may amend this Agreement from time to time to take into consideration changes in legislation, technology or other issues that may arise. We will post the revised Agreement on our website and make it available at our branches or we may also send it to you by mail. We may also notify you of any changes to this Agreement in any of the following ways:

- A notice prominently displayed at all Scotiabank ATMs;
- An announcement through the VoiceResponseUnit (VRU) or a digital channel such as a mobile app;
- A notice on the Scotiabank website or your ScotiaOnLine portal;
- A notice in our branches; or
- A notice in your monthly statement.

Your continued use of the account or Service following such change means that you agree to and accept the new terms and conditions of the Agreement as amended. If you do not agree with any of the changes made or with the new terms of the Agreement, you must immediately stop using the account or Services and notify us that you are closing your account or terminating your Service with us.

If you have a general question about Scotiabank's privacy policies, please contact the branch or office you deal with or call us toll free at 1-800-472-6842. If your branch or office is not able to resolve your concern to your satisfaction, contact the President's Office:

- Telephone: 1-877-700-0043
- Fax: 1-877-700-0045
- Email: mail.president@scotiabank.com
- Letter: The President, Scotiabank
44 King Street West
Toronto ON M5H 1H1

Copies of our entire formal Privacy Policy as well as the Scotiabank Guidelines for Business Conduct are also available to the public on www.scotiabank.com. These documents form part of the Scotiabank Privacy Agreement.

This is **Exhibit “H”** referred to
in the Affidavit of Marsha Singh
Sworn before me this 4
Day of May, 2026



A commissioner for taking Affidavits Virtually
Commissioned by Jakob Bogacki
LSO # 85032Q, in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely

The applicant(s) hereby applies to the Land Registrar.

Properties

PIN 32261 - 0108 LT Interest/Estate Fee Simple
Description PT LT 28 RIVER RANGE ONONDAGA; PT LT 29 RIVER RANGE ONONDAGA; PT LT 30 RIVER RANGE ONONDAGA AS IN A456420 *; S/T ON3805; COUNTY OF BRANT *AMENDED 2002/12/19 BY LAND REGISTRAR #7
Address ONONDAGA

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name MORGROVE HOLSTEINS LTD.
Address for Service 461 HIGHWAY 54
BRANTFORD, ON
N3T 5L9

I, ARTHUR MORBROOK, President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s) Capacity Share

Name THE BANK OF NOVA SCOTIA
Address for Service 170 COLBORNE ST.
BRANTFORD, ON
N3T 2G6

Provisions

Principal \$ 1,500,000.00 Currency CDN
Calculation Period
Balance Due Date
Interest Rate Prime + 6.0%
Payments
Interest Adjustment Date
Payment Date payable on demand
First Payment Date
Last Payment Date
Standard Charge Terms 200012
Insurance Amount See standard charge terms
Guarantor

Signed By

William David Harrow 96 Nelson St., Suite 102 acting for Signed 2016 08 02
Brantford
N3T 2N1
Chargor(s)
Tel 5197568780
Fax 5197562181

I have the authority to sign and register the document on behalf of the Chargor(s).

The applicant(s) hereby applies to the Land Registrar.

Submitted By	

BALLACHEY MOORE BEYER & HARROW	96 Nelson St., Suite 102 Brantford N3T 2N1	2016 08 02
Tel 5197568780		
Fax 5197562181		

Fees/Taxes/Payment	

Statutory Registration Fee	\$62.85
Total Paid	\$62.85

The Bank of Nova Scotia

Collateral Mortgage
(Land Titles Act and Registry Act)

Standard Charge Terms No. 200012

ELECTRONIC DOCUMENT AGREEMENT

1. **Meanings.** In this agreement, You are each person who has signed below. We are The Bank of Nova Scotia. **Direction** is an Acknowledgement and Direction, or form of it, attached to this agreement. **Property** means a property referred to in a direction. **Electronic document** means any electronic document affecting a property. Without limiting this, you agree that this will be so even if any of the following apply. The terms of the document differ from those set out in a direction or copy received by you. The document includes part of a property or other property. Or no direction for the document is attached to this agreement.
2. **Direction.** You agree that you have reviewed the information set out in each direction and that all information set out in the direction is accurate.
3. **Terms.** You agree to the terms set out in each electronic document and in any standard charge terms referenced in the document.
4. **Copy.** You acknowledge receipt of a print copy of each electronic document (or proposed electronic document), and a copy of any standard charge terms, referenced in each direction.
5. **Obligations.** You agree that the effect of each electronic document has been fully explained to you by your solicitor. You agree that, when the electronic document is registered, you will be a party to and be bound by the terms of the electronic document. You agree that, when the electronic document is registered, it has the same effect for all purposes as a document that is in writing and is signed by you. You also agree to be bound by each electronic document as if it were part of this agreement.
6. **Blank fields.** You agree that each electronic document will be complete even if it contains blank fields (these may be covered by standard charge terms). Nor does it imply that we do not have a right under another agreement (for example, a blank field for guarantor does not mean that we do not have a guarantee).
7. **Authority.** You and the persons signing this agreement authorize every person referred to below to complete any electronic document. You and those persons ratify every electronic document that has been completed. You agree as follows:
 - 1) The persons referred to above are a person to whom a direction is addressed, a member of a firm to which a direction is addressed, a person or firm that has represented you in dealings with us, or that has represented a person or firm that has represented you in dealings with us, a person purporting to act for a land registrar in completing an electronic document, and a person to whom any those persons has given any authority. Everything done through an account with the land registry system and used by any of those persons will be conclusively deemed to be done by the person.
 - 2) Completion of an electronic document described in this authority is conclusive evidence that the document is authorized by this agreement. An electronic document described in this authority will be conclusively deemed to be authorized, even if its completion contravenes any escrow or other agreement, and even if we or anyone acting for us actually knew of the contravention (or should after reasonable inquiries have known of the contravention).
8. **Consideration.** You are entering this agreement for other consideration and in consideration of one dollar paid by us to you (the receipt of which you acknowledge).

Dated August 2, 2016

Witness:

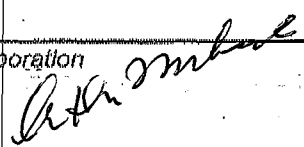
William D. Harrow

Name:

Name:

Morgrove Holsteins Ltd.

Name of Corporation

By: 

Name: Arthur Morbrook

Title: President

Name:

Title:

I/We have the authority to bind the corporation



THE BANK OF NOVA SCOTIA

Collateral Mortgage
 (Land Titles Act and Registry Act)

 Form 1
 Land Registration Reform Act

STANDARD CHARGE TERMS NO. 200012

1. DEFINITIONS

In this set of standard charge terms, in any schedules attached to a Charge/Mortgage of Land (Form 2) and in any charge registered electronically pursuant to the Land Registration Reform Act of Ontario, **mortgage** means the Charge/Mortgage of Land (Form 2) in which this set is referred by its filing number, any schedules attached to the Charge/Mortgage of Land and this set of standard charge terms or the charge electronically registered in which this set is referred by its filing number and this set of standard charge terms. **You and Your** mean each person who has signed the mortgage as Chargor. **We, our and us** mean The Bank of Nova Scotia, the Chargee. **Obligations secured** means the debts and liabilities described in these standard charge terms under the heading **Payment Provisions**. **Prime** means our Prime Lending Rate being a variable per annum reference rate of interest as announced and adjusted by us from time to time for loans made by The Bank of Nova Scotia in Canada in Canadian dollars. **Property** means the property described in the mortgage and anything else included under the heading **Description of Property Covered** in these standard charge terms. The mortgage is made in pursuance of the Mortgages Act and is registered in accordance with the Land Registration Reform Act of Ontario. **Sign** includes becoming a party to a document registered electronically.

2. PAYMENT PROVISIONS

- (a) You charge the property covered by the mortgage with payment to us on demand of all of the debts and liabilities described in paragraph (e).
- (b) Where the mortgage sets out a principal amount that applies to all of the debts and liabilities described in paragraph (e), the charge is limited, as to amounts other than interest, to a maximum of the principal amount so set out, plus the additional amounts payable under the heading **We may recover our expenses** in this set of standard charge terms.
- (c) Where the mortgage sets out an interest rate that applies to all of the debts and liabilities described in paragraph (e), the charge is limited, as to interest, to a maximum of the interest at the rate so set out, and interest on overdue interest at the same rate. If the mortgage sets out how that interest rate is calculated or payable, the interest and overdue interest will be calculated and payable in that way, both before and after maturity, default and judgment. If the mortgage does not set out how that interest rate is calculated or payable, the interest and overdue interest will be calculated and payable monthly, both before and after maturity, default and judgment. The interest will be calculated for the actual number of days elapsed. The interest rate under the heading **We may recover our expenses** does not apply to all of the debts and liabilities described in paragraph (e).
- (d) If the debts and liabilities described in paragraph (e) exceed any limits set out in paragraph (b) or (c), we may decide what part of them is secured by the mortgage.
- (e) The debts and liabilities referred to above are all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by you to us or remaining unpaid by you to us, in any currency, whether arising from dealings between you and us or from any other dealings or proceedings by which we may be or become in any manner whatever your creditor, and wherever incurred, and whether incurred by you alone or with another or others and whether as principal or surety.

3. DESCRIPTION OF PROPERTY COVERED

Any buildings on the property described in the mortgage and any other property that is at any time attached or fixed to the land or buildings or placed on and used in connection with them is covered by the mortgage. Additions, alterations and improvements to the buildings are also covered by the mortgage.

4. OUR SECURITY**(a) What the mortgage does**

Except where your interest in the property is as a tenant under a lease, you hereby grant and mortgage your entire interest in the property to us, as security for the payment of the obligations secured. This means you give your entire interest in the property to us and our successors and assigns (called our legal representatives) and which includes anyone to whom this mortgage is transferred in any way.

Where your interest in the property is as a tenant under a lease, you give us the following security. You charge the leasehold interest to us, where you can do so without assigning it to us. You sublease the property to us for and during the unexpired residue of the term of years of the lease, except the last day of the term. You will hold every other interest of yours under the lease in trust for us, including any right of renewal or right to purchase. You will transfer the interest to us or anyone we may name, if we ask you to do so. We may at any time in writing and without cause remove any trustee and appoint a new trustee or trustees of the trust of the interest, and vest the interest to the new trustee. You will not, without our prior written consent, allow your interest to become merged in the landlord's interest, and if you acquire that interest you will give us security over it. You will exercise any option granted by the lease to purchase the property or renew the lease if and when we ask you to do so, and thereafter do everything needed to complete the purchase of the property or renew the lease. You will give us security over the property purchased or the renewed lease. Where you are to give us security under this paragraph, it must be on the same terms as the mortgage. You irrevocably appoint us your attorneys to do any of the things you must do under this paragraph, but we are under no obligation to do them. We may authorize anyone to exercise this power for us.

The mortgage secures a current or running account. Although the mortgage is not satisfied or discharged by any intermediate payment of all or part of the obligations secured but is a continuing security for payment of the obligations secured, our interest in the property under the mortgage will end when:

- (i) you have repaid the obligations secured on our demand and repaid all additional amounts to which we may become entitled under the mortgage, and
- (ii) you have fulfilled all of your other obligations to us under the mortgage, and
- (iii) we have delivered to you a discharge of the mortgage.

You may remain in possession of the property as long as you are not in default under any of the obligations secured or under any agreements evidencing or securing the obligations secured and as long as you meet all your other obligations to us under the mortgage.

(b) Your title to the property

Except where you have provided to us a copy of a lease showing that your interest in the property is as a tenant under a lease, and we have accepted that the mortgage is of your interest under the lease, you certify that you own the property; that you have the right to charge the property to us; and that there are no restrictions, limitations or encumbrances on your title to the property or on your ability to charge the property to us, except as set out in this mortgage or as disclosed by the records of the land registry office and accepted by us. You agree not to do anything that will interfere with our interest in the property, and to sign or otherwise execute any other documents which we think are necessary to charge to us your interest in the property.

Where you have provided to us a copy of a lease showing that your interest in the property is as a tenant under a lease, and we have accepted that the mortgage is of your interest under the lease, you certify as follows. You are entitled to the term of years created by the lease, and any options to purchase or renew granted by the lease. The lease is valid and in force. The person that created every interest on which the lease depends had a good title to the interest required to create a valid interest, free from encumbrances. The tenant's obligations are complied with. You have the right to sublease the property to us and create a trust of every other interest under the lease, including any right of renewal or right to purchase. You have obtained the necessary consent to do so. There are no restrictions, limitations or encumbrances on your title to the term and options or on your ability to sublease the property to us or create the trust of every other interest under the lease, including any right of renewal or right to purchase, except as set out in the lease or in the mortgage. You agree not to do anything that will interfere with our interest in the property, and to sign or otherwise execute any other documents which we think are necessary to sublease the property to us and create the trust set out above.

(c) Effect of the mortgage on other obligations

The mortgage does not release you from or alter any of your other obligations to us or agreements with us. The mortgage does not affect any other security we hold for the payment of the obligations secured, or any other right we may have to enforce the payment of the obligations secured. Our acceptance of the mortgage or our giving credit secured by the mortgage does not mean we must make credit available or continue to do so.

(d) Effect of sale or transfer of property

If you sell or transfer the property or any part of it or any interest in the property or any part of it, then, at our option, you will immediately pay to us all of the obligations secured under the mortgage and, if we do not require you to pay to us the obligations secured under the mortgage, your continued liability and responsibilities under the mortgage and our rights against either you or anyone else who is liable for the payment of any of the obligations secured are not affected.

(e) Effect of subdivision

If the property is subdivided, each part of the property will secure payment of the total amount of the obligations secured.

5. YOUR RESPONSIBILITIES AS TO THE PROPERTY

(a) Taxes and other charges

You will pay all taxes on the property when they are due. You will immediately give us a receipt showing that they have been paid if we ask for it. You will pay all charges, mortgages, liens and other encumbrances on the property when they are due and comply with your other obligations under them. If you do not pay any taxes, charges, mortgages, liens or other encumbrances when they are due, we may pay them and charge to you the amount paid as an additional amount secured under the mortgage. In this paragraph, "taxes" include all present and future taxes, rates, levies, charges, rents, assessments, statute, labour or other impositions on the property or on any person in respect of the property.

(b) Insurance

You will insure with an insurer satisfactory to us and under a policy satisfactory to us all buildings covered by the mortgage against loss or damage by fire, extended perils and other perils usually covered in fire insurance policies. If there is a boiler or a sprinkler system in those buildings, your insurance must cover loss or damage caused by the boiler and equipment operated by it or caused by the sprinkler system. You will insure against any other risks which we require you to insure against. The buildings must be insured for their replacement cost in Canadian dollars.

If we think it is necessary we can require you to cancel any existing insurance on the property, and to provide other insurance which meets our approval. You will assign any insurance you have on the property, or the proceeds of that insurance, to us at our request. You must give us proof that you have insured as required above and you must at least 10 days before any insurance expires or is terminated give us proof that you have renewed or replaced it. If you fail in any way to comply with these obligations, we may (but we are not obliged to) obtain insurance on your behalf and charge the amount of any premium to you as an additional amount secured under the mortgage. If loss or damage occurs, you will provide us with all necessary proofs of claim and do everything else necessary to enable us to obtain payment of insurance proceeds. Insurance proceeds may, in whole or in part, at our option, be used to rebuild or repair damaged buildings or be used to reduce all or part of the obligations secured.

(c) Keeping the property in good condition

You will keep the property in good condition and make any repairs that are needed. You will not do anything, or let anyone else do anything that lowers the value of the property. If you do not keep the property in good condition, or if you do anything, or anyone else does anything, that lowers the value of the property, we may make any needed repairs and charge the cost of them to you as an additional amount secured under the mortgage.

(d) Construction of buildings

Expressions in this paragraph have the same meanings as in the Construction Lien Act as amended or re-enacted; **improvement** includes construction, alteration, repair and demolition. If any improvement is made to the property you must inform us in writing immediately if it has started and otherwise before it is started. You agree that any improvement to the property will occur only according to contracts, plans and specifications approved in writing by us in advance. You must complete any improvement to the property as quickly as possible. You must comply with all of your legal obligations as to payment of the price for any improvement to the property and provide us with proof of compliance when we ask for it; we may withhold any advance until we are satisfied that you have complied. If you fail to comply with any of your obligations to us under the mortgage, we may obtain an order vacating any construction lien, or obtain or provide a financial guarantee bond or other security, if we consider that necessary to facilitate enforcement of the mortgage, and we may charge our expenses of doing so to you as an additional amount secured under the mortgage. Those expenses will include our charges for providing a bond or security if we provide it. You authorize us to provide information about the mortgage to any person claiming a construction lien on the property, as required by law.

(e) Legal requirements

You will observe and conform to all laws and requirements of any government authorities relating to the property. If you fail in any way to comply with these laws and requirements, we may (but are not obliged to) comply with them on your behalf and charge our expenses of doing so to you as an additional amount secured under the mortgage.

(f) Condominiums

The following provisions apply to any condominium unit that is part of the property. In the mortgage, the Condominium Act as amended or re-enacted is called the "Act." Expressions used in provisions of the mortgage dealing with a condominium unit which are the same as those in the Act have the same meaning as those in the Act, except that the expression "condominium property" has the same meaning as the word "property" in the Act.

- (i) You will comply with the Act and the declaration, by-laws and rules of the corporation. You will provide us with proof of your compliance from time to time as we may request. You will forward to us copies of any notices, assessments, by-laws, rules and financial statements of the corporation. You will provide us, on request, with any other documents and information that you receive from the corporation or are entitled to receive. You will maintain all improvements made to your unit and repair them after damage.

- (ii) You will insure all improvements which you or previous owners have made to your unit and insure your common or other interest in buildings which are part of the condominium property or assets of the corporation if the corporation fails to insure the buildings as required by the Act and the declaration, by-laws and rules of the corporation. These obligations are in addition to your obligations as to insurance under the heading **Insurance** as far as they apply to a condominium unit.
- (iii) You authorize us to exercise your rights under the Act to vote and to consent. If we do not exercise your rights, you may do so, but you will do so according to any instructions we may give you. We may at any time revoke any arrangement we make for you to vote or to consent. You also authorize us to inspect the corporation's records. Nothing done under this paragraph puts us in possession of your property.
- (iv) If you do not comply with the Act and the declaration, by-laws and rules of the corporation, we may comply with them and charge our costs of doing so to you as an additional amount secured under the mortgage. If we exercise our right to pay common expenses, we can accept statements that appear to be issued by the corporation as conclusive evidence of the amount of those expenses and the dates they are due. You will pay us on demand as additional amounts secured under the mortgage our expenses in relation to any by-law, resolution, rule or other matter (other than one for which only a vote of the majority present at the meeting is required), the enforcement of our right to have the corporation or any owner comply with the Act and the declaration, by-laws and rules of the corporation and our exercising any voting rights we may have.

(g) Tenant's Obligations

The following additional provisions apply where your interest in the property is as a tenant under a lease: You will pay all rent and other amounts due under the lease when they are due. You will immediately give us a receipt showing that they have been paid if we ask for it. You will comply with your other obligations under the lease. If you do not pay rent or other amounts due under the lease or comply with your other obligations under the lease, we may comply with them and charge the cost of doing so to you as an additional amount secured under the mortgage. You will not surrender the lease or make any changes to the lease without first obtaining our written consent. You will notify us immediately if your landlord advises you of early termination or takes any steps to effect termination of the lease.

6. ASSIGNMENTS OF LEASES AND RENTS

You assign to us the full benefit of the lessor's interest, and you irrevocably appoint us as your attorney to exercise the lessor's rights, under every present or future lease of the whole or any part of the property.

You assign to us the full benefit of, and you irrevocably appoint us as your attorney to collect, all rents and other monies payable from time to time under every present or future lease of the whole or any part of the property, together with the benefit of all covenants, agreements and terms contained in the lease, and the lessor's rights in respect of the lease, including a guarantee or indemnity, a security and a right to insurance.

You will perform and comply with all lessor's obligations contained in every lease referred to in this section. You will on our request deliver to us a further assignment in registrable form. You will deliver to us on our request an executed copy of every such lease. You will also execute and deliver to us all such notices and other documents as may be required in order to render every assignment effective in law.

You agree that none of our rights or remedies under the mortgage will be delayed or in any way hindered or prejudiced by the assignment or by any act of ours relating to it. We are not obliged to collect any rent or other income from your property nor to comply with or enforce any covenant, agreement and term of any lease or agreement. Nothing we do under this section shall make us a mortgagee in possession of the property. We need only account for rents we actually receive, less reasonable collection charges. We may apply such rents to the repayment of the obligations secured.

7. ENFORCING OUR RIGHTS

If you fail to comply with any of your obligations under the mortgage, or if any part of the obligations secured is not paid when due, or if an event of default occurs under any agreement that relates to the obligations secured, we may enforce our rights in any of the ways set out below. These provisions do not limit any other rights given to us by law or the mortgage. We may enforce this and any other security we may have for any of the obligations secured, and enforce our rights under the mortgage, at the same time or at different times and in any order we choose.

(a) You will make immediate payment

You will immediately pay to us all of the obligations secured if any part of the obligations secured is not paid when it is due or if you fail to comply with any of your obligations under the mortgage or any other agreement to which you and we are parties.

(b) We may sue you

We may take such legal action as is necessary to collect the obligations secured.

(c) We may take possession of the property and collect rents

We may take and keep possession of the property, collect rents from it, and manage it or lease it or any part of it. You certify that we will have the right to take possession of the property or collect the rents from it.

(d) We may sell or lease the property

If you do not repay the obligations secured within 15 days after we have demanded payment of them, we may take possession of the property and lease the property without notice or we may upon 35 days' notice to you sell the property or we may apply to the appropriate court for permission to sell the property, or your interest in it, without notice.

After we are in a position to sell the property, or your interest in it, or lease the property, we may sell or lease at any time, in any way, and on any terms which we think are reasonable. If we sell on credit, we need not account for the proceeds until we receive them. We may sell anything on the land separately from the land itself. We may buy in, rescind or vary contracts of sale and resell at any time, in any way, and on any terms which we think are reasonable. When we sell we can transfer to the buyer every interest in the property which you had power to dispose of.

We will use the proceeds of sale or lease to reduce or repay the obligations secured and will pay you any balance remaining after all claims have been satisfied. If the amount we receive from the sale or lease is less than what you owe, you will immediately pay the difference to us.

You agree that a buyer or lessee may pay all of the money due under a sale or lease to us without seeing to the application of the money. You agree that a buyer or lessee under a sale or lease by us will receive a good title to the property or a valid lease of the property. You will not make any claims concerning the sale or lease against the buyer or lessee or their successors in title. If you do have any claims concerning a sale or lease by us, you will make them only against us and only for money damages.

(e) We may foreclose or sell through the courts

We may commence court proceedings to foreclose the property, or your interest in it. If we obtain a final order of foreclosure, the property, or your interest in it, will by law become our property. We may also ask a court to order a sale of the property, or your interest in it. We may also ask a court to appoint a receiver (or receiver and manager) of the property.

(f) We may appoint a receiver

We may appoint in writing a receiver (or receiver and manager), on any terms (including remuneration) that we think are reasonable, to collect any income from the property. We may make the appointment even if we have taken possession of the property. We may also, in writing, remove a receiver appointed by us and appoint a new receiver. The receiver is considered to be your agent and not ours; his defaults are considered your defaults and not ours. Nothing done by the receiver puts us in possession of the property or makes us accountable for any money except money we actually receive.

The receiver has the right to use any legal remedy (taken in your name or our name) to collect the income from the property; take possession of the property or part of it; manage the property and any business conducted on the property and maintain the property in good condition; lease the property or any part of it; enforce any of our other rights under the mortgage which we delegate to him; and borrow money on the security of the property in priority to the mortgage for these purposes.

(g) We may recover our expenses

You will pay us on demand, as additional amounts secured under the mortgage:

- (i) every amount or expense that we may charge to you as an additional amount secured under any other term of the mortgage,
- (ii) our expenses incurred in negotiating the mortgage, investigating title to the property and preparing and registering the mortgage,
- (iii) our expenses incurred in collecting payment after default of the obligations secured, and
- (iv) our expenses incurred in enforcing our rights under the mortgage,

including our reasonable legal fees on a solicitor and own client basis and interest on the total amount of those amounts and expenses from the date we incur them to the date you pay them to us at a rate of interest equal to Prime plus 2 % per annum, calculated on a daily basis and payable monthly, both before and after maturity, default and judgment, and interest on overdue interest at the same rate and calculated and payable in the same way. We may deduct the amounts, expenses and interest from any money we owe you.

(h) Other

We may take any other remedies available to us under law.

8. WE MAY USE PROCEEDS TO REDUCE ANY OBLIGATION

We may apply the proceeds we receive from enforcing our rights under the mortgage to reduce or repay any of the obligations secured in such manner as we may decide.

9. WE MAY OPEN A SEPARATE ACCOUNT

If we learn that you have disposed of or encumbered the property or any part of it, we may close your account at the amount then due to us. We may open a new account for advances and payments subsequently made and received by us. No amount paid in or credited to the new account will be applied to or have the effect of reducing or repaying any of the obligations secured due to us on the closed account when we learned of the subsequent disposition or encumbrance.

10. DELAY, RELEASES AND PARTIAL DISCHARGES

We may delay enforcing any of our rights under the mortgage or the obligations secured or any agreement evidencing or securing the obligations secured without losing or impairing those rights. We can waive any breach of your obligations under the mortgage or the obligations secured or any agreement evidencing or securing the obligations secured without losing our rights in respect of any breach of your obligations.

We may release others on any terms from any liability to repay the obligations secured without releasing you. We may on any terms discharge any part of the property from the mortgage and, if we do so, the remainder of the property not discharged will secure the total amount of the obligations secured.

11. DISCHARGE OF THE MORTGAGE

If you pay us the obligations secured on our demand, we will sign a discharge of the mortgage in registrable form. You will give us a reasonable time after payment in which to prepare and sign the discharge. You must pay our expenses of having it prepared and of signing it. You are responsible for registering it.

12. EFFECT OF JUDGMENTS

If we obtain a court judgment against you for your failure to pay any of the obligations secured or to perform any of your obligations to us under the mortgage, the judgment will not result in a merger of your obligations under the mortgage with the judgment or take away any of our other rights to enforce the mortgage. We will continue to be entitled to receive interest on the obligations secured at the agreed rate, calculated and payable in the agreed way, and the judgment may so provide.

13. OUR RESPONSIBILITY

We are not responsible for any loss arising in the course of our enforcing our rights under the mortgage unless it results from our wilful neglect or default.

14. HOW WE MAY MAKE DEMANDS OR GIVE NOTICES

Where the mortgage allows or requires us to make a demand on or give a notice to any person (including you), we may make the demand or give the notice by delivering it personally to the person (where the person is a corporation, by delivering it personally to a director, officer or employee of the corporation) or by mailing it by prepaid registered mail addressed to the person at the person's last known address.

A notice or demand so delivered will be regarded as given or made when it is so delivered to the person or to the director, officer or employee of the corporation. A notice or demand so mailed will be regarded as given or made on the day it is mailed, whether the person receives it or not.

15. WHO IS BOUND BY THE MORTGAGE

The mortgage will be binding on your legal or personal representatives and anyone else to whom your interest in the property is transferred. It will be binding on our legal representatives and anyone to whom it is transferred from us. All our rights under it may be enforced by anyone to whom it is transferred from us.

If more than one person signs the mortgage, each person is jointly and severally bound to comply with all obligations of the Chargor under the mortgage.

16. STATUTORY COVENANTS EXCLUDED

The covenants set out in Section 7 (1) of the Land Registration Reform Act are excluded from the mortgage.

This is **Exhibit “I”** referred to
in the Affidavit of Marsha Singh
Sworn before me this 4
Day of May, 2026



A commissioner for taking Affidavits Virtually
Commissioned by Jakob Bogacki
LSO # 85032Q, in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely

Enquiry Result

File Currency: 29APR 2026



All Pages ▾



Show All Pages

Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	MORGROVE HOLSTEINS LTD.								
File Currency	29APR 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	519563907	1	3	1	11	26AUG 2031			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
519563907		01	006		20250826 1408 1462 8320	P PPSA	6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	MORGROVE HOLSTEINS LTD.								
	Address				City	Province	Postal Code		
	461 HIGHWAY 54				BRANTFORD	ON	N3T5L9		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	AGCO FINANCE CANADA LTD								
	Address				City	Province	Postal Code		
	P.O. BOX 2000				JOHNSTON	IA	50131		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X						X
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	ALL PERSONAL PROPERTY OF THE DEBTOR FINANCED BY THE SECURED PARTY,								
	WHEREVER SITUATED, CONSISTING OF 2024 MASSEY FERGUSON MF2607H								

TRACTOR MEAD5281YR1470307

Registering Agent	Registering Agent			
	CSC			
	Address	City	Province	Postal Code
	801 ADLAI STEVENSON DRIVE	SPRINGFIELD	IL	62703

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	MORGROVE HOLSTEINS LTD.						
File Currency	29APR 2026						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	519563907	1	3	2	11	26AUG 2031	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
519563907		02	006		20250826 1408 1462 8320	P PPSA	6

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
Business Debtor	Business Debtor Name			Ontario Corporation Number
	Address	City	Province	Postal Code

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
Business Debtor	Business Debtor Name			Ontario Corporation Number
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description
	, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON AND ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR

Registering Agent	Registering Agent			
	CSC			
	Address	City	Province	Postal Code
	801 ADLAI STEVENSON DRIVE	SPRINGFIELD	IL	62703

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	MORGROVE HOLSTEINS LTD.								
File Currency	29APR 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	519563907	1	3	3	11	26AUG 2031			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
519563907		03	006		20250826 1408 1462 8320	P PPSA	6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	ANY PART OF THE FOREGOING AND ALL PROCEEDS OF ANY FORM DERIVED THEREFROM.								
	PROCEEDS ALL OF THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL								
Registering Agent	Registering Agent								
	CSC								
	Address				City	Province	Postal Code		
	801 ADLAI STEVENSON DRIVE				SPRINGFIELD	IL	62703		

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	MORGROVE HOLSTEINS LTD.						
File Currency	29APR 2026						

	File Number	Family	of Families	Page	of Pages	Expiry Date	Status										
	519563907	1	3	4	11	26AUG 2031											
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN																	
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period										
519563907		04	006		20250826 1408 1462 8320	P PPSA	6										
Individual Debtor	Date of Birth	First Given Name			Initial	Surname											
Business Debtor	Business Debtor Name					Ontario Corporation Number											
	Address				City	Province	Postal Code										
Individual Debtor	Date of Birth	First Given Name			Initial	Surname											
Business Debtor	Business Debtor Name					Ontario Corporation Number											
	Address				City	Province	Postal Code										
Secured Party	Secured Party / Lien Claimant																
	Address				City	Province	Postal Code										
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date								
Motor Vehicle Description	Year	Make			Model		V.I.N.										
General Collateral Description	General Collateral Description																
	PROPERTY WHICH IS																
	DERIVED, DIRECTLY OR INDIRECTLY, FROM ANY DEALING OR DISPOSITION OF																
	THE ABOVE-DESCRIBED COLLATERAL, INCLUDING WITHOUT LIMITATION, ALL																
Registering Agent	Registering Agent																
	CSC																
	Address				City	Province	Postal Code										
	801 ADLAI STEVENSON DRIVE				SPRINGFIELD	IL	62703										

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	MORGROVE HOLSTEINS LTD.								
File Currency	29APR 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	519563907	1	3	5	11	26AUG 2031			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		

519563907		05	006		20250826 1408 1462 8320	P PPSA	6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	Address			City	Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	INSURANCE AND OTHER PAYMENTS PAYABLE AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE THERETO, ACCOUNTS, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE ABOVE-DESCRIBED COLLATERAL, GOODS,								
Registering Agent	Registering Agent								
	CSC								
	Address				City	Province	Postal Code		
	801 ADLAI STEVENSON DRIVE				SPRINGFIELD	IL	62703		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	MORGROVE HOLSTEINS LTD.								
File Currency	29APR 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	519563907	1	3	6	11	26AUG 2031			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
519563907		06	006		20250826 1408 1462 8320	P PPSA	6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			

		Address				City	Province	Postal Code	
Individual Debtor		Date of Birth	First Given Name			Initial	Surname		
Business Debtor		Business Debtor Name					Ontario Corporation Number		
		Address				City	Province	Postal Code	
Secured Party		Secured Party / Lien Claimant							
		Address				City	Province	Postal Code	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	CHATTEL PAPER, INVESTMENT PROPERTY, DOCUMENTS OF TITLE, INSTRUMENTS,								
	MONEY, CHEQUES, DEPOSITS, SECURITIES AND INTANGIBLES.								
Registering Agent	Registering Agent								
	CSC								
	Address				City	Province	Postal Code		
	801 ADLAI STEVENSON DRIVE				SPRINGFIELD	IL	62703		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	MORGROVE HOLSTEINS LTD.								
File Currency	29APR 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	520697484	2	3	7	11	02OCT 2030			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
520697484		001	4		20251002 0931 1532 4484	P PPSA	05		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	MORGROVE HOLSTEINS LTD.								
	Address				City	Province	Postal Code		
	461 BRANT COUNTY HIGHWAY 54				BRANTFORD	ON	N3T 5L9		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			

Business Debtor	Business Debtor Name						Ontario Corporation Number		
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	ROYAL BANK OF CANADA								
	Address				City	Province	Postal Code		
	36 YORK MILLS ROAD, 4TH FLOOR				TORONTO	ON	M2P 0A4		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	THE ACQUIRED PERSONAL PROPERTY INCLUDING, WITHOUT LIMITATION, IN ALL								
	GOODS, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS, INTANGIBLES,								
	MONEY AND SECURITIES NOW OWNED OR HEREAFTER OWNED OR ACQUIRED BY OR								
Registering Agent	Registering Agent								
	D + H LIMITED PARTNERSHIP								
	Address				City	Province	Postal Code		
	2 ROBERT SPECK PARKWAY, 15TH FLOOR				MISSISSAUGA	ON	L4Z 1H8		

CONTINUED

Type of Search	Business Debtor							
Search Conducted On	MORGROVE HOLSTEINS LTD.							
File Currency	29APR 2026							
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status	
	520697484	2	3	8	11	02OCT 2030		
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN								
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period	
520697484		002	4		20251002 0931 1532 4484			
Individual Debtor	Date of Birth		First Given Name			Initial	Surname	
Business Debtor	Business Debtor Name						Ontario Corporation Number	
	Address				City	Province	Postal Code	
Individual Debtor	Date of Birth		First Given Name			Initial	Surname	
Business Debtor	Business Debtor Name						Ontario Corporation Number	
	Address				City	Province	Postal Code	
Secured Party	Secured Party / Lien Claimant							

		Address				City	Province	Postal Code	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make				Model	V.I.N.		
General Collateral Description	General Collateral Description								
	ON BEHALF OF DEBTOR AND ALL PROCEEDS AND RENEWALS THEREOF, ACCRETIONS								
	THERE TO AND SUBSTITUTIONS THEREFOR, AND INCLUDING, WITHOUT								
	LIMITATION, ALL OF THE FOLLOWING NOW OWNED OR HEREAFTER OWNED OR								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	MORGROVE HOLSTEINS LTD.								
File Currency	29APR 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	520697484	2	3	9	11	02OCT 2030			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
520697484		003	4		20251002 0931 1532 4484				
Individual Debtor	Date of Birth		First Given Name			Initial	Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth		First Given Name			Initial	Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make		Model		V.I.N.			
General Collateral Description	General Collateral Description								
	ACQUIRED BY OR ON BEHALF OF DEBTOR, ALL INVENTORY, ALL EQUIPMENT, ALL								
	DEBTS, ALL DEEDS, DOCUMENTS, WRITINGS, PAPERS, BOOKS OF ACCOUNT AND								
	OTHER BOOKS RELATING TO OR BEING RECORDS OF DEBTS, CHATTEL PAPER OR								
Registering Agent	Registering Agent								
	Address					City	Province	Postal Code	

CONTINUED

Type of Search	Business Debtor														
Search Conducted On	MORGROVE HOLSTEINS LTD.														
File Currency	29APR 2026														
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status								
	520697484	2	3	10	11	02OCT 2030									
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN															
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period								
520697484		004	4		20251002 0931 1532 4484										
Individual Debtor	Date of Birth	First Given Name			Initial	Surname									
Business Debtor	Business Debtor Name					Ontario Corporation Number									
	Address				City	Province	Postal Code								
Individual Debtor	Date of Birth	First Given Name			Initial	Surname									
Business Debtor	Business Debtor Name					Ontario Corporation Number									
	Address				City	Province	Postal Code								
Secured Party	Secured Party / Lien Claimant														
	Address					City	Province	Postal Code							
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date						
Motor Vehicle Description	Year	Make		Model		V.I.N.									

General Collateral Description	General Collateral Description			
	DOCUMENTS OF TITLE, ALL CONTRACTUAL RIGHTS AND INSURANCE CLAIMS AND			
	ALL GOODWILL, PATENTS, TRADEMARKS, COPYRIGHTS, AND OTHER INDUSTRIAL			
	PROPERTY.			
Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	MORGROVE HOLSTEINS LTD.						
File Currency	29APR 2026						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	774104211	3	3	11	11	05JUL 2027	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
774104211		001	1		20210705 1306 5098 3964	P PPSA	06

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
Business Debtor	Business Debtor Name			Ontario Corporation Number
	MORGROVE HOLSTEINS LTD.			
	Address	City	Province	Postal Code
	194 SALT SPRINGS CHURCH RD	BRANTFORD	ON	N3T 5L9

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
Business Debtor	Business Debtor Name			Ontario Corporation Number
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	FARM CREDIT CANADA			
	Address	City	Province	Postal Code
	SUITE 104 - 1133 ST-GEORGE BLVD	MONCTON	NB	E1E 4E1

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X		X				

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description			

Registering Agent	Registering Agent

	Address	City	Province	Postal Code

LAST PAGE

Note: All pages have been returned.

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[ServiceOntario Contact Centre](#)

This is **Exhibit “J”** referred to
in the Affidavit of Marsha Singh
Sworn before me this 4
Day of May, 2026



A commissioner for taking Affidavits Virtually
Commissioned by Jakob Bogacki
LSO # 85032Q, in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely

Corporation of the County of Brant
26 Park Ave
P.O. Box 249
Burford, ON N0E 1A0
Tel (519) 44BRANT
Toll-free (855) 44BRANT
Email tax@brant.ca



TAX CERTIFICATE

Roll Number: 2920- 001-000-18000-0000

Certificate #: 4403
Your File #: 69858

Requested By

Spetter Zeitz Klaiman PC
100 Sheppard Ave East
Suite 850
Toronto ON M2N 6N5

Assessed Owners

MORGROVE HOLSTEINS LTD

461 HIGHWAY 54
BRANTFORD ON N3T 5L9

Municipal Address 461HIGHWAY 54 Property Description RIVER RANGE PT LOT 28 PT LOT 29 PT LOT 30	Statement of Current Taxes for 2026											
	Taxes Levied to Date	Special Charges	Penalty	Current Owing								
	\$3,473.16	\$0.00	\$43.42	\$3,516.58								
	Statement of Tax Arrears											
Current Year Instalment Breakdown <table><tr><th>Interim</th><th>Final</th></tr><tr><td>2/27/2026</td><td>\$1,737.16</td></tr><tr><td>4/30/2026</td><td>\$1,736.00</td></tr></table> Previous Year Taxes Levied <table><tr><td>2025</td><td>\$6,946.30</td></tr></table> Water/Sewer Balance \$0.00	Interim	Final	2/27/2026	\$1,737.16	4/30/2026	\$1,736.00	2025	\$6,946.30	Year	Taxes	Interest	Balance
	Interim	Final										
	2/27/2026	\$1,737.16										
	4/30/2026	\$1,736.00										
	2025	\$6,946.30										
	2025				\$0.00							
	2024				\$0.00							
	2023 & prior				\$0.00							
	Total Taxes Owing and Billed at Date of Certification:			\$3,516.58								
	Penalty at a rate of 1.25% of unpaid taxes will be added on the 1st day of the month following default and on the 1st day of each calendar month thereafter.											
Special Charges Breakdown												
Code	Description	Amount	Expires									

Comments:

I hereby certify that, subject to the following qualifications, this statement shows:

1. All arrears of taxes returned to this office and due against the property described herein.
2. The current amount of taxes levied to date on the real property described herein and the amount of current year's and prior year's taxes owing as at the date of certification.
3. That no part of the lands described herein have been sold for taxes and no certificate of tax arrears has been registered against said lands unless specifically identified.

Certified as at: 4/8/2026

Treasurer/Tax Collector

Qualifications

1. The total taxes shown may include additions to the Tax Collector's roll as authorized by provincial legislation.
2. The information on this certificate is based on cheques tendered but not necessarily honoured by the institution upon which they were drawn, and may not reflect payment made in the last 2 days.
3. This certificate is subject to the adjustment of taxes pursuant to the provisions of the Municipal Act and/or the Assessment Act.

This is **Exhibit “K”** referred to
in the Affidavit of Marsha Singh
Sworn before me this 4
Day of May, 2026



A commissioner for taking Affidavits Virtually
Commissioned by Jakob Bogacki
LSO # 85032Q, in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely

Sheriff of / Shérif de : COUNTY OF BRANT (BRANTFORD)

Certificate # / N° de certificat : 53517153-5197945B

Date of Certificate / Date du certificat : 2026-APR-30 / 2026-AVR-30

Sheriff's Statement

This certifies that there are no active writs of execution, orders and certificates of lien filed within the electronic database maintained by this office in accordance with Section 10 of the *Execution Act*, at the time of searching against the real and personal property of:

Déclaration du shérif

Ce certificat atteste qu'il n'y a aucune ordonnance active ou aucun bref d'exécution forcée ou certificat de privilège actif dans la base de données électronique maintenue par ce bureau aux termes de l'article 10 de la *Loi sur l'exécution forcée* au moment de la recherche visant les biens meubles et immeubles de :

Name Searched / Nom recherché

Person or Company / Personne ou société	Name or Surname, Given Name(s) / Nom ou nom de famille, prénom(s)
Company / Société	MORGROVE HOLSTEINS LTD.

Caution to party requesting search:

- It is the responsibility of the requesting party to ensure that the name searched is correct.
- By virtue of this certificate, the sheriff is assuring that this name will remain clear until the end of close of this business date, unless the sheriff is directed otherwise under an order of the court.

Avertissement à la partie qui demande la recherche :

- Il incombe à la partie qui demande la recherche de s'assurer que le nom recherché est exact.
- En vertu du présent certificat, le shérif assure que ce nom demeure libre jusqu' à la fin de cette journée de travail, à moins de recevoir des directives contraires aux termes d'une ordonnance du tribunal.

Charge For This Certificate / Frais pour ce certificat : CAD 13.10

This is **Exhibit “L”** referred to
in the Affidavit of Marsha Singh
Sworn before me this 4
Day of May, 2026



A commissioner for taking Affidavits Virtually
Commissioned by Jakob Bogacki
LSO # 85032Q, in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely

Our File No. 69858

September 28, 2023

VIA EMAIL

Morgrove Holsteins Ltd.
461 Highway 54
Brantford, ON N3T 5L9

Attention: Robert Arthur Morbrook, President

Re: Morgrove Holsteins Ltd. (the “Company”) indebtedness to The Bank of Nova Scotia (the “Bank”)

We are solicitors for the Bank with respect to this matter. Capitalized terms used in this amendment and not otherwise defined shall have the same meanings as set out in the Credit Agreement.

As of the date of this amendment, the following events have occurred (the “Events”):

1. There has been a sale of some or all of the Company’s shares, but the bank has not received a copy of the share purchase agreement (the “Share Purchase Agreement”);
2. The Company is in breach of its debt service covenant;
3. The Company and the Guarantors have failed to provide required financial reporting; and
4. A local co-op obtained a judgment against the Company in or about 2021.

The Events are not in compliance with the following covenants as required by the Credit Agreement:

- (i) the Company and the Guarantors have failed to provide current financial statements, personal financial or net worth statements along with additional financial information that has been requested by the Bank;
- (ii) there is a judgment obtained by a local co-op against the Company;
- (iii) there has been a change of control in the ownership of the business more particularized in the Share Purchase Agreement; and
- (iv) the Bank is of the opinion that there has been a material unfavourable change in the financial condition and operation of the business.

Notwithstanding that these Events would have entitled the Bank to declare any or all of the indebtedness or any other obligations under the Credit Agreement to be immediately due and

payable, the Bank is prepared to forbear action on the covenant default and to continue to support the Company through these circumstances and keep the Company's loan facilities available until January 31st, 2024 by adding the following covenants:

- (a) the Company shall immediately provide the Bank with a copy of the Share Purchase Agreement;
- (b) the Company's debt service covenant of 1.15:1 at ~.54x, using a 3 year average as at December 31, 2022 (the "Debt Service Covenant") shall be brought back onside by December 31, 2023 ;
- (c) as an alternative to (b), the Company shall present to the Bank for its consideration a plan for bringing its Debt Service Covenant onside by November 30, 2023;
- (d) the Company shall provide a detailed commentary setting out why significant losses were reported in the years 2018, 2019, 2020;
- (e) the Company's shareholders shall provide T1 General income tax forms for the years 2020 through to and including 2022;
- (f) the Company and the Guarantors shall provide their respective Notices of Assessment for the years 2020 through to and including 2022;
- (g) the Guarantors shall provide completed and up to date Summaries of Personal Finances;
- (h) the Company shall provide an up to date, detailed asset and liability listing;
- (i) the Company shall provide confirmation of any capital assets sold since 2017, including, but not limited to, quota, land, cattle herd along with a detailed explanation as to why those assets were sold;
- (j) the Company shall provide a detailed commentary on historical milk shipping/quality, along with evidence that the Company's Grade A status has been maintained since 2019;
- (k) the Company and Guarantors shall provide details of any legal action commenced against them, as applicable, including a detailed explanation as to the stage of each matter and what is being done to defend, appeal or pay any outstanding judgment;
- (l) The Company and the Guarantors shall jointly and severally be liable to pay all legal fees and disbursements incurred by the Bank in respect of the preservation of the Bank's rights and remedies in connection to the Events.

The defaults and our rights arising from the defaults are not waived but are preserved. Our agreement to continue providing credit is not to be taken as an indication that the Bank has waived or acquiesced to the defaults or any other defaults. All the terms and conditions set out in the Credit Agreement continue to be applicable and we expressly reserve and preserve our rights with respect to all defaults including, without limitation, our rights of immediate acceleration as set out in the Credit Agreement.

If you have any questions, please do not hesitate to contact the undersigned.

We require the Company and the Guarantors to acknowledge acceptance by signing this amendment in the space indicated below and returning it to our office by the close of business on October 12, 2023.

Yours very truly,

LIPMAN, ZENER & WAXMAN PC

Per: Jason D. Spetter
JDS/nm

c. client

Each of the undersigned hereby accepts the above terms and conditions this ____ day of _____, 2023.

MORGROVE HOLSTEINS LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

We have authority to bind the Corporation

We hereby consent to the Company entering into this Agreement:

Arthur Morbrook, Guarantor

Robert Morbrook, Guarantor

Mark Morbrook, Guarantor

This is **Exhibit “M”** referred to
in the Affidavit of Marsha Singh
Sworn before me this 4
Day of May, 2026



A commissioner for taking Affidavits Virtually
Commissioned by Jakob Bogacki
LSO # 85032Q, in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely



WATEROUS HOLDEN AMEY HITCHON^{LLP}
— L A W Y E R S —

November 20, 2023

BY EMAIL

Lipman, Zener & Waxman PC
Barristers & Solicitors
100 Sheppard Avenue East, Suite 850
Toronto ON M2N 6N5
Attention: Jason D. Spetter

P.O. Box 1510
20 Wellington Street,
Brantford, ON N3T 5V6
t. (519) 759-6220
f. (519) 759-8360
www.waterousholden.com

Dear Sir:

RE: Robert Morbrook et al. ats Mark Morbrook
Court File No.: CV-21-000076292-0000
Our File No.: 127422

We are litigation counsel to Robert Morbrook, the President of Morgrove Holsteins Ltd. ("Morgrove") and are in receipt of a letter delivered to him by mail dated September 29, 2023, alleging Morgrove is not in compliance with the covenants required by a credit agreement between Scotiabank.

Morgrove is not in default of its obligations to Scotia. With respect to items raised in your correspondence, we can confirm as follows:

1. There had been no sale of the company shares. The owners of the shares are in a dispute in court file number CV-21-000076292-0000. I understand that an employee of Scotiabank named Christy Hanson requested some form of statement from Robert Morbrook and on Robert's behalf I have reached out to Ms. Hanson on numerous occasions to ask for clarification as to what the "statement" would entail but Ms. Hanson has not returned any of my calls. In any event, the shareholdings of Morgrove have not changed and there is no share purchase agreement to provide.
2. Our client is not aware of Morgrove being in breach of any debts, services, or covenants nor have you provided any particulars that would furnish it with the opportunity to respond to this allegation.
3. Our client advises that each of Ms. Hanson and Alana Cholewa have been provided with all the year-end financing for Morgrove. Again, your letter does not provide any sufficient particulars about what financial reporting has been missing.
4. Our client acknowledges that Morgrove was indebted to a local co-operative, but that debt has since been paid in full and there is no outstanding liability by Morgrove to any co-op.

In the circumstances, it is my client's position that Morgrove is not in default of its obligations under the credit agreement and as such, there is no basis upon which it ought to enter into an agreement with you as requested. If you have evidence or particulars of the alleged default, please provide it to my office.

I have copied counsel for the other shareholder of Morgrove, being Mark Morbrook, Shene Harris at Ross McBride to this correspondence.

Yours truly,

WATEROUS HOLDEN AMEY HITCHON LLP

Per:

A handwritten signature in dark ink, appearing to read "Ds T-H", likely representing Dennis Touesnard.

Dennis Touesnard

DMT/lhp

Email: dtouesnard@waterousholden.com

Direct: (519) 751-6412

Doc ID: 5396457_2.Docx

This is **Exhibit “N”** referred to
in the Affidavit of Marsha Singh
Sworn before me this 4
Day of May, 2026



A commissioner for taking Affidavits Virtually
Commissioned by Jakob Bogacki
LSO # 85032Q, in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely

Shene Harris

Direct Dial: 905-667-6403

E-mail: sharris@rossmcbride.com

February 27, 2024

VIA E-MAIL: jspetter@szklaw.ca

Spetter Zeitz Klaiman

100 Sheppard Avenue East, Suite 850,
Toronto, ON M2N 6N5

Attention: Jason Spetter

Dear Sir:

Re: Morgrove Holsteins Ltd.

As you are aware, we are litigation counsel for Mark Morbrook, a shareholder of Morgrove Holsteins Ltd. ("Morgrove") and are in receipt of the letter from Scotiabank dated September 29, 2023, and the responding letter from Mr. Dennis Touesnard's office on behalf of Robert Morbrook, dated November 20, 2023.

Per your request, please see our comments below in response to your September 29, 2023 letter (our paragraph numbers correspond with the numbering set out in your September 29, 2023 letter):

1. Since the credit agreement was entered into in 2016, there was a transfer of Arthur Morbrook's shares to Robert Morbrook and Mark Morbrook. To our knowledge, there was no share purchase agreement. We further note that Arthur Morbrook has not been a shareholder or director of the company since about 2017.
2. We do not have a complete copy of the credit agreement, and cannot advise as to whether there has been a breach of the debt service covenant. However, an Application has been commenced by Mark Morbrook in relation to Morgrove Holsteins, which we understand may be a breach of the debt service covenant.
3. Mark Morbrook has limited knowledge of the financial status of the company. However, we understand certain information has been requested by Scotiabank which has not been provided by Robert Morbrook.
4. We have no information in relation to a Judgment against the company as our client has not been involved in the company since about 2020. However, our client did receive notice that there were

outstanding sums owed to the company's creditors. We would appreciate any information you might have with respect to this Judgment.

Given our client's limited information with respect to the foregoing, we cannot confirm that Morgrove is not in default of its obligations under the credit agreement.

Yours very truly,

ROSS & McBRIDE LLP

Per:

A handwritten signature in black ink, appearing to read 'Shene Harris', written in a cursive style.

Shene Harris

SH/eh

This is **Exhibit “O”** referred to
in the Affidavit of Marsha Singh
Sworn before me this 4
Day of May, 2026



A commissioner for taking Affidavits Virtually
Commissioned by Jakob Bogacki
LSO # 85032Q, in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely

Our File No. 69858

September 10, 2024

BY REGISTERED MAIL AND BY REGULAR MAIL

PERSONAL & CONFIDENTIAL

Morgrove Holsteins Ltd.

461 Highway 54
Brantford, ON N3T 5L9

Attention: Mark Marbrook and Robert Morbrook, Directors

**Re: Morgrove Holsteins Ltd. (the “Borrower”)
and The Bank of Nova Scotia (the “Bank”)**

We are lawyers for the Bank and confirm that the Borrower is indebted to the Bank pursuant to a Credit Agreement for business dated June 10, 2016, provided by the Bank to the Borrower as hereinafter indicated:

Loan No. 1	Term Loan		
Principal amount outstanding		\$734,718.85	
as of the close of business September 10, 2024			
Accrued and unpaid interest for			
the period up to and including September 10, 2024		<u>\$654.20</u>	
Sub-Total:			\$735,373.05

Interest continuing to accrue based on the fixed rate of interest of 2.50% per annum at \$50.32 per diem based on the current principal amount outstanding until the date of receipt of payment or judgment.

Loan No. 2	Credit Line		
Principal amount outstanding		\$438,725.44	
as of the close of business September 10, 2024			
Accrued and unpaid interest for			
the period up to and including September 10, 2024		<u>\$757.56</u>	
Sub-Total:			\$439,483.00

Interest continuing to accrue based on the current prime rate of interest of 6.45% plus 0.50% per annum at \$83.54

per diem based on the current principal amount outstanding until the date of receipt of payment or judgment.

Loan No. 3	Scotia Momentum Visa	
Principal amount outstanding		\$6,077.62
as of the close of business September 10, 2024		
Accrued and unpaid interest for		
the period up to and including September 10, 2024		\$0.00
Sub-Total:		\$6,077.62

Interest continuing to accrue based on the fixed rate of interest of 19.99% per annum at \$3.33 per diem based on the current principal amount outstanding until the date of receipt of payment or judgment.

TOTAL: **\$1,180,933.67**

As you are in default of your payment obligations to and/or your covenants with the Bank, as authorized agents of the Bank, we hereby demand repayment in full of the foregoing indebtedness totalling \$1,180,933.67 with respect to the said Loans, plus all legal fees and disbursements incurred by the Bank due to the said default, up to and including the date of payment. Please be advised if we are not in receipt of payment in full of the foregoing amount, including interest accrued up to and including the date of receipt of payment on or before the close of business September 25, 2024 (the "Demand Date") we have instructions from the Bank to commence whatever legal proceedings we deem necessary in order to recover the full amount of the indebtedness due and owing by the Borrower to the Bank and to enforce all security held by the Bank for the obligations of the Borrower to the Bank as contemplated in the enclosed Notice of Intention to Enforce Security.

Please be advised that we are simultaneously making demand upon the guarantors of the obligations of the Borrower to the Bank.

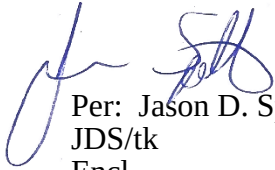
Please be advised the time frame indicated in this demand is without prejudice to the Bank terminating its relationship with the Borrower if at any time between the date hereof and the Demand Date the Borrower commits an event of default pursuant to any agreement entered into by the Borrower with the Bank or the Borrower conducts itself in such a manner as to cause the Bank to feel insecure with respect to the security position held by the Bank for the indebtedness due and owing by the Borrower to the Bank.

If the foregoing amounts fluctuate for any reason whatsoever between the date hereof and the date of payment of the indebtedness of the Borrower to the Bank, please consider this demand effective with respect to whatever the balance of principal plus accrued and unpaid interest may be at any time between the date hereof and the Demand Date and if not paid on or before the Demand Date, be considered a demand for the balance due and owing as of the Demand Date.

Please find enclosed a Notice of Intention to Enforce Security served upon you pursuant to the provisions of the *Bankruptcy and Insolvency Act* and a Notice of Intent by Secured Creditor pursuant to the *Farm Debt Mediation Act*.

Yours very truly,

SPETTER ZEITZ KLAIMAN PC

A handwritten signature in blue ink, appearing to read 'JDS', is positioned to the left of the typed name.

Per: Jason D. Spetter
JDS/tk
Encl.

c. guarantors
c. client

FORM 86
NOTICE OF INTENTION TO ENFORCE SECURITY
(Subsection 244(1))

TO: **MORGROVE HOLSTEINS LTD.**, an insolvent person

TAKE NOTICE THAT:

1. **THE BANK OF NOVA SCOTIA**, a secured creditor, intends to enforce its security on the property of the insolvent person described below:

- i.) All of your right, title and interest in real property municipally known as 461 Highway 54, Brantford, Ontario N3T 5L9 bearing legal description:

PT LT 28 RIVER RANGE ONONDAGA; PT LT 29 RIVER RANGE
ONONDAGA; PT LT 30 RIVER RANGE ONONDAGA AS IN A456420
*; S/T ON3805; COUNTY OF BRANT *AMENDED 2002/12/19 BY
LAND REGISTRAR #7; ONONDAGA
PIN 32261-0108 LT

2. The security that is to be enforced is comprised of the following:

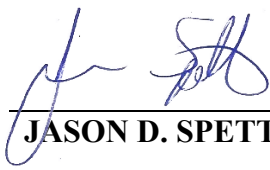
- i.) a charge/mortgage executed and delivered by the insolvent person in favour of The Bank of Nova Scotia dated August 2, 2016, registered in the Land Registry Office No. 2 for Brant in the amount of \$1,500,000.00 registered as Instrument No. BC299492.

3. The total amount of the indebtedness secured by the security is \$1,180,933.67, as of September 10, 2024, including principal and interest as of the date hereof together with interest and costs continuing to accrue.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto this 10th day of September, 2024.

THE BANK OF NOVA SCOTIA
by its authorized agent herein
SPETTER ZEITZ KLAIMAN PC

Per: 

JASON D. SPETTER

This Notice is a required document under the *Bankruptcy & Insolvency Act* ("Act"). The use of the word "insolvent" is prescribed by the Act but nothing in it shall be deemed to imply that any person to whom this Notice is delivered is, in fact, insolvent.



NOTICE OF INTENT BY SECURED CREDITOR

As required under Section 21 of the *Farm Debt Mediation Act*, you are hereby notified that it is the intent of:

Name of creditor

THE BANK OF NOVA SCOTIA

To enforce a remedy against the property of; or commence a proceeding, action, execution or other proceeding, judicial or extra-judicial, for the recovery of a debt, the realization of the security or the taking of the property of:

Full name of farmer or business name

MORGROVE HOLSTEINS LTD.

Farmer's address

Unit/Suite/Apt.	Street Number	Number Suffix	Street Name	Street Type
	461		HIGHWAY 54 STATION MAIN	
Street direction	PO Box or Route Number	Municipality (City, Town, etc.)	Province	Postal code
		BRANTFORD	Ontario	N3T 5L9

The security being (type(s) of security)

on (asset(s))

1ST COLLATERAL MORTGAGE AGREEMENT DATED JUNE 10,
2016

ASSETS INCLUDING, PERSONAL PROPERTY, A/R, INVENTORY,
EQUIPMENT, GOODWILL, INTANGIBLES LOCATED AT ABOVE

CHARGE/MORTGAGE DATED AUGUST 2, 2016 REGISTERED ON

ADDRESS

TITLE FOR \$1,500,000.00 AS INSTRUMENT NO. BC299492

ALL RIGHT, TITLE AND INTEREST IN REAL PROPERTY AT

ABOVE ADDRESS

Dated this 10th day of SEPTEMBER, 2024 at TORONTO, ONTARIO

SPETTER ZEITZ KLAIMAN PC - ATTENTION: JASON SPETTER

Name of secured creditor or authorized representative (print)

Signature of secured creditor or authorized representative

JSPETTER@SZKLAW.CA

Email address of secured creditor or authorized representative

416-789-0655

Creditor's phone number and ext.

416-789-9015

Creditor's fax number

You are hereby notified of your right to make application under Section 5 of the *Farm Debt Mediation Act* for a review of your financial affairs, mediation with your creditors, and to obtain a stay of proceedings against this action. Provided you are:

a) currently engaged in farming for commercial purposes; and

b) insolvent, meaning that you are:

- unable to meet your obligations as they generally become due; or
- have ceased paying your current obligations in the ordinary course of business as they generally become due; or
- the aggregate of your property is not, at fair valuation, sufficient, or if disposed of at a fairly conducted sale under legal process would not be sufficient, to enable payment of all your obligations, due and accruing due.

A secured creditor must wait 15 business days after this notice has been deemed served before beginning action to realize on their security. You may apply for mediation and a stay of proceedings at any time, before, during, or after the 15 business day period, by making an application to the Farm Debt Mediation Service.

The Farm Debt Mediation Service provides qualified farm financial counsellors to conduct a financial review and to prepare a recovery plan for your mediation meeting. Qualified mediators are provided to help you and your creditors reach a mutually satisfactory arrangement.

Application forms and more information about the service can be obtained from:

Farm Debt Mediation Service

<https://agriculture.canada.ca/en/agricultural-programs-and-services/farm-debt-mediation-service>

Eastern Canada Office

Tel: 1-866-452-5556

Email: aafc.fdmseast-smmeaest.aac@agr.gc.ca

Fax: 1-506-452-4975

Western Canada Office

Tel: 1-866-452-5556

Email: aafc.fdmwest-smmeaouest.aac@agr.gc.ca

Fax: 1-306-780-7353

The information you provide on this document is collected by Agriculture and Agri-Food Canada under the authority of the *Farm Debt Mediation Act* for the purpose of facilitating financial arrangements between farmers and their creditors. Personal information will be protected under the provisions of the *Privacy Act* and will be stored in Personal Information Bank AAF-C-PPU-227. Information may be accessible or protected as required under the provisions of the *Access to Information Act*.

Our File No. 69858

September 10, 2024

BY REGISTERED MAIL AND BY REGULAR MAIL

PERSONAL & CONFIDENTIAL

The Estate of the late Arthur Morbrook

15 Cobden Court
Brantford, Ontario N3R 8B7

The Estate of the late Arthur Morbrook

461 Highway 54
Brantford, Ontario N3T 5L9

**Re: Morgrove Holsteins Ltd. (the “Borrower”)
and The Bank of Nova Scotia (the “Bank”)**

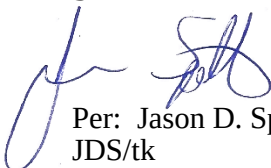
We are lawyers for the Bank and confirm that you have guaranteed the obligations of the Borrower to the Bank pursuant to an unlimited guarantee dated June 10, 2016.

Please find enclosed a copy of a letter demanding repayment from the Borrower of its indebtedness to the Bank together with a copy of the Notice of Intention to Enforce Security which was served upon the Borrower.

Pursuant to the guarantee executed by you, we hereby demand payment from you of \$1,180,933.67 on account of the monies due and owing by the Borrower to the Bank, plus interest accruing thereon, pursuant to the terms of the said guarantee at the Bank’s prime rate of interest plus 2.50% per annum, calculated from the date hereof until the date of receipt of payment or judgment.

Please be advised if we are not in receipt of payment in full of the said indebtedness of the Borrower to the Bank as demanded from the Borrower or payment from you of your obligations pursuant to the said guarantee on or before the close of business September 25, 2024, we have instructions to commence whatever legal proceedings we deem necessary in order to recover the said monies demanded herein, plus interest thereon from the date of demand from you as a guarantor of the obligations of the Borrower to the Bank, including enforcing all security provided by you to the Bank.

Yours very truly,
SPETTER ZEITZ KLAIMAN PC

A handwritten signature in blue ink, appearing to read 'JDS', is written over a blue horizontal line.

Per: Jason D. Spetter
JDS/tk
Encl.
c. client

Our File No. 69858

September 10, 2024

BY REGISTERED MAIL AND BY REGULAR MAIL*PERSONAL & CONFIDENTIAL***Robert Morbrook**SS 11 LCD Main
Brantford, Ontario N3T 5L9**Re: Morgrove Holsteins Ltd. (the "Borrower")
and The Bank of Nova Scotia (the "Bank")**

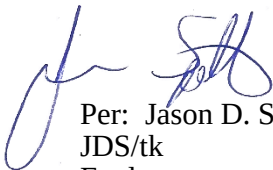
We are lawyers for the Bank and confirm that you have guaranteed the obligations of the Borrower to the Bank pursuant to an unlimited guarantee dated June 10, 2016.

Please find enclosed a copy of a letter demanding repayment from the Borrower of its indebtedness to the Bank together with a copy of the Notice of Intention to Enforce Security which was served upon the Borrower.

Pursuant to the guarantee executed by you, we hereby demand payment from you of \$1,180,933.67 on account of the monies due and owing by the Borrower to the Bank, plus interest accruing thereon, pursuant to the terms of the said guarantee at the Bank's prime rate of interest plus 2.50% per annum, calculated from the date hereof until the date of receipt of payment or judgment.

Please be advised if we are not in receipt of payment in full of the said indebtedness of the Borrower to the Bank as demanded from the Borrower or payment from you of your obligations pursuant to the said guarantee on or before the close of business September 25, 2024, we have instructions to commence whatever legal proceedings we deem necessary in order to recover the said monies demanded herein, plus interest thereon from the date of demand from you as a guarantor of the obligations of the Borrower to the Bank, including enforcing all security provided by you to the Bank.

Yours very truly,

SPETTER ZEITZ KLAIMAN PCPer: Jason D. Spetter
JDS/tk
Encl.

c. client

Our File No. 69858

September 10, 2024

BY REGISTERED MAIL AND BY REGULAR MAIL

PERSONAL & CONFIDENTIAL

Mark Morbrook

1221 County Road 21
Spencerville, ON K0E 1X0

**Re: Morgrove Holsteins Ltd. (the “Borrower”)
and The Bank of Nova Scotia (the “Bank”)**

We are lawyers for the Bank and confirm that you have guaranteed the obligations of the Borrower to the Bank pursuant to an unlimited guarantee dated June 10, 2016.

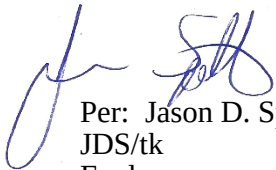
Please find enclosed a copy of a letter demanding repayment from the Borrower of its indebtedness to the Bank together with a copy of the Notice of Intention to Enforce Security which was served upon the Borrower.

Pursuant to the guarantee executed by you, we hereby demand payment from you of \$1,180,933.67 on account of the monies due and owing by the Borrower to the Bank, plus interest accruing thereon, pursuant to the terms of the said guarantee at the Bank’s prime rate of interest plus 2.50% per annum, calculated from the date hereof until the date of receipt of payment or judgment.

Please be advised if we are not in receipt of payment in full of the said indebtedness of the Borrower to the Bank as demanded from the Borrower or payment from you of your obligations pursuant to the said guarantee on or before the close of business September 25, 2024, we have instructions to commence whatever legal proceedings we deem necessary in order to recover the said monies demanded herein, plus interest thereon from the date of demand from you as a guarantor of the obligations of the Borrower to the Bank, including enforcing all security provided by you to the Bank.

Yours very truly,

SPETTER ZEITZ KLAIMAN PC

A handwritten signature in blue ink, appearing to read 'JDS', is placed over the typed name 'Jason D. Spetter'.

Per: Jason D. Spetter
JDS/tk
Encl.

c. client

This is **Exhibit “P”** referred to
in the Affidavit of Marsha Singh
Sworn before me this 4
Day of May, 2026



A commissioner for taking Affidavits Virtually
Commissioned by Jakob Bogacki
LSO # 85032Q, in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely

From: Jason Spetter <jspetter@szklaw.ca> on behalf of Jason Spetter
Sent: Monday, March 25, 2024 5:07 PM
To: Shene Harris; Elly L. Hoar
Cc: Sara Misener
Subject: RE: Morgrove Holsteins / Scotiabank

Hi Shene,

I have sought further instructions from the bank on this issue.

Also, I confirm that the bank is looking to exit the relationship. The mortgage has matured and the bank remains concerned regarding the ongoing dispute between the shareholders. I confirm that the bank will provide the company a reasonable time period to arrange for refinancing.

Jason Spetter | Co-Managing Director

D. 416 789 0655 | jspetter@szklaw.ca



This is **Exhibit “Q”** referred to
in the Affidavit of Marsha Singh
Sworn before me this 4
Day of May, 2026



A commissioner for taking Affidavits Virtually
Commissioned by Jakob Bogacki
LSO # 85032Q, in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely

From: Jason Spetter <jspetter@szklaw.ca>
Sent: Monday, March 25, 2024 5:17 PM
To: Dennis Touesnard <dtouesnard@waterousholden.com>; Shene Harris <SHarris@rossmcbride.com>
Subject: The Bank of Nova Scotia re: Morgrove Holsteins Ltd.

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

Counsel,

As you know, we act for Scotia on this matter. The company's mortgage has matured and the bank will not be renewing same. As previously advised, the bank has concerns regarding the ongoing shareholders' dispute which is ongoing.

The bank is prepared to provide the company a reasonable time frame to refinance its mortgage. Please propose a timeline to complete the refinancing for the bank's consideration.

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

Co-Managing Director

D. 416 789 0655

jspetter@szklaw.ca



Spetter Zeitz Klaiman PC

Barristers & Solicitors

100 Sheppard Avenue East, Suite 850

Toronto ON, M2N 6N5

szklaw.ca

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

This is **Exhibit “R”** referred to
in the Affidavit of Marsha Singh
Sworn before me this 4
Day of May, 2026



A commissioner for taking Affidavits Virtually
Commissioned by Jakob Bogacki
LSO # 85032Q, in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely

From: Jason Spetter <jspetter@szklaw.ca>

Sent: Tuesday, September 24, 2024 8:40:21 AM

To: Shene Harris <SHarris@rossmcbride.com>; Dennis Touesnard <dtouesnard@waterousholden.com>

Cc: Erica C. Ryerse <eryerse@waterousholden.com>

Subject: RE: The Bank of Nova Scotia re: Morgrove Holsteins Ltd.

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

Counsel,

Demands were issued against your clients and the demand period has now expired. I have attached a mortgage discharge statement dated September 10th. Please confirm your clients' intentions.

If we are unable to reach an agreement, our instructions are to bring an application to appoint a receiver.

Jason Spetter | Co-Managing Director

D. 416 789 0655 | jspetter@szklaw.ca



This is **Exhibit “S”** referred to
in the Affidavit of Marsha Singh
Sworn before me this 4
Day of May, 2026



A commissioner for taking Affidavits Virtually
Commissioned by Jakob Bogacki
LSO # 85032Q, in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely

From: Dennis Touesnard <dtouesnard@waterousholden.com>

Sent: September 24, 2024 9:28 AM

To: Jason Spetter <jspetter@szklaw.ca>; Shene Harris <SHarris@rossmcbride.com>

Cc: Erica C. Ryerse <eryerse@waterousholden.com>; Edward Vance <evance@waterousholden.com>

Subject: Re: The Bank of Nova Scotia re: Morgrove Holsteins Ltd.

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

My client has made arrangements for refinancing but same will require some time to close

I have copied transaction counsel Eddy Vance

Get [Outlook for iOS](#)

This is **Exhibit “T”** referred to
in the Affidavit of Marsha Singh
Sworn before me this 4
Day of May, 2026



A commissioner for taking Affidavits Virtually
Commissioned by Jakob Bogacki
LSO # 85032Q, in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely

From: Jason Spetter <jspetter@szklaw.ca>
Sent: Monday, August 25, 2025 4:36 PM
To: dtouesnard@waterousholden.com
Subject: Scotia re: Morgrove Holsteins Ltd.

Hi Dennis,

Please confirm if you are still acting for Robert Morbrook on this matter.

There remains no resolution on this matter. There was a settlement proposed at the Farm Debt Mediation but no resolution was ultimately reached. The mortgage has matured and the bank requires payment in full. If Rob is interested to further discuss the resolution that was proposed at Mediation, I suspect the bank would be amenable to a similar process.

Please confirm how he wants to proceed.

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

Co-Managing Director

D. 416 789 0655

jspetter@szklaw.ca



Spetter Zeitz Klaiman PC

Barristers & Solicitors

100 Sheppard Avenue East, Suite 850

Toronto ON, M2N 6N5

szklaw.ca

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

This is **Exhibit “U”** referred to
in the Affidavit of Marsha Singh
Sworn before me this 4
Day of May, 2026



A commissioner for taking Affidavits Virtually
Commissioned by Jakob Bogacki
LSO # 85032Q, in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely

From: Jason Spetter <jspetter@szklaw.ca>
Sent: Monday, September 15, 2025 10:02 AM
To: Shene Harris; Elly L. Hoar
Subject: RE: Scotia Bank re: Morgrove Holsteins Ltd.

Hi Shene,

That's fine but I should let you know that I anticipate receiving instructions to bring a receivership application as there has been no communication for several months. I suggest we speak sooner than later.

Jason Spetter | Co-Managing Director

D. 416 789 0655 | jspetter@szklaw.ca



This is **Exhibit “V”** referred to
in the Affidavit of Marsha Singh
Sworn before me this 4
Day of May, 2026



A commissioner for taking Affidavits Virtually
Commissioned by Jakob Bogacki
LSO # 85032Q, in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely

From: Jason Spetter <jspetter@szklaw.ca>
Sent: Tuesday, December 23, 2025 5:02 PM
To: Shene Harris
Subject: RE: Morgrove Holsteins

Hi Shene,

Assuming there has been no movement on this matter, I anticipate our instructions will be to proceed with an application to appoint a receiver.

Jason Spetter | Co-Managing Director

D. 416 789 0655 | jspetter@szklaw.ca



From: Jason Spetter <jspetter@szklaw.ca>
Sent: September 26, 2025 10:01 AM
To: Shene Harris <sharris@rossmcbride.com>
Subject: Morgrove Holsteins

Hi Shene,

See attached. Let me know if you can chat today at 10:30am as previously discussed.

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

Co-Managing Director

D. 416 789 0655

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This is **Exhibit “W”** referred to
in the Affidavit of Marsha Singh
Sworn before me this 4
Day of May, 2026



A commissioner for taking Affidavits Virtually
Commissioned by Jakob Bogacki
LSO # 85032Q, in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

IN THE MATTER OF SECTION 243 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C.1985, c.B-3 AS AMENDED;

IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990 c.C-43, AS AMENDED

B E T W E E N:

THE BANK OF NOVA SCOTIA

Applicant

-and-

MORGROVE HOLSTEINS LTD.

Respondent

CONSENT TO ACT AS RECEIVER

BDO CANADA LIMITED hereby consents to act as Receiver of the assets, undertakings, and properties of MORGROVE HOLSTEINS LTD., as described in the form of the draft Order included with the Applicant's Application Record with such amendments as may be ordered by the Court.

Dated: April ⁰²_____, 2026

BDO CANADA LIMITED

Per: _____



Name: **Josie Parisi**

I have authority to bind the corporation.

IN THE MATTER OF SECTION 243 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c.B-3 AS AMENDED;
IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 c.C-43, AS AMENDED

THE BANK OF NOVA SCOTIA
Applicant

-and-

MORGROVE HOLSTEINS LTD.
Respondent

Court File No.: CV-26-00000193-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
BRANTFORD

AFFIDAVIT OF MARSHA SINGH

SPETTER ZEITZ KLAIMAN PC
Barristers & Solicitors
100 Sheppard Avenue East, Suite 850
Toronto, Ontario M2N 6N5

JAKOB BOGACKI
LSO No. 85032Q
Tel: 416-613-8601
Email: jbogacki@szklaw.ca

Lawyers for the Applicant

TAB 3

Court File No. ~~_____~~ CV-26-00000193-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE _____) FRIDAY~~WEEKDAY~~, THE 15TH#
JUSTICE _____)
DAY OF MAY~~MONTH~~, 2026~~YR~~

THE BANK OF NOVA SCOTIA~~PLAINTIFF~~¹

Applicant~~Plaintiff~~

- and -

MORGROVE HOLSTEINS LTD.~~DEFENDANT~~

Respondent~~Defendant~~

ORDER
(appointing Receiver)

THIS ~~MOTION-APPLICATION~~ made by the Applicant~~Plaintiff~~² for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing BDO CANADA LIMITED~~[RECEIVER'S NAME]~~ as receiver ~~[and manager]~~ (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of MORGROVE HOLSTEINS LTD.~~[DEBTOR'S NAME]~~ (the "Debtor") acquired

¹ ~~The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.~~

² ~~Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".~~

for, or used in relation to a business carried on by the Debtor, was heard this day at ~~330 University Avenue, Toronto, Ontario~~ 70 Wellington Street, Brantford, Ontario.

ON READING the affidavit of Marsha Singh~~[NAME]~~ sworn May 4, 2026~~[DATE]~~ and the Exhibits thereto, and on hearing the submissions of counsel for the Applicant~~[NAMES]~~, no one appearing for the Respondent~~[NAME]~~ although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of BDO Canada Limited ~~[RECEIVER'S NAME]~~ to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion Application and the Motion Application is hereby abridged and validated³ so that this motion application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, BDO Canada Limited~~[RECEIVER'S NAME]~~ is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**")~~,~~ including, without limitation, the property municipally known as 461 Highway 54, Brantford, Ontario, and legally described in Schedule "B" hereto (the "**Real Property**")~~.~~

RECEIVER'S POWERS

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

³ ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;

- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$_____, \$200,000.00, provided that the aggregate consideration for all such transactions does not exceed \$200,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages*

⁴ ~~This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

Act, as the case may be,⁵ shall not be required, and in each case the *Ontario Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of -the Property, including, without limitation, the Real Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

⁵ ~~If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give

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

7. THIS COURT ORDERS any and all financial institutions, banks, and their affiliates, shall produce to the Receiver any and all Records, banking documents related to the Debtor, any transaction supporting document and any of the Debtor's records in its possession or control, having regard to the limitations of the financial institutions' retention and storage policies and practices, notwithstanding that any disclosure may include "personal property" about third parties as defined in the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended.

7.8. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

10.11. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

12.13. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to

the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA AND CASL

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

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

15.17. THIS COURT ORDERS that any and all interested stakeholders in this proceeding and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in this proceeding, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to such other interested stakeholders in this proceeding and their counsel and advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of cause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

~~17.19.~~ THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

~~18.20.~~ THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

~~19.21.~~ THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge ~~of the Commercial List~~ of the Ontario Superior Court of Justice.

⁶ ~~Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

~~20-22.~~ THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

~~21-23.~~ THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$ \$400,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

~~22-24.~~ THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

~~23-25.~~ THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

~~24-26.~~ THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

~~25-27.~~ THIS COURT ORDERS ~~that the E-Service Protocol of the Commercial List (the “Protocol”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website — at — <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service.— that the Consolidated Practice Direction – Toronto Region (https://www.ontariocourts.ca/scj/practice_directions/consolidated-practice-direction-toronto-region/) applies to this proceeding, that e-service of documents shall be valid and effective service and, Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure ~~and paragraph 21 of the Protocol~~, service of documents in accordance with the ~~Protocol~~ Consolidated Practice Direction – Toronto Region will be effective on transmission. This Court further orders that a Case Website shall be established ~~in accordance with the Protocol~~ with the following URL ‘<[@](#)>’.~~

~~26-28.~~ THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor 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

~~27-29.~~ THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

~~28-30.~~ THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

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

29.32. THIS COURT ORDERS that the Receiver is authorized but not required to retain the same law firm to act as legal counsel as the Applicant, to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order, in any matter where there is no conflict arising from that firm's existing and ongoing role as counsel to the Applicant. In respect of any issue where a conflict may exist or arise in respect of the Applicant and the Receiver or a third party, the Receiver shall utilize independent counsel, in which case, the law firm may continue acting as counsel to the Applicant.

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

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

35. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party

likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

32.36. THIS COURT ORDERS that, notwithstanding Rule 59.05 of the *Rules of Civil Procedure*, this Order is effective from the date it is made, and is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or motion for leave to appeal is brought to an appellant court in respect of this Order.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that BDO Canada Limited~~[RECEIVER'S NAME]~~, the receiver (the "**Receiver**") of the assets, undertakings and properties of Morgrove Holsteins Ltd.~~[DEBTOR'S NAME]~~ acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ____ day of _____, 2026~~—~~ (the "**Order**") made in an action having Court file number —CVL—_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the ____ day of _____, 20__.

BDO Canada Limited~~[RECEIVER'S NAME]~~,
solely in its capacity
-as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

SCHEDULE "B"

**LEGAL DESCRIPTION OF THE PARCEL OF THE PROPERTY MUNICIPALLY
KNOWN AS 461 HIGHWAY 54, BRANTFORD, ONTARIO**

PT LT 28 RIVER RANGE ONONDAGA; PT LT 29 RIVER RANGE ONONDAGA; PT LT 30
RIVER RANGE ONONDAGA AS IN A456420 *; S/T ON3805; COUNTY OF BRANT
*AMENDED 2002/12/19 BY LAND REGISTRAR #7

IN THE MATTER OF SECTION 243 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C.1985, c.B-3 AS AMENDED;
IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990 c.C-43, AS AMENDED

THE BANK OF NOVA SCOTIA
Applicant

-and-

MORGROVE HOLSTEINS LTD.
Respondent

Court File No.: CV-26-00000193-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
BRANTFORD

ORDER

SPETTER ZEITZ KLAIMAN PC
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100 Sheppard Avenue East, Suite 850
Toronto, Ontario M2N 6N5

JAKOB BOGACKI
LSO No. 85032Q
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Email: jbogacki@szklaw.ca

Lawyers for the Applicant

TAB 4

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE	)	FRIDAY, THE 15TH
	)	
JUSTICE	)	DAY OF MAY, 2026

THE BANK OF NOVA SCOTIA

Applicant

- and -

MORGROVE HOLSTEINS LTD.

Respondent

ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing BDO CANADA LIMITED as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of MORGROVE HOLSTEINS LTD. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 70 Wellington Street, Brantford, Ontario.

ON READING the affidavit of Marsha Singh sworn May 4, 2026, and the Exhibits thereto, and on hearing the submissions of counsel for the Applicant, no one appearing for the Respondent although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of BDO Canada Limited to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, BDO Canada Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**"), including, without limitation, the property municipally known as 461 Highway 54, Brantford, Ontario, and legally described in Schedule "B" hereto (the "**Real Property**")

RECEIVER'S POWERS

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

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

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

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$200,000.00, provided that the aggregate consideration for all such transactions does not exceed \$200,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property, including, without limitation, the Real Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that

nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

7. THIS COURT ORDERS any and all financial institutions, banks, and their affiliates, shall produce to the Receiver any and all Records, banking documents related to the Debtor, any transaction supporting document and any of the Debtor's records in its possession or control, having regard to the limitations of the financial institutions' retention and storage policies and practices, notwithstanding that any disclosure may include "personal property" about third parties as defined in the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended.

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

11. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

15. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in

respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA AND CASL

16. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

17. THIS COURT ORDERS that any and all interested stakeholders in this proceeding and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in this proceeding, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to such other interested stakeholders in this proceeding and their counsel and advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of cause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

LIMITATION ON ENVIRONMENTAL LIABILITIES

18. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release

or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

20. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

FUNDING OF THE RECEIVERSHIP

23. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$400,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

27. THIS COURT ORDERS that the Consolidated Practice Direction – Toronto Region (https://www.ontariocourts.ca/scj/practice_directions/consolidated-practice-direction-toronto-region/) applies to this proceeding, that e-service of documents shall be valid and effective service and, subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure, service of documents in accordance with the Consolidated Practice Direction – Toronto Region will be effective on transmission. This Court further orders that a Case Website shall be established with the following URL ‘<>’.

28. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor 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

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

30. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

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

32. THIS COURT ORDERS that the Receiver is authorized but not required to retain the same law firm to act as legal counsel as the Applicant, to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order, in any matter where there is no conflict arising from that firm's existing and ongoing role as counsel to the Applicant. In respect of any issue where a conflict may exist or arise in respect of the Applicant and the Receiver or a third party, the Receiver shall utilize independent counsel, in which case, the law firm may continue acting as counsel to the Applicant.

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

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

35. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party

likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

36. THIS COURT ORDERS that, notwithstanding Rule 59.05 of the *Rules of Civil Procedure*, this Order is effective from the date it is made, and is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or motion for leave to appeal is brought to an appellant court in respect of this Order.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that BDO Canada Limited, the receiver (the "**Receiver**") of the assets, undertakings and properties of Morgrove Holsteins Ltd. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (the "**Court**") dated the ____ day of _____, 2026 (the "**Order**") made in an action having Court file number CV-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

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

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

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

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

DATED the ____ day of _____, 20__.

BDO Canada Limited, solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

SCHEDULE "B"

**LEGAL DESCRIPTION OF THE PARCEL OF THE PROPERTY MUNICIPALLY
KNOWN AS 461 HIGHWAY 54, BRANTFORD, ONTARIO**

PT LT 28 RIVER RANGE ONONDAGA; PT LT 29 RIVER RANGE ONONDAGA; PT LT 30
RIVER RANGE ONONDAGA AS IN A456420 *; S/T ON3805; COUNTY OF BRANT
*AMENDED 2002/12/19 BY LAND REGISTRAR #7

IN THE MATTER OF SECTION 243 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C.1985, c.B-3 AS AMENDED;
IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990 c.C-43, AS AMENDED

THE BANK OF NOVA SCOTIA
Applicant

-and-

MORGROVE HOLSTEINS LTD.
Respondent

Court File No.: CV-26-00000193-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
BRANTFORD

ORDER

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Lawyers for the Applicant

IN THE MATTER OF SECTION 243 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c.B-3 AS AMENDED;
IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 c.C-43, AS AMENDED

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ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
BRANTFORD

APPLICATION RECORD

SPETTER ZEITZ KLAIMAN PC
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