

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C.,
1985, C. B-3, AS AMENDED**

Court File No. 32-3175819
Estate No. 32-3175819

**IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF UCG LAND INC., IN THE CITY OF
HAMILTON, IN THE PROVINCE OF ONTARIO**

Court File No. 32-3175820
Estate No. 32-3175820

**IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF UPPER CANADA GROWERS
LTD., IN THE CITY OF HAMILTON, IN THE PROVINCE OF
ONTARIO**

**MOTION RECORD OF UPPER CANADA GROWERS LTD.
and UCG LAND INC.**

January 29, 2025

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
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MAKE A PROPOSAL OF UPPER CANADA GROWERS
LTD., IN THE CITY OF HAMILTON, IN THE PROVINCE OF
ONTARIO**

NOTICE OF MOTION
(returnable February 4, 2025 at 10:00 a.m.)

Upper Canada Growers Ltd. (“**UCG**”) and UCG Land Inc. (“**LandCo**” and collectively with UCG, the “**Companies**”) have each filed a Notice of Intention to Make a Proposal (an “**NOI**”) under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). UCG, in concert with LandCo, will make a motion to a judge presiding over the Ontario Superior Court of Justice (in Bankruptcy & Insolvency) on Tuesday February 4, 2025 at 10:00 a.m., or as soon after that time as the motion can be heard at the courthouse at 45 Main Street East, #500, in Hamilton, Ontario L8N 2B7.

PROPOSED METHOD OF HEARING: The motion is to be heard in person, with the option for members of the Service List to attend by videoconference. A direct link will be circulated by email to those members of the Service List with known email addresses.

THE MOTION IS FOR:

1. An Order, substantially in the form attached at Tab 4 to the Companies' motion record, including, among other things:
 - (a) if necessary, abridging the time for service and filing of the notice of motion and the motion record, validating service of the notice of motion and the motion record so that this motion is properly returnable on February 4, 2025, and dispensing with further service thereof;
 - (b) administratively consolidating the NOI proposal proceedings in Court File No. 32-3175819 and Court File No. 32-3175820 under one title of proceeding;
 - (c) extending the time for the Companies to file proposals under section 50.4(9) of the BIA by 45 days to and including April 1, 2025;
 - (d) approving the first report of the Proposal Trustee dated on or about January 28, 2025, to be filed separately with the Court (the "**First Report**"), and the activities of the Proposal Trustee set out therein;
 - (e) enhancing the scope of the power and authority of the Proposal Trustee, as set out herein, so as to enable the Proposal Trustee to fully administer the SISP (as defined below) and to monitor and oversee the operations of the Companies' business enterprise through the Proposal Proceedings;

- (f) authorizing the Companies to enter into the interim financing term sheet (the “**DIP Term Sheet**”) with the Bank of Nova Scotia (“**BNS**”), as interim lender, and granting BNS a super priority charge (the “**DIP Charge**”) in an amount not to exceed \$2,700,000, plus interest, fees and expenses, against the Companies’ property, assets and undertakings as security for all of the Companies’ obligations to BNS under the DIP Term Sheet;
- (g) granting a super-priority charge against the Companies’ property, assets and undertakings in an amount not to exceed \$500,000 in favour of the Companies’ legal counsel, the Proposal Trustee and the Proposal Trustee’s legal counsel as security for the professional fees and disbursements of counsel to the Companies, the Proposal Trustee and counsel to the Proposal Trustee (the “**Administration Charge**”);
- (h) granting a charge against the Companies’ property, assets and undertakings in an amount not to exceed \$150,000 in favour of the Companies’ directors and officers, to secure the Companies’ obligation to indemnify the directors for certain potential liabilities (the “**Directors’ Charge**”);
- (i) approving a key employee retention plan (the “**KERP**”), attached as Confidential Appendix 1 to the Affidavit of Robert Haynes sworn January 29, 2025;

- (j) sealing Confidential Appendix 1 to the Haynes Affidavit until further order of the court; and
- 2. a SISP order, substantially in the form attached at Tab 5 to the Companies' motion record, among other things approving the sale and investment solicitation process (the "**SISP**") attached as Appendix E to the first report of the Proposal Trustee (the "**First Report**"), and authorizing the Proposal Trustee to implement the SISP; and
- 3. Such further and other relief as to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE:

Background

- 4. UCG operates a nursery and orchard business in Southwestern Ontario, primarily in Harrow, Ontario;
- 5. LandCo operates as a real estate holding company for the land and buildings used by UCG in its nursery and orchard business;
- 6. the Companies are primarily financed by BNS with the BNS Credit Facilities (as defined below) being cross-collateralized and cross-guaranteed by both UCG and LandCo;
- 7. the Companies are now insolvent, with more than \$20 million secured debt owing to its senior secured lender, BNS, and approximately \$3.7 million in unsecured debt owing;

8. in November, 2024, BNS issued a demand for repayment a notices of intention to enforce security;
9. following discussions with BNS and the Proposal Trustee, it was agreed that the Companies would commence proposal proceedings, funded by BNS as interim lender, as a preferred means by which to preserve and realize value for all stakeholders;

Administrative Consolidation

10. The Companies are related corporations and part of a single business enterprise;
11. The Companies are intrinsically linked, and have the same senior creditors and, as of October 2023, the same shared management, back-office and accounting functions. The Companies also have the same non-independent directors;
12. All business activities are managed through UCG;
13. The Companies share the same senior secured creditor, BNS, who will also be the interim lender in these proposal proceedings;
14. Consolidating the proposal proceedings will be efficient and avoid an unnecessary multiplicity of proceedings and costs;

Approval of the SISP & Enhanced Powers of the Proposal Trustee

15. the SISP, including the procedures and milestones, are consistent with insolvency practices and procedures in like circumstances, are favourable to the Companies and are reasonable having regard to the circumstances;
16. the SISP will facilitate a transparent, Court-supervised process in an attempt to maximize potential realizations on, and/or investment in, the business enterprise;
17. so as to facilitate the SISP and enable to Proposal Trustee to monitor and facilitate these proposal proceedings and any restructuring initiatives in respect of the Companies' business, the Companies are requesting that the authority and power of the Proposal Trustee be enhanced, as set out in the draft initial proposal order;
18. the expansion of the Proposal Trustee's authority and powers is appropriate in the circumstances;
19. the Proposal Trustee has reviewed and agreed to the permissive enhanced powers as set out in the Draft Order;

Interim Financing

20. the Companies will require funding to facilitate these proceedings, to implement the SISP and to fund working capital needs during the NOI period;

21. the DIP Term Sheet between BNS, as interim lender, and the Companies, as joint and several borrowers, will make up to \$2.7 million available to the Companies for use in accordance with the cash flow forecast, conditional on Court approval of the term sheet and the granting of the DIP Charge;
22. the terms of the DIP Term Sheet are reasonable and in line with prevailing insolvency practices, and the proposed borrowings thereunder are appropriate in the circumstances and sufficient to fund the Companies' cash flow needs through to the end of the extension period sought on the within motion;

Administration Charge

23. the Companies request the granting of a first-ranking Administration Charge in the amount of \$500,000;
24. each of the proposed beneficiaries of the Administration Charge will play a critical role in the Companies' proposal proceedings and restructuring steps and it is unlikely that they will participate in these proposal proceedings unless the Administration Charge is granted to secure their fees and disbursements;
25. the granting of the Administration Charge is in line with prevailing insolvency practices and the proposed amount thereof is appropriate in the circumstances;

DIP Charge

26. the Companies request the granting of a second-ranking DIP Charge in the amount of \$2,700,000;
27. the availability of financing under the DIP Term Sheet is conditional on the Court establishing a priority charge against the assets of the Companies to secure the indebtedness thereunder, ranking behind only the Administration Charge;
28. the ability to access funding under the DIP Term Sheet is critical to the implementation of these proceedings, the SISF and the Companies' operations during the NOI period;
29. the granting of the DIP Term Sheet is in line with prevailing insolvency practices and the proposed amount thereof is appropriate in the circumstances;

Directors' Charge

30. the Companies request the granting of a third-ranking Directors' Charge in the amount of \$150,000, to secure the Companies' obligations to indemnify their directors in respect of claims arising subsequent to the filing of the NOIs;
31. the Companies do not have private directors and officers insurance;

- 32. the Companies' directors will also play a critical role in its restructuring and have identified a need for the granting of the Directors' Charge as security for the Companies' indemnification for possible liabilities which they may incur in their capacity as directors;
- 33. the granting of the Directors' Charge is in line with prevailing insolvency practices, the Companies do not have existing directors' and officers' insurance coverage, and the proposed amount thereof is appropriate in the circumstances;

Extension to Time to File a Proposal

- 34. the stay of proceedings will expire February 15, 2025;
- 35. the Companies seek an extension of time to file a proposal to and including April 1, 2025, in order to provide stability to the Companies' business while the Proposal Trustee implements the proposed SISP;
- 36. the Companies have, with the assistance of the Proposal Trustee, prepared an extended cash flow forecast which demonstrates that the Companies will have (with the DIP financing) sufficient funding to continue operating through to the end of requested extension period;
- 37. if the requested extension, together with subsequent extensions, are granted the Companies will not only be able to implement the SISP but will be able to explore options for making viable proposals to its creditors in conjunction therewith;

- 38. without the extension, the Companies will not be in a position to make viable proposals to their creditors before February 15, 2025 and will likely become bankrupt, to the detriment of their creditors and stakeholders;
- 39. none of the Companies' creditors will be materially prejudiced if the requested extension is granted;
- 40. the Companies have acted, and are acting, in good faith and with due diligence;

Support of Proposal Trustee and Other Grounds

- 41. the Proposal Trustee supports the relief being sought by the Companies;
- 42. the senior secured lender and proposed interim lender, BNS, supports the relief sought herein;
- 43. the secured creditors likely to be affected by the Administration Charge, the Directors' Charge and Interim Financing Charge have been provided notice of this motion;

KERP

- 44. the KERP is designed to retain and incentivize certain key employees and independent contractors who are part of the management of UCG (collectively, the "**KERP Participants**"). The KERP Participants perform important management or business functions and the institutional knowledge and skills possessed by them are irreplaceable, making their

continued engagement vital to UCG's operations during the proposal proceedings;

45. the aggregate amount which may become payable to the KERP Participants under the KERP is approximately \$168,000;
46. the Companies are seeking an order sealing the Confidential Appendix 1, as the KERP contains sensitive personal and compensation information, which may cause harm to the KERP Participants and could lead to disruption to the Companies if such information became public;
47. the other grounds set out in the affidavit Haynes Affidavit;
48. the other grounds set out in the First Report;
49. the inherent and equitable jurisdiction of this Court;
50. sections 50.4(9), 50.6, 64.1 and 64.2 of the BIA;
51. rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
52. such further and other grounds as counsel may advise and this Court may permit.

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

1. the Affidavit of Robert Haynes sworn January 29, 2025, and the exhibits thereto;
2. the First Report, and the appendices thereto; and,
3. such further and other evidence as counsel may advise and this Honourable Court may permit.

January 29, 2025

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TO: **SERVICE LIST**

**IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED
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**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

**PROCEEDING COMMENCED AT
HAMILTON**

NOTICE OF MOTION

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Land Inc.

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
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**AFFIDAVIT OF ROBERT HAYNES
(Sworn January 29, 2025)**

I, ROBERT HAYNES, of the Town of Niagara-on-the-Lake, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am the President and Chief Executive Officer of each of Upper Canada Growers Ltd. ("**UCG**") and UCG Land Inc. ("**LandCo**" and collectively with UCG, the "**Companies**"). I am also the founder of the Companies. As such, I have personal knowledge of the facts and matters to which I hereinafter depose except where otherwise stated. Where my knowledge is based on information and belief, I state the source of my

knowledge and verily believe it to be true. To the extent that any information is based on my review of documents, I believe the information in those documents to be true.

2. On January 17, 2025, each of the Companies filed a notice of intention to make a proposal (collectively, the “**NOIs**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO Canada Limited (“**BDO**”) was named proposal trustee (the “**Proposal Trustee**”) in each of the Companies’ proposal proceedings (collectively, the “**Proposal Proceedings**”). Copies of the certificates of filing from the Superintendent of Bankruptcy in respect of the Proposal Proceedings are attached, collectively, as **Exhibit A**.

3. This affidavit is sworn in support of a motion by the Companies for:

- (a) an initial proposal order, among other things:
 - (i) administratively consolidating the Proposal Proceedings under one title of proceeding;
 - (ii) extending the time for the Companies to file proposals under section 50.4(9) of the BIA by 45 days to and including April 1, 2025;
 - (iii) approving the first report of the Proposal Trustee dated January •, 2025, to be filed separately with the Court (the “**First Report**”), and the activities of the Proposal Trustee set out therein;
 - (iv) enhancing the scope of the power and authority of the Proposal Trustee, as set out herein, so as to enable the Proposal Trustee to fully administer the SISP (as defined below) and to monitor and oversee the operations of the Companies’ business enterprise through the Proposal Proceedings;
 - (v) authorizing the Companies to enter into the interim financing term sheet (the “**DIP Term Sheet**”) with the Bank of Nova Scotia (“**BNS**”), as interim lender, and granting BNS a super priority charge (the “**DIP Charge**”) in an amount not to exceed \$2,700,000, plus interest, fees and expenses, against the Companies’ property, assets and undertakings as security for all of the Companies’ obligations to BNS under the DIP Term Sheet;

- (vi) granting a super-priority charge against the Companies' property, assets and undertakings in an amount not to exceed \$500,000 in favour of the Companies' legal counsel, the Proposal Trustee and the Proposal Trustee's legal counsel as security for the professional fees and disbursements of counsel to the Companies, the Proposal Trustee and counsel to the Proposal Trustee (the "**Administration Charge**");
 - (vii) granting a charge against the Companies' property, assets and undertakings in an amount not to exceed \$150,000 in favour of the Companies' directors and officers, to secure the Companies' obligation to indemnify the directors for certain potential liabilities (the "**Directors' Charge**"); and
 - (viii) approving a key employee retention plan (the "**KERP**"); and
- (b) a SISP order, among other things approving the sale and investment solicitation process, a copy of which is attached below (the "**SISP**"), and authorizing the Proposal Trustee to implement the SISP.

A. THE BUSINESS ENTERPRISE

i. Overview

4. The Companies are related corporations and part of a single business enterprise. The Companies are intrinsically linked, and have the same senior creditors and, as of October 2023, the same shared management, back-office and accounting functions. The Companies also have the same non-independent directors, being myself, Megan Haynes ("**Megan**"), Manish Nayar ("**Manish**") and Mohit Nayar ("**Mohit**").

5. The Companies are currently insolvent. They have initiated the Proposal Proceedings, with the support of their ultimate shareholders and senior secured creditor, in order to stabilize the business enterprise, ensure the viability of the business and implement a process to maximize returns to stakeholders.

ii. Background, Ownership and Operations

6. UCG is a privately held corporation, incorporated pursuant to the laws of Ontario. UCG operates a nursery and orchard business in Southwestern Ontario, primarily in Harrow, Ontario. UCG's primary business activities include:

- (a) the acquisition and multiplication of disease-free rootstock for resale to fruit farmers in Canada and the USA. These activities have historically accounted for approximately 40% of UCG's sales; and
- (b) the development and maintenance of fruit orchards (mostly apple) through the resale of its own root stock products and third-party infrastructure for the purpose of harvesting and selling the fruit to the Ontario wholesale market. These activities have historically accounted for approximately 60% of UCG's sales.

7. Once the orchards are developed, UCG is responsible for the annual maintenance costs of the properties and rent (in the case of orchards purchased by external parties), but receives 100% of the benefit of fruit harvested from the properties. The trees planted in the orchard have a production cycle that yields minimal fruit in the first two years and then ramps up from approximately 50% of capacity in year 3 to 90% capacity by year 5.

8. LandCo is a privately held corporation, incorporated pursuant to the laws of Ontario. LandCo operates as a real estate holding company for the land and buildings used by UCG in its nursery and orchard business. These holdings consist of the following assets, all of which are located in Harrow, Ontario:

- (a) approximately 62 acres of land;

- (b) two (2) commercial greenhouses;
- (c) one (1) high-tech laboratory for grafting (similar to cloning) and growing rootstock;
- (d) a climate-controlled warehouse (cooler); and
- (e) an office building with attached storage facility.

9. All business activities are managed through UCG, which I primarily operate together with my son, Jason, and daughter, Megan (collectively the “**Haynes Family**”).

10. The Haynes Family collectively own approximately 45% of the common voting shares of UCG.

11. Oya Solar Inc. (“**Oya**”) owns approximately 45% of the common voting shares of UCG. Oya is controlled by Manish through his holding company, Manish Nayar Holdings Inc. (“**Manish HoldCo**”).

12. The Haynes Family, through 2706756 Ontario Inc. (“**270 Ontario**”), owns approximately 50% of common voting shares of LandCo. Manish HoldCo owns approximately 42% of the common voting shares of LandCo. BBC Investments Ltd. (“**BBC**”) owns approximately 8% of the common voting shares of LandCo. BBC is controlled by Mohit.

13. Oya owns a special share in UCG. Manish HoldCo owns a special share in LandCo. These special shares provide these entities with enhanced controlling power

over the Companies until certain shareholder loans are repaid. These enhanced powers include:

- (a) if a board vote is tied, Manish shall carry a second casting vote;
- (b) unless otherwise approved by Manish, cheques and other banking documents must be executed by two (2) directors, one (1) of whom must be Manish; and
- (c) Manish is to be the lead negotiator on all financing and strategic decisions outside the day-to-day operations of the business.

14. Additionally, UCG has the following minority ownership interests: Randy Rumsby, Chanphal Prom and Cassidy Cain, each of whom own approximately 3% of the non-voting class A shares. Only Cassidy Cain remains active in the management of UCG's business.

15. As discussed below, the Companies are primarily financed by BNS with the BNS Credit Facilities (as defined below) being cross-collateralized and cross-guaranteed by both UCG and LandCo.

B. CREDITORS

i. Secured Creditors

(i) *BNS Loan*

16. Pursuant to a credit facility agreement dated as of May 13, 2024, and accepted by UCG and LandCo on May 21, 2024, as borrowers and as guarantors, as amended by a default and amendment letter dated as of August 21, 2024 (the "**Default and**

Amendment Letter”), and accepted by UCG and LandCo on August 28, 2024, as borrowers and as guarantors (collectively, the “**Credit Agreement**”), BNS made available to UCG and LandCo the following credit facilities (collectively, the “**BNS Credit Facilities**”):

- (a) to UCG, a demand operating facility in the maximum principal amount of CAD \$7,500,000 (the “**Demand Operating Facility**”);
- (b) to UCG, a Scotia Visa Business Card having a limit of CAD \$250,000;
- (c) to UCG, a Scotia Visa Business Card having a limit of USD \$50,000; and
- (d) to UCG and LandCo, a revolving term facility in the maximum principal amount of CAD \$20,000,000.

Copies of the Credit Agreement, including the Default and Amendment Letter, are attached collectively as **Exhibit B**.

17. Pursuant to a guarantee agreement dated as of November 29, 2023 (the “**UCG Guarantee**”), UCG guaranteed the payment of all debts and liabilities owing or remaining unpaid by LandCo to BNS up to an unlimited amount. Pursuant to a guarantee agreement dated as of November 29, 2023 (the “**LandCo Guarantee**” and collectively with the UCG Guarantee, the “**Guarantees**”), LandCo guaranteed the payment of all debts and liabilities owing or remaining unpaid by UCG to BNS up to an unlimited amount. Copies of the Guarantees are attached, collectively, as **Exhibit C**.

18. Each of the Guarantees provide that upon any default in payment of any sum owing by UCG or LandCo, as applicable, to BNS, BNS may treat all guaranteed liabilities as due

and payable and may forthwith collect from the applicable guarantor the total amount guaranteed thereunder.

19. UCG's and LandCo's obligations to BNS are secured by, among other things:

from UCG:

- (a) a general security agreement dated as of November 29, 2023, a copy of which is attached as **Exhibit D**, granting BNS a security interest in all of UCG's present and after acquired property and all proceeds thereof. BNS registered notice of its security under the *Personal Property Security Act* (Ontario) ("**PPSA**");
- (b) pursuant to section 427 of the *Bank Act* and in favour of BNS:
 - (i) a notice of intention to give security dated as of November 21, 2023, a copy of which is attached as **Exhibit E**;
 - (ii) an agreement as to loans and advances and security therefor dated as of November 29, 2023, a copy of which is attached as **Exhibit F**;
 - (iii) a promise to give security dated as of November 29, 2023, a copy of which is attached as **Exhibit G**;
 - (iv) a security agreement dated as of November 29, 2023, a copy of which is attached as **Exhibit H**; and
- (c) an assignment of insurance dated as of November 29, 2023 in favour of BNS, a copy of which is attached as **Exhibit I**.

from LandCo:

- (a) a general security agreement dated as of November 29, 2023, a copy of which is attached as **Exhibit J**, granting BNS a security interest in all of

LandCo's present and after acquired property and all proceeds thereof.

BNS registered notice of its security under the *PPSA*;

- (b) pursuant to section 427 of the *Bank Act* and in favour of BNS:
 - (i) a notice of intention to give security dated as of November 21, 2023, a copy of which is attached as **Exhibit K**;
 - (ii) an agreements as to loans and advances and security therefor dated as of November 29, 2023, a copy of which is attached as **Exhibit L**;
 - (iii) a promise to give security dated as of November 29, 2023, a copy of which is attached as **Exhibit M**; and
 - (iv) a security agreement dated as of November 29, 2023, a copy of which is attached as **Exhibit N**;
- (c) a first-ranking charge/mortgage registered on November 30, 2023 as Instrument CE1161676, a copy of which is attached as **Exhibit O**, in the principal amount of \$20,000,000 against the real properties legally described as:
 - (i) PART LT 58 CONCESSION 1 OR FRONT COLCHESTER, PART 2 12R5006 SAVE AND EXCEPT PART 1 12R28819, TOWN OF ESSEX, PIN 75198-0187 (LT);
 - (ii) PT LT 16 CON GORE OR 2ND RANGE COLCHESTER PT 1 12R11909, EXCEPT PT 1, 12R14883, ESSEX, PIN 75194-0023 (LT);
 - (iii) PT LT 4 PL 178 COLCHESTER AS IN R843148; ESSEX, PIN 75194- 0156 (LT);
 - (iv) PT LT 6-8 PL 178 AS IN R1371764, EXCEPT PT 1 PL 12R15636, PT LTS 48, 49 CON 1 OR FRONT, DESIGNATED AS PT 1 PL 12R21178; ESSEX, PIN 75194-0198 (LT); and
 - (v) PT LT 9 PL 178 COLCHESTER PT 2 & 3, 12R7446; T/W & S/T R613698; ESSEX AMENDED BY LO 2003/01/21, PIN 75187-0007 (LT),

(collectively, the "**Real Property**");

- (d) a general assignment of rents and leases dated as of November 29, 2023 in favour of BNS, a copy of which is attached as **Exhibit P**, in respect of the Real Property registered on November 30, 2023 as Instrument CE1161677; and
- (e) an assignment of insurance dated as of November 29, 2023 in favour of BNS, a copy of which is attached as **Exhibit Q**.

(ii) Other Secured Creditors

- 20. A copy of a *PPSA* search report for Ontario in respect of UCG is attached as **Exhibit R**. As appears from the search report, there are 23 registrations against UCG. Other than the registrations described above, primarily all of the registrations relate to motor vehicles and/or farm equipment.
- 21. A copy of a *PPSA* search report for Ontario in respect of LandCo is attached as **Exhibit S**. As appears from the search report, there are four registrations against LandCo, all of which are described above.
- 22. Based on my discussions with legal counsel, privilege over which I do not waive, I understand that the security held by BNS ranks first in priority over all of the Companies' personal and real property, other than in respect to any priority claims that may exist at law.
- 23. The Companies intend to serve all *PPSA* registrants with notice of this motion.

ii. Unsecured Creditors

24. As at January 17, 2025, UCG's books and records show that there are approximately 111 different unsecured creditors, with debts totaling approximately \$3.7 million.

25. Additionally, there is approximately \$250,000 owing to the Canada Revenue Agency ("**CRA**") by LandCo, which were included as unsecured liabilities on the listing of known creditors submitted as part of its NOI filing. Copies of the list of creditors for each of the Companies, filed in their respective NOI Proceedings, are attached as **Exhibit T**.

26. One of the Companies' unsecured creditors is Farm Credit Canada pursuant to a loan agreement dated March 26, 2020 (the "**FCC Loan Agreement**"). Under the FCC Loan Agreement, Farm Credit Canada loaned UCG the sum of \$210,000. FCC registered notice of its security under the *PPSA*, although I understand from the Proposal Trustee that the registration will be removed as the loan under the FCC Loan Agreement is unsecured. The FCC Loan Agreement was also executed by LandCo, me, Megan and Jason Haynes as guarantors on an unsecured basis.

27. Over the years, the Haynes Family has injected its own funds into the business on an unsecured basis. According to UGC's books and records, the Haynes Family is owed collectively owed \$110,000 on these loans. The Companies' internal financial statements as at November 30, 2024 also show that there is an additional approximate \$2.3 million owing to either Manish, 2403727 Ontario Inc. and Burncrest Capital Inc.

iii. Government Remittances

28. The Companies use an external payroll provider and as such are current with all government remittances for source deductions, save and except for source deductions accrued and accruing in respect of standard payroll processing, which will continue in the ordinary course.

29. The Companies are up to date on filing harmonized sales tax (the “**HST**”) returns with the CRA through December 2024, and have a \$70,500 refund owing from CRA to UCG and approximately \$143,750 owing to CRA from LandCo.

C. BNS DEMAND

30. On November 15, 2024, BNS made formal demands on the Companies for repayment and issued notices of intention to enforce its security under section 244 of the BIA and notices of intent by a secured creditor under section 21 of the *Farm Debt Mediation Act* (“**FDMA**”). Copies of BNS’ demand and notices under the BIA and the FDMA are attached, collectively, as **Exhibit U**.

31. As a result of financial difficulties facing the Companies, as described below, the Companies are unable to issue full repayment in response to BNS’ demand. Following discussions with BNS, the Proposal Trustee and counsel, they agreed that these Proposal Proceedings, funded by BNS as interim lender, would be a preferred means by which to preserve and realize value for all stakeholders.

32. The directors of each of the Companies authorized the Companies to commence the Proposal Proceedings. Copies of the resolutions of the directors authorizing these

Proposal Proceedings for each of the Companies are attached, collectively, as **Exhibit V**.

D. CIRCUMSTANCES LEADING UP TO THE DEMAND AND PROPOSAL PROCEEDINGS

33. The primary cause of the Companies' financial difficulties was a sharp reduction in revenue during the 2024 fiscal year (December 1, 2023 to November 30, 2024) from UCG's orchard division.

34. The capacity of the UCG nursery production and cost structure assumes that each year, an orchard will be established through the purchase of fruit trees from the nursery division and the purchase and resale of hail netting and other infrastructure. In the years 2021 through 2023, UCG built orchards on a total of approximately 288 acres of farmland (74 acres in 2021, 43 acres in 2022, and 171 acres in 2023). These orchards were purchased by Bonnefield Canadian Farmland LP V Master ("**Bonnefield**") in 2021 and 2023 and Essex Farmland Holdings LP ("**Essex**") in 2022.

35. In 2024, the purchase commitment did not reach the financial goals as planned and, accordingly, in 2024, this resulted in approximately \$7.0 million of lost revenue and approximately \$2.5 million of lost profits.

36. The Companies funded the operations of the business through drawing additional funds on the BNS Credit Facilities, which culminated in an over-advance on these facilities of approximately \$3.6 million in excess of the BNS Credit Facilities' limits.

37. As appears from the Companies' balance sheet as at November 30, 2024, copies of which are attached as **Exhibit W**, the Companies were limited in their ability to pay down the overdue amounts on account of the following:

- (a) UCG's working capital primarily consisted of Inventory (approximately \$13.6 million), only a portion of which can only be sold seasonally as it matures (generally in the spring) due to market and weather conditions. Accordingly, only the accounts receivable of approximately \$1.5 million would be liquid to fund the business, relative to approximately \$24.3 million of current debts (most of which were due or past due).
- (b) LandCo had current assets of only approximately \$4.9 million, which consisted mainly of a receivable from UCG, which could not be monetized given UCG's negative working capital position.

38. In early December 2024, the Companies presented a turnaround plan to BNS. The plan included a cash flow forecast through to July 2026. The forecast showed an additional capital need of approximately \$8.5 million through the forecast period. BNS was not supportive of the plan and communicated their desire to exit the banking relationship.

39. Additionally, there were past due accounts to trade suppliers of approximately \$3.7 million leading up to the NOI. Without the Proposal Proceedings, the Companies would not have the liquidity necessary to pay these suppliers for goods and services previously provided.

40. After approximately four (4) weeks of funding some of the operations of the business through their own money and cash receipts, the shareholders decided that they no longer wished to fund the business. Accordingly, on January 16, 2025, the Companies' boards of directors resolved to file the NOIs under the BIA.

E. DIP FINANCING

41. In connection with the within motion and, in particular, the request for the stay extension, the Companies prepared, in consultation with the Proposal Trustee, an extended cash flow forecast beyond what is required under the BIA, up to and including April 14, 2024 (the "**Extended Cash Flow**"), a copy of which will be attached to the First Report.

42. The Extended Cash Flow demonstrates that the Companies will require funds to enable them to carry on business during the restructuring process and fund working capital and the costs of the Proposal Proceedings and the SISP.

43. BNS, in its capacity as the proposed lender under the DIP Term Sheet (the "**DIP Lender**"), has offered to make available to the Companies a debtor-in possession loan in the maximum amount of \$2,700,000 (the "**DIP Loan**") pursuant to the terms of the DIP Term Sheet, substantially in the form attached as **Exhibit X**, to fund operations and the cash shortfall anticipated in the Extended Cash Flow.

44. It is a fundamental term of the DIP Term Sheet that the Court grant an order, on terms acceptable to the DIP Lender, which, among other things, grants the DIP Charge, which shall rank behind only the Administration Charge and ahead of the Directors' Charge, but in priority to all other claims and encumbrances.

45. The Companies believe that the terms of the DIP Term Sheet are reasonable in the circumstances and should be approved. In the absence of the DIP Loan, the Companies will not be able to conduct the SISP and will be forced to shut down the business and commence a liquidation of their assets, resulting in the loss of value and jobs, which would be detrimental to all of the Companies' creditors and stakeholders.

F. ADMINISTRATION CHARGE

46. To ensure payment of the fees and expenses of each of the Companies' legal counsel, the Proposal Trustee and the Proposal Trustee's legal counsel, and any fee incurred by any third-party sales agent engaged by the Proposal Trustee, the Companies seek the Administration Charge, to rank in priority to all claims and encumbrances, including the Director's Charge and DIP Charge. The Administration Charge is reasonable in the circumstances. The continued services of the professionals are critical to the progress and success of these Proposal Proceedings and the SISP and, without such charge, the foregoing professionals are unlikely to continue in their capacities in support of these Proposal Proceedings.

G. DIRECTORS' CHARGE

47. As part of these Proposal Proceedings, the Companies are seeking the Directors' Charge, to rank in priority to all other claims and encumbrances, with the exception of the Administration Charge and the DIP Charge, as security for the Companies' indemnification for possible liabilities that may be incurred by the directors and officers after the filing date, including HST arrears, wages, vacation pay, and source deductions. Such charge is reasonable in the circumstance as, among other things, there is no existing coverage for directors and officers under the existing insurance policies.

H. SISP

48. The Proposal Trustee, in consultation with BNS and the Companies, and subject to the approval of this Court, developed a detailed SISP to be administered by the Proposal Trustee, as summarized below and detailed in the draft SISP Terms, a copy of which is attached as **Exhibit Y**. The final SISP will be appended to the First Report.

49. The following is a summary of the SISP:

- (a) the SISP contemplates a dual track process, which will allow for the acceptance of bids for investments and restructuring proposals, as well as bids to acquire the business and assets of the Companies (the “**Opportunity**”);
- (b) the Proposal Trustee will administer the SISP and will seek written approval from BNS in respect of certain key steps and milestones, as required;
- (c) as soon as reasonably practicable, the Proposal Trustee will prepare a list of potentially interested parties for participation in the SISP and will provide them with a ‘teaser’ to participate in the SISP;
- (d) all participants will be required to execute a non-disclosure agreement and disclose indirect and direct principals of the participant;
- (e) any party executing a non-disclosure and confidentiality agreement will be invited to review a virtual data room including the salient details of the business and assets of the Companies and to submit non-binding expressions of interest by March 28, 2025;

- (f) the Proposal Trustee will review the expressions of interest and invite select parties by no later than April 1, 2025 to submit binding letters of intent in the form of a completed agreement of purchase and sale by April 25, 2025;
- (g) all offers must be, and all transactions will proceed, on an “as is, where is” basis and will not be conditional on diligence or financing;
- (h) the final bid (or bids) will be selected and executed;
- (i) the Proposal Trustee will then seek Court approval of the selected transaction (or transactions); and
- (j) the transaction(s) shall close by June 13, 2025.

50. The following is a summary of the material milestones and projected timelines of the SISP:

Event	Date
1. Distribution of solicitation documents to identified potential bidders	February 7, 2025
2. Deadline for submission of EOIs	March 28, 2025 (5:00 p.m. Eastern Time)
3. Determination of Qualified Bidders	April 1, 2025
4. Deadline for submission of LOIs	April 25, 2025 (5:00 p.m. Eastern Time)
5. Selection of the Successful Offer(s)	April 30, 2025
6. Deadline for finalizing transaction documents based on Successful Offer(s)	May 14, 2025
7. Hearing of the Approval Application(s) in respect of the Successful Offer(s)	Subject to availability of the Court

8. Closing of the Successful Offer transaction(s)	No later than June 13, 2025 (the “ Outside Date ”)

Notwithstanding the foregoing, the SISP and the draft order contemplates that the above deadlines may be extended, where the Proposal Trustee believes an extension to be appropriate and BNS consents to same in writing.

51. The SISP has been developed with the Proposal Trustee and has the support of all key stakeholders. I also understand from counsel that the terms of the SISP are consistent with prevailing insolvency practices and will provide a transparent process to maximize value of the stakeholders. The Companies believe that, in the circumstances, the SISP is appropriate and reasonable.

I. ENHANCED AUTHORITY OF THE PROPOSAL TRUSTEE

52. All parties agree that granting the Proposal Trustee certain enhanced authority and powers, as set out in the draft order enclosed herewith, will assist the Proposal Trustee to more efficiently administer the SISP and monitor the Companies’ business operations during the course of the Proposal Proceedings, all for the general benefit of stakeholders. The Proposal Trustee has advised that it consents to and supports the enhancement of its authority as set out in the draft order.

J. STAY EXTENSION

53. Under the BIA, the initial stay of proceedings will expire on February 15, 2025. The Companies are acting in good faith and with due diligence in seeking to preserve their

businesses on a going concern basis for the benefit of all of their stakeholders and to permit the Proposal Trustee to implement and conduct the SISP.

54. In order to commence and advance the SISP, the Companies are seeking an extension of time to file a proposal for 45 days to and including April 1, 2025. Given that the SISP contemplates the selection of a successful bidder on April 30, 2025, the Companies anticipated seeking additional extension(s) to file a proposal.

55. Without the extension, the Companies will not be in a position to carry out the SISP or, if deemed advantageous, make a viable proposal to their creditors and will become bankrupt to the detriment of their stakeholders. In contrast, no creditor will be materially prejudiced if the extension applied for is granted. The extension is supported by BNS, as senior secured creditor, the shareholders and the Proposal Trustee.

56. If the extension applied for is granted, as well as subsequent additional extension(s) for which application is anticipated to be made, the Companies would likely be able to make a viable proposal to their creditors following the completion of the SISP.

K. ADMINISTRATIVE CONSOLIDATION

57. The Companies are related parties with a single business enterprise and a common senior, secured creditor. The SISP contemplates the solicitation of offers to purchase the Companies' assets, undertakings and properties, in whole or in part, and/or invest in the Companies' business, and that such process be administered in a unified manner. Accordingly, the Companies seek an order administratively consolidating their Proposal Proceedings, without prejudice to the right of any party to seek or oppose

substantive consolidation in respect of the Proposal Proceedings. The relief sought by the Companies is intended to avoid a multiplicity of proceedings and unnecessary costs.

L. KEY EMPLOYEE RETENTION PLAN

58. The Companies seek this Court's approval of the KERP designed to retain and incentivize certain key employees and independent contractors who are part of the management of UCG (collectively, the "**KERP Participants**"). The KERP Participants perform important management or business functions and the institutional knowledge and skills possessed by them are irreplaceable, making their continued engagement vital to UCG's operations during these Proposal Proceedings.

59. The KERP was developed by the Companies with the assistance of the Proposal Trustee and takes into consideration the KERP Participants' existing compensation packages and the circumstances of these Proposal Proceedings. The aggregate amount which may become payable to the KERP Participants under the KERP is approximately \$168,000.

60. A redacted copy of the KERP is attached as **Exhibit Z**. An unredacted copy of the KERP is attached as **Confidential Appendix 1**. The Companies are seeking an order sealing the Confidential Appendix 1, as the KERP contains sensitive personal and compensation information, which I believe may cause harm to the KERP Participants and could lead to disruption to the Companies if such information became public.

M. CONCLUSION

61. The relief sought on the within motion will provide stability to the Companies' business and enable the Companies to pursue a restructuring through the SISP, for the

benefit of all stakeholders. All of the relief sought is supported by the Companies' senior secured creditor, BNS, the Companies' shareholders and the Proposal Trustee. Additionally, the Companies are not aware of any creditor or stakeholder who opposes such relief or would be materially prejudiced if such relief is granted.

SWORN by videoconference, in the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits
(or as may be)

Robert Haynes

ROBERT HAYNES

This is Exhibit "A" referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 07 - Hamilton
Court No. 32-3175820
Estate No. 32-3175820

In the Matter of the Notice of Intention to make a proposal of:

Upper Canada Growers Ltd.

Insolvent Person

BDO CANADA LIMITED / BDO CANADA LIMITÉE

Licensed Insolvency Trustee

Date of the Notice of Intention:

January 17, 2025

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: January 20, 2025, 08:00

E-File/Dépôt Electronique

Official Receiver

Canada

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 07 - Hamilton
Court No. 32-3175819
Estate No. 32-3175819

In the Matter of the Notice of Intention to make a proposal of:

UCG Land Inc.

Insolvent Person

BDO CANADA LIMITED / BDO CANADA LIMITÉE

Licensed Insolvency Trustee

Date of the Notice of Intention:

January 17, 2025

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: January 20, 2025, 08:04

E-File/Dépôt Electronique

Official Receiver

Canada

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

This is Exhibit “B” referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)



May 13, 2024

Upper Canada Growers Ltd.
921 Concession 2 Road
Niagara-on-the-Lake, ON
L0S 1L0

UCG Land Inc.
921 Concession 2 Road
Niagara-on-the-Lake, ON
L0S 1L0

Attention: Mr. Robert Haynes

Attention: Mr. Robert Haynes

Dear Sir:

We confirm that, subject to acceptance by you, The Bank of Nova Scotia (the "Bank") will make available to Upper Canada Growers Ltd. and UCG Land Inc. (each a "Borrower" and collectively the "Borrowers"), certain credit facilities on the terms and conditions set out in the attached Terms and Conditions and in the attached Schedule "A".

If the arrangements set out in this letter, and in the attached Terms and Conditions and Schedule "A" (collectively this "Credit Facility Agreement") are acceptable to you, please sign the enclosed copy of this letter in the space indicated below and return the letter to us by the close of business on June 13, 2024 after which date this offer will lapse.

This Credit Facility Agreement amends and restates all previous commitments issued by the Bank to the Borrowers.

Yours truly,

Steven Cosby

Steven Cosby
Director

Jeremy Lee

Jeremy Lee
Associate Director

The Bank intends the electronic signatures above to have the same effect as hand written signatures.

By signing this Credit Facility Agreement you confirm that the products and/or services offered to you herein will not be used for or on behalf of any individual or entity other than you and the other parties named in the Credit Facility Agreement for whose benefit such products and services are intended.

By signing this Credit Facility Agreement you agree that all documents identified as Specific Security or General Security in the Credit Facility Agreement that you have previously delivered (if any) will continue as security for the credit facilities described in this Credit Facility Agreement, you ratify and confirm those documents and, in the case of any guarantor, you consent to changes to previously existing credit facilities.

The arrangements set out above and in the attached Terms and Conditions and Schedule "A" (collectively the "Credit Facility Agreement") are hereby acknowledged and accepted by:

BORROWERS

Upper Canada Growers Ltd.

By: Robert Hughes
Title: President

Date: 2024/05/21

By: [Signature]
Title: _____

Date: 05/23/2024

UCG Land Inc.

By: Robert Hughes
Title: Vice President

Date: 2024/05/21

By: [Signature]
Title: _____

Date: 05/23/2024

GUARANTORS:

Upper Canada Growers Ltd. (as to the obligations of UCG Land Inc.)

By: Robert Hughes
Title: President

Date: 2024/05/21

By: [Signature]
Title: _____

Date: 05/23/2024

UCG Land Inc. (as to the obligations of Upper Canada Growers Ltd.)

By: Robert Hughes
Title: Vice President

Date: 2024/05/21

By: [Signature]
Title: _____

Date: 05/23/2024

TERMS AND CONDITIONS

CREDIT NUMBER: 01

AUTHORIZED AMOUNT: \$7,500,000

BORROWER

Upper Canada Growers Ltd.

TYPE

Operating.

PURPOSE

General operating requirements.

CURRENCY

Canadian dollars.

AVAILMENT

Subject to the other terms and conditions of this Credit Facility Agreement, the Borrower named above may avail this Credit up to the authorized amount, by way of:

Agreement re Operating Credit Line and/or

Standby Letters of Credit and / or Letters of Guarantee (with each availment subject to completion of an Application and Agreement for Irrevocable Standby Letter of Credit / Letter of Guarantee in a form satisfactory to the Bank).

Availments by way of Standby Letters of Credit / Letters of Guarantee are limited to a maximum of \$1,000,000.

INTEREST RATE

The Bank's Prime Rate from time to time, plus 0.25% per annum.

COMMISSION

Standby Letters of Credit / Letters of Guarantee - 2.00% per annum, calculated on the issue amount, based on increments of 30 days or multiples thereof, from date of issuance to expiry date. Periods of less than 30 days will be counted as a thirty (30) day increment. The amount is subject to the Bank's minimum fee, as well as revision at any time, and is payable upon issuance.

REPAYMENT

All indebtedness and liability of the Borrower to the Bank is payable on demand ("Demand Credit"), is made entirely at the Bank's discretion and is repayable by the Borrower to the Bank at any time on demand, irrespective of whether or not an Event of Default has occurred.

PREREPAYMENT

Prime Rate Advances

Prepayment is permitted without penalty at any time in whole or in part.

SPECIFIC SECURITY

The following security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advance or availment being made under the Credit:

Agreement re: Operating Credit Line.

Application and Agreement for Irrevocable Standby Letter of Credit / Letter of Guarantee.

CREDIT NUMBER: 02

AUTHORIZED AMOUNT: \$250,000

BORROWER

Upper Canada Growers Ltd.

TYPE

Scotiabank VISA Business Card – Availment, interest rate and repayment as per Cardholder Agreement.

PURPOSE

General operating expenses.

CURRENCY

Canadian dollars.

AVAILMENT

Subject to the other terms and conditions of this Credit Facility Agreement, the Borrower named above may avail this Credit by way of Scotiabank VISA Business Card Agreement.

SPECIFIC SECURITY

The following security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advance or availment being made under the Credit:

Scotiabank VISA Business Card Agreement.

CREDIT NUMBER: 03

AUTHORIZED AMOUNT: \$50,000

BORROWER

Upper Canada Growers Ltd.

TYPE

Scotiabank VISA Business Card – Availment, interest rate and repayment as per Cardholder Agreement.

PURPOSE

General operating expenses.

CURRENCY

United States dollars.

AVAILMENT

Subject to the other terms and conditions of this Credit Facility Agreement, the Borrower named above may avail this Credit by way of Scotiabank VISA Business Card Agreement.

SPECIFIC SECURITY

The following security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advances or availment being made under the Credit:

Scotiabank VISA Business Card Agreement.

CREDIT NUMBER: 04

AUTHORIZED AMOUNT: \$20,000,000

BORROWERS

Upper Canada Growers Ltd. and / or UCG Land Inc.

TYPE

Revolving Term.

PURPOSE

To assist in financing upcoming expansion, payout of term debts, and ongoing capital expenditures.

CURRENCY

Canadian dollars.

MATURITY DATE

December 31, 2024.

AVAILMENT

Subject to the other terms and conditions of this Credit Facility Agreement, the Borrower may avail the Credit up to the Authorized Amount prior to the “**Maturity Date**” by way of:

Direct advances and/or Term Loans - Direct advances evidenced with appropriate supporting documentation or CORRA Advances in Canadian dollars in multiples of \$100,000 (subject to a minimum availment amount of \$500,000)

Standby Letters of Credit and / or Letters of Guarantee (with each availment subject to completion of an Application and Agreement for Irrevocable Standby Letters of Credit / Letter of Guarantee in a form satisfactory to the Bank).

Availments by way of Standby Letters of Credit / Letters of Guarantee are limited to a maximum of \$5,800,000.

Subject to the Bank's consent, at its sole discretion, combined advances under this Credit are not to exceed 80% of the assessed value of the real estate held as security.

INTEREST RATE

Revolving Advances

Direct advances and Term Loans - Floating Rate:

The Bank's Prime Rate from time to time, plus 0.50% per annum.

The Term Canadian Overnight Repo Rate Average (CORRA) from time to time, plus 2.55% per annum which includes the CORRA Adjustment, for periods of 1 or 3 months with interest payable at the end of the Interest period.

The Daily Compound Canadian Overnight Repo Rate Average (CORRA) from time to time, plus 2.55% per annum which includes the CORRA Adjustment, with interest payable monthly.

CORRA Adjustment means in respect of a CORRA Advance, an adjustment per annum equal to (i) 0.295% (for a 1-month interest period); (ii) 0.321% (for a 3-month interest period), or (iii) such other rate as the Bank may notify the Borrower in writing from time to time.

The Borrower may request either Daily Compounded or Term CORRA, however once Daily Compounded or Term CORRA is elected, the rate shall remain for the duration of the facility.

Direct advances and Terms Loans - Fixed Rate - The Borrowers have the option to fix the interest rate at the applicable Scotiabank Base for Fixed Rate plus an applicable spread for the balance of the term at any time until maturity, subject to availability. Rates will be quoted upon request.

Standby Letters of Credit / Letters of Guarantee - 2.25% per annum, calculated on the issue amount, based on increments of 30 days or multiples thereof, from date of issuance to expiry date. Periods of less than 30 days will be counted as a thirty day increment. The amount is subject to the Bank's minimum fee as well as revision at any time and is payable upon issuance.

LOAN CONVERSION

On the Maturity Date, and annually thereafter, the Bank may choose, in its sole discretion, to consolidate and convert the drawn advances made under the Floating Rate Option to a "Consolidated Term Loan". For certainty, for the purposes of this Credit Facility Agreement, the term "Consolidated Term Loan" could include a converted individual advance that is not consolidated with other advances.

At any time prior to the Maturity Date the Borrower may request that the drawn advances, outstanding individually or in the aggregate in an amount greater than or equal to \$250,000 be converted to a Consolidated Term Loan.

The Authorized Amount available under this Credit is revolving and will be reduced by the aggregate amount of any / all Consolidated Term Loans.

REPAYMENT

Subject to conversion of some or all of the revolving credit to one or more Consolidated Term Loans, this Credit will revolve, and the Authorized Amount may be drawn, repaid, and redrawn at any time until the Maturity Date.

This Credit is subject to annual review and may be extended for successive periods of up to 1 year at that time.

Unless the Borrower has renewed the Credit prior to its maturity, upon its maturity, the Credit will immediately be converted into a demand installment loan bearing interest at the Prime Rate, plus the existing credit spread, plus 2% until the earlier of (A) all obligations being repaid in full to the Bank's satisfaction, (B) a new Credit Facility Agreement issued by the Bank is duly executed by the Borrower and returned to the Bank, or (C) the Bank's demand for repayment of all obligations. Until demand by the Bank, the demand installment loan is repayable in monthly installments comprising of amounts equal to the principal payments under the Credit, plus accrued interest, until all obligations under the demand installment loan are repaid in full to the satisfaction of the Bank. Monthly payments under the demand installment loan are due on the same day on which payments under the Credit were due.

When assets financed with an advance under this Credit are sold or exchanged, the financed assets' percentage of the total amount outstanding under this Credit at the time of the initial advance is required to be repaid or equivalent security granted to the Bank to replace the assets being sold/released.

Consent to disposition of real estate assets to Bonnefield:

The Bank shall release its interest in the under noted properties provided not less than \$4,700,000 net cash proceeds are applied to repay outstanding advances under the credit facility.

- i) PT LT 54 CON 1 OR FRONT COLCHESTER DESIGNATED AS PT 1 ON 12R26933; TOWN OF ESSEX (PIN 75194-0245)
- ii) PART LOT CON 1 OR FRONT COLCHESTER AS IN R1275296 (FIRSTLY) EXCEPT PART 1 PLAN 12R26612; TOWN OF ESSEX (PIN 75194-0243)
- iii) PART LOT 56 CON 1 COLCHESTER DESIGNATED AS PART 1 PLAN 12R26612; TOWN OF ESSEX (PIN 75194-0242)
- iv) Legal land description to be provided: representing the severed portion of PT LT 2 PL 178 COLCHESTER AS IN R992829 EXCEPT PARTS 1 & 2 PLAN 12R-27038; S/T C221022; SAVE AND EXCEPT PART 3 ON PLAN 12R-28551; ESSEX; TOWN OF ESSEX; TOGETHER WITH AN EASEMENT OVER PT OF LOT 2 PLAN 127, DESIGNATED AS PART 3 ON PLAN 12R-28551 AS IN CE1000953 (PIN: 75194-0261) purchased by Bonnefield.

Consent to 1340 County Road disposition:

The Bank shall release its interest in the property 1340 County Road 13, Essex, ON (PIN 75199-0257) provided not less than ~~\$1,700,000~~ of the net cash proceeds are applied to repay outstanding advances under the credit facility. ~~\$1,700,000~~ \$1,100,000 RH.

Revolving Advances

Advances are repayable in full on the Maturity Date, unless this Credit has been extended or the advances hereunder converted to one or more Consolidated Term Loans.

Consolidated Term Loans

Consolidated Term Loans are repayable in monthly, quarterly, semi-annual, or annual blended payments or equal principal plus interest payments, commencing the corresponding number of days after conversion and the balance of principal and accrued interest outstanding is due in full on the last day of the last month of the relevant term.

The maximum term of Floating Rate loans is 1 year. Subject to availability of fixed rates the Borrower may request a fixed rate term with a maximum term up to 5 years.

The amortization of each Consolidated Term Loan will be based on the weighted average amortization of the assets financed, based on the following maximums unless otherwise advised by the Bank, in its sole discretion:

Farmland, Buildings, Improvements, and Equipment:

Up to 25 years (interest only option: up to 2 years interest only, total of interest only period and amortization not to exceed 25 years).

Orchard Trees and Planting Costs:

Up to 10 years (interest only option: up to 3 years interest only, total of interest only period and amortization not to exceed 10 years).

Revolving Advances and Consolidated Term Loans

For greater certainty (i) if at any time the Bank determines that the principal amount outstanding under any advance or Consolidated Term Loan exceeds the purchase price of the assets financed, the excess amount advanced shall become due and payable immediately; and (ii) when a financed asset is sold or exchanged, the portion of the total debt that remains outstanding, that relates to the sold or exchanged asset, shall be repaid or equivalent security added to replace the subject asset.

Standby Letters of Credit / Letters of Guarantee

Advances are repayable on demand and unless and until demand is made, interest is calculated and payable monthly on the balance owed by the Borrower from time to time.

PREPAYMENTFloating Rate:Prime Rate Advances or Daily Compound CORRA Advances

Prepayment is permitted without penalty at any time in whole or in part.

Term CORRA Advances

No prepayments are permitted.

Fixed Rate:

Prepayments are non-cumulative and are to be applied against instalments of principal in the inverse order of their maturities.

Prepayment up to 10% of the original principal amount for each fixed rate option advance or of the aggregate amount of a Consolidated Term Loan, as applicable, is permitted without penalty.

Prepayment instalments may be increased once each year by up to 10% without fees or penalty.

Any additional prepayment in whole or in part is permitted on payment of an amount equal to the greater of:

- i) three (3) months simple interest on the prepayment amount at the rate applicable to the relevant advance being prepaid, and
- ii) the Bank's Funding Loss. "Funding Loss" means, in respect of the advance being prepaid, any loss, cost or expense which may be incurred by the Bank by reason of the reemployment, for the Prepayment Period, of the funds acquired by the Bank to fund such advance. "Prepayment Period" means the period commencing on, and including, the date on which the Prepayment Amount is paid to the Bank to, but excluding, the scheduled repayment date of the relevant Advance.

SPECIFIC CONDITIONS

Until all debts and liabilities under this Credit have been repaid and discharged in full, the following conditions will apply in respect of this Credit:

The right of each Borrower to obtain advances under this Credit is subject to:

- i) there shall not have been any material adverse changes in the financial condition or the environmental condition of such Borrower or any Guarantor of the Borrower;
- ii) confirmation that all security is duly executed and registered as required (including in respect of its priority ranking); and
- iii) the Borrower being in compliance with all terms and conditions of this Credit Facility Agreement.

The undrawn portion of this Credit is subject to Annual Renewal.

Prior to drawdown, the Bank is to be satisfied with the quality, value, and eligibility of the assets to be financed with the proceeds of such drawdown.

Equipment

The Borrower shall provide evidence that the advance is financing not more than 100% of the cost of the purchased assets (evidenced by invoices or other documentation satisfactory to the Bank).

In the case of used equipment purchased for \$250,000 or more, the Bank may require a written appraisal conducted by an appraiser acceptable to the Bank. Exceptions include:

- i) The Equipment is less than 12 months old.
- ii) Equipment is purchased from a reputable dealer.
- iii) Equipment is purchased at a reputable auction.

Orchard Trees / Planting Costs:

Drawn amounts for Orchard Trees / Planting Costs under this Credit are not to exceed a total of \$2,000,000.

The Borrower shall provide evidence that the advance is financing not more than 100% of the cost of the purchased assets / planting costs (evidenced by invoices or other documentation satisfactory to the Bank).

Buildings / Improvements / Construction Draws:

Initial Drawdown:

Satisfaction of the Bank with the Contractors selected for the applicable building/improvement/construction project.

Receipt of appropriate project plans including construction budget and the proposed project timeline.

Evidence of fixed price agreements in respect of at least 80% of the hard costs of the real estate improvements including steel, framing, drywall, form work (including labour and materials), mechanical, electrical and windows. Copies of subsequent material amendments shall be provided within 14 days of such amendments.

Evidence that the project permits are in place, and that no additional permits will be required to complete construction.

Evidence / confirmation that the project complies with zoning by-laws.

Confirmation of insurance assigned to the Bank. (Construction / liability insurance related to the project).

All Drawdowns:

Receipt of invoice(s) and proof of payment for all assets/services greater than \$10,000.

Advances will be made upon receipt of Architects/Engineer's/Appraiser's Progress Certificates, specifying the dollar amount of services and/or materials supplied under the contract. Draw for initial deposits of up to \$1,000,000 on the "2025 expansion project" to be permitted without engineer's certificate, supported by invoices and firm construction contracts.

For purposes of this Credit Facility Agreement, "2025 expansion project" refers to the subsequent warehouse and cooler expansion to be completed by the Borrowers (or either of them) commencing winter 2024 (\$5,000,000) and to be completed by fall 2025.

Summary of expenses incurred to date in comparison to budget and broken down by budget category reflecting variances to budget as applicable. Including a rolling breakdown of draw requests including amounts previously funded and held back.

Evidence that all project expenses accrued to date have been paid in full. In the case of the final advance, evidence that all project costs have been paid in full.

Such other information and back-up material requested by the Bank, acting reasonably, from time to time.

All cost overruns and contract additions are to be funded by the Borrower.

Advances will be made, and holdbacks released, directly to the Borrower's bank account, upon receipt by the Bank of a title subsearch, confirming continued ranking of the Bank's security position.

The Bank is not obligated to make loan/mortgage advances if there is any construction lien registered against the property or if the Bank receives written advance of construction lien.

The Bank will supply such information to lien claimants as may be required under the applicable construction lien legislation.

Advances will be made in minimum draws of \$250,000.

Farmland

Advances are not to exceed 100% of the purchase price, exclusive of the applicable taxes.

Advances are to be supported by an executed copy of Purchase and Sale Agreement, satisfactory to the Bank.

Land valuation verification by appraisal/assessment, satisfactory to the Bank.

Environmental Risk Checklist on new land, satisfactory to the Bank.

Advances will be made, through the Bank's solicitor upon receipt by the Bank of an up to date real estate title opinion or title insurance, ensuring continued priority ranking of the Bank's security interests in real estate pledged to the Bank.

Letters of Credit / Letters of Guarantee

Payout / loan statements from Royal Bank of Canada indicating balance outstanding and including customary releases and undertakings to discharge any existing security.

Evidence that all security held in connection with all loans to be secured via Letters of Credit / Letters of Guarantee has been or will promptly be released.

Loan Payouts

Payout / loan statements indicating balance outstanding, accrued interest and penalties as applicable, for all loans to be paid/out refinanced.

Evidence that all security held in connection with all loans to be paid out/refinanced has been or will promptly be released and discharged.

Bridge Financing (One time advance of \$5,150,000 RH)

The advance is repayable in the minimum amount of \$4,700,000 within 30 days following drawdown with the balance then converted to a farmland advance under the Credit.

The advance shall be availed in Prime Rate only.

Advances are not to exceed 100% of the purchase price, exclusive of the applicable taxes.

Advances are to be supported by an executed Purchase and Sale Agreement with AgInvest, reflecting the revised closing date, satisfactory to the Bank.

Land valuation verification by appraisal/assessment over the lands to be retained by the borrower upon repayment of the \$4,700,000 portion of the Bridge Financing advance, satisfactory to the Bank.

Advances are to be supported by an executed and unconditional Purchase and Sale Agreement with Bonnefield evidencing minimum net proceeds of \$4,700,000, satisfactory to the Bank.

Environmental Risk Checklist on new land, satisfactory to the Bank.

Collateral Mortgage in an amount equal to the purchase price of acquired property (such amount to be determined by the Bank in its sole discretion), providing a first fixed charge over the land financed under this Credit, with replacement cost fire insurance coverage, loss, if any, payable to the Bank as mortgagee (insurance not applicable to bare lands) over all real property acquired. Real estate to be held as general security for all present and future debts and obligations of the Borrowers and the Guarantors.

Advances will be made, through the Bank's solicitor upon receipt by the Bank of an up-to-date real estate title opinion or title insurance, ensuring continued priority ranking of the Bank's security interests in real estate pledged to the Bank.

SPECIFIC SECURITY

The following security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advances or availment being made under the Credit:

Equipment (applicable to purchases of \$250,000, per individual item, or greater):

Chattel mortgage or other security agreement, as applicable, over equipment financed, with replacement cost insurance, loss, if any, payable to the Bank.

Fixtures Notice / Notice of Security Interest registered on title to the lands to which any personal property financed by the Bank may become affixed, except where the land is mortgaged to the Bank.

Realty Owner's and / or Landlord's Waiver and Consent regarding any financed equipment that is not rolling or fully portable, if such equipment is to be used on property not owned by the Borrower.

Farmland

Collateral Mortgage in an amount equal to or greater than the purchase price of acquired property (such amount to be determined by the Bank in its sole discretion), providing a first fixed charge over the land financed under this Credit, with replacement cost fire insurance coverage, loss, if any, payable to the Bank as mortgagee (insurance not applicable to bare lands) over all real property acquired. Real estate to be held as general security for all present and future debts and obligations of the Borrowers and the Guarantors.

Letters of Credit / Letters of Guarantee

Application and Agreement for Irrevocable Standby Letters of Credit / Letter of Guarantee.

Neither the issuance or acceptance of this Credit Facility Agreement nor the advance of part of the principal under any of the credit facilities made available to either Borrower as referenced herein shall bind the Bank to make any of such credit facilities available to either Borrower or to advance any unadvanced portion thereof in circumstances where the Bank has determined, in its sole discretion, that there has been a material adverse change in the financial condition or the environmental condition of either Borrower or any Guarantor or, where the Bank has determined in its sole discretion, that it is not satisfied with its security position or with the Borrowers' ability to meet their obligations.

GENERAL SECURITY, TERMS AND CONDITIONS APPLICABLE TO ALL CREDITS

GENERAL SECURITY

The following security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advances or availment being made under the Credit(s). For greater certainty, the following security shall secure all of the Borrowers' and/or Guarantors' present and future debts and other obligations to the Bank of any kind whatsoever, whether described in this Credit Facility Agreement or any other agreement between a Borrower and/or Guarantor and the Bank:

General Security Agreement granted by each Borrower and Guarantor in favour of the Bank with appropriate insurance coverage, loss if any, payable to the Bank.

Security under Section 427 of the Bank Act granted by each Borrower with appropriate insurance coverage, loss, if any, payable to the Bank.

Collateral mortgage in the amount of \$20,000,000 providing a first fixed charge in favour of the Bank, with replacement cost fire insurance coverage, loss, if any, payable to the Bank as mortgagee, over the following properties:

- i) Pt of 1050 Ferris Road, Essex, ON (PIN 754198-0187)
- ii) V/L Ferris Road E/S, Essex, ON (PIN 75194-0023)
- iii) 1340 County Road 13, Essex, ON (PIN 75199-0257)
- iv) 1090-1110 Ridge Road, Essex, ON (PINs: 75194-0156, 75194-0198, 75178-0007)

Collateral mortgage in the amount of \$5,850,000 providing a first fixed charge in favour of the Bank, with replacement cost fire insurance coverage, loss, if any, payable to the Bank as mortgagee, over the following properties:

- i) PT LT 54 CON 1 OR FRONT COLCHESTER DESIGNATED AS PT 1 ON 12R26933; TOWN OF ESSEX (PIN 75194-0245)
- ii) PART LOT CON 1 OR FRONT COLCHESTER AS IN R1275296 (FIRSTLY) EXCEPT PART 1 PLAN 12R26612; TOWN OF ESSEX (PIN 75194-0243)
- iii) PART LOT 56 CON 1 COLCHESTER DESIGNATED AS PART 1 PLAN 12R26612; TOWN OF ESSEX (PIN 75194-0242)
- iv) PT LT 2 PL 178 COLCHESTER AS IN R992829 EXCEPT PARTS 1 & 2 PLAN 12R-27038; S/T C221022; SAVE AND EXCEPT PART 3 ON PLAN 12R-28551; ESSEX; TOWN OF ESSEX; TOGETHER WITH AN EASEMENT OVER PT OF LOT 2 PLAN 127, DESIGNATED AS PART 3 ON PLAN 12R-28551 AS IN CE1000953 (PIN: 75194-0261)

General Assignment of Rents and Leases in favour of the Bank in respect of each of the above-reference properties.

Assignment of Crop Insurance, in favour of the Bank

Priority agreement between the Bank and Farm Credit Canada, granting the Bank a first ranking security interest and charge in and to all present and after acquired property (personal property and realty) of each Borrower and Guarantor.

Priority agreement between the Bank and Agricultural Credit Corporation, granting the Bank a first ranking security interest and charge in and to all present and after acquired property (personal property and realty) of each Borrower and Guarantor.

Such additional subordination and priority agreements as may be required by the Bank, in its sole discretion.

Postponement and subordination agreements in the Bank's standard form as required by the Bank (including in respect of, but not limited to, amounts due to shareholders and amounts due to related parties).

Banker's Acceptance Agreement and Banker's Acceptance Power of Attorney, so long as any Banker's Acceptances are outstanding.

Unlimited guarantee (with corporate seal and resolution as applicable) in favour of the Bank, granted by each Borrower in respect of all obligations, liabilities, and indebtedness of each other Borrower.

Such additional security as the Bank, or its solicitor, may deem necessary or advisable for the purpose of obtaining and perfecting the foregoing security.

CONDITIONS PRECEDENT TO ALL CREDITS

The following conditions are to be met to the satisfaction of the Bank, in its sole discretion, and its solicitors prior to any advances or avilment being made under any of the Credits:

All security to be perfected by legal counsel appointed by the Bank prior to first advance. No joint representation permitted as per the Bank's guidelines.

Receipt of payout statements, releases and undertakings to discharge from Royal Bank of Canada indicating balance to be paid in full, including accrued interest, in form and content satisfactory to the Bank and its solicitors.

Receipt of reliance certificates/letters from Fuerland Realty Ltd. on the provided AACI appraisals, confirming a combined market value of \$26.72 million.

Receipt of detailed listing of all land leases including lease expiry dates and annual rental costs per lease, satisfactory to the Bank.

Pro-forma Borrowing Base Calculation and Compliance Certificate, acceptable to the Bank.

Priority Security Interests / Postponements / Subordinations where determined necessary by the Bank or its solicitors.

Satisfactory due diligence including environmental, AML and KYC.

Satisfactory other due diligence typical for transactions of this nature as may be required by the Bank, in its sole discretion.

Payment of all fees and expenses due hereunder.

GENERAL CONDITIONS

Until all debts and liabilities under the Credits have been discharged in full, the following conditions will apply in respect of the Credits:

The aggregate amount outstanding under Credit Number: 01 shall not to exceed at any time the lesser of the Authorized Amount or the "Borrowing Base" which is defined as the aggregate of:

75% of good quality accounts receivable, less over 90-day accounts, accounts due by employees/related companies, offsets, and holdbacks; plus

90% of insured eligible accounts receivables, subject to confirmation of insurer and insurance coverage satisfactory to the Bank in its sole discretion; plus

50% of net inventory* (including supplies), valued at cost, less deposits or security interests held by other parties; less

Security interests or charges held by other parties and specific payables, which have or may have priority over the Bank's security.

*Net inventory is defined as total inventory for sale less unearned or deferred revenue attributed to inventory prepaid by customers.

Based on the latest financial information provided by you, this condition was not met. The aggregate amount outstanding under Credit Number: 01 exceeded the Borrowing Base by \$1,157,000.

The Bank is prepared to continue providing credit on the terms and conditions of the Credit Facility Agreement, subject to compliance with all the terms and conditions of the Credit Facility Agreement and provided there is no further deterioration in any of the financial conditions of the Credit Facility Agreement. The Bank reserves its rights related to the noted defaults and any other defaults not noted.

Fixed Charge Coverage Ratio*, tested on a consolidated basis of the Borrowers, is to be maintained at all times at 1.00:1 or better, increasing to 1.15:1 or better effective the quarter ending February 28, 2025, calculated quarterly on a rolling four quarter basis, where:

Fixed Charge Coverage Ratio is defined as, for any given period, on a consolidated basis, the ratio obtained by dividing [A] EBITDA for the 12 months ending at such quarter-end, less amounts in respect of cash tax payments, less dividends, share redemptions, repayment of shareholder loans, debt to shareholders, other advances to related parties, and/or other capital withdrawals, less unfunded capital expenditures, plus capital injections (subject to being postponed in favour of the Bank), in each case for the 12 months ending at such quarter-end, by [B] the sum of scheduled principal payments paid in cash on term debt and capital leases (excluding funds loaned by related parties that are postponed in favour of the Bank) and cash interest paid for the 12 months ending at such quarter-end.

EBITDA is defined as net income before extraordinary and other nonrecurring items plus interest, income tax, depreciation, and amortization expenses during the period.

The ratio of Debt to Tangible Net Worth, tested on a consolidated basis of the Borrowers, is not to exceed 2.50:1, calculated quarterly, where:

Debt is defined as all liabilities, excluding future taxes and contingent liabilities associated with the Bank's issued letters of credit / letters of guarantee to Royal Bank of Canada, in accordance with generally accepted accounting principles as at such quarter-end.

Tangible Net Worth is defined as sum of share capital, earned, and contributed surplus and postponed funds plus off-balance sheet of real estate assets equity (as may be determined by the Bank, in its sole discretion) less i) any intangibles as defined by the Bank, and less ii) amounts due from shareholders, officers, affiliates and/or other related parties, not postponed, and less iii) investments in affiliates/other persons/parties, as determined by the Bank in its sole discretion.

Without the Bank's prior written consent:

No change in the principal owners / shareholders or management of either Borrower is permitted.

No dividends, withdrawals, bonuses, advances or compensation to shareholders, management or affiliates are permitted which would place any Bank credit conditions (including, without limitation, any financial covenant) in default.

No mergers, acquisitions or change in either Borrower's line of business are permitted.

No financial assistance may be provided by either Borrower to any person, including guarantees or other contingent liabilities, and assets are not to be further encumbered.

No sale, transfer, or otherwise disposal of respective property or assets (excluding inventory in the ordinary course of business) over which the Bank has security.

No real property mortgaged to the Bank may be merged with any other property nor can the title(s) to the real property be consolidated in any other way or transferred to any other party.

The Borrowers shall not extend, refinance, make amendments to, and / or incur additional debt with Royal Bank of Canada.

Outside Debt* is not to exceed \$3,500,000. *Outside Debt is defined as all operating loans, term loans, and capital leases of the Borrowers with lenders other than the Bank, excluding Royal Bank of Canada debts secured by the Bank's Letters of Credit / Letters of Guarantee.

Based on the latest financial information provided by you, this condition was not met. Outside Debts were \$2,559,308 as of November 30, 2023 and \$2,868,775 as of February 29, 2024. As defined in the September 25, 2023 Commitment Letter, Outside Debt* was not to exceed \$1,500,000.

The Bank is prepared to continue providing credit on the terms and conditions of the Credit Facility Agreement, subject to compliance with all the terms and conditions of the Credit Facility Agreement and provided there is no further deterioration in any of the financial conditions of the Credit Facility Agreement. The Bank reserves its rights related to the noted defaults and any other defaults not noted.

Capital Expenditures are not to exceed 125% of the planned annual capital expenditure budget previously signed and delivered to the Bank.

The Borrowers and Guarantors shall permit the Bank, or its agents, access at any time to all premises.

The Borrowers shall promptly notify the Bank of any new lending arrangements with any other lender.

For ongoing credit risk management purposes, all operating accounts of the Borrowers shall be maintained with the Bank as long as either Borrower has any operating line facilities with the Bank. Operating accounts not maintained with the Bank are to be paid out and closed within 120 days after the initial drawdown under CREDIT NUMBER: 01, or such later date agreed between the Bank and the Borrowers.

If there is any change from the accounting policies, practices and calculation methods used by the Borrowers in preparing any part of their financial statements for the fiscal year most recently completed before the date of this Credit Facility Agreement, the Borrowers shall provide the Bank with all information that the Bank requires to ensure that reporting provided to the Bank after any changes is comparable to previous reporting. In addition, all calculations made for the purposes of this Credit Facility Agreement shall continue to be made based on the accounting policies, practices and calculation methods in effect as at the date of the financial statements for the most recently completed fiscal year. In the event of a change in the accounting policies, practices and calculation methods, the Bank retains the right (a) to act on any default under the financial covenants or any other terms and conditions as defined in this Credit Facility Agreement that is disclosed by applying the previous accounting policies, practices and calculation methods, and (b) at its discretion and acting reasonably, to amend/reset covenants that are affected by the change.

Additional terms and conditions in Schedule A are to apply.

GENERAL BORROWER REPORTING CONDITIONS

Until all debts and liabilities under the Credits have been repaid and discharged in full, the Borrowers will provide the Bank with the following:

Annual Review Engagement financial statements of each of the Borrowers within 120 days of fiscal year end.

Annual Combined Review Engagement financial statements of the Borrowers within 120 days of fiscal year end.

Quarterly Compliance Certificate, with calculation worksheet, aligned to the fiscal quarter end of the Upper Canada Growers Ltd., within 45 days of period end, with the exception of November 30, when the Compliance Certificate is due together with the annual financial statements.

Quarterly internally prepared year-to-date combined financial statements of the Borrowers, with prior-year comparison, within 45-days of period-end.

Quarterly Borrowing Base Calculation, including aged listings of accounts receivable, accounts payable and cost details on inventory net of deposits, within 45-days of period-end.

Budget for the upcoming fiscal year within 120 days of fiscal year end, to include balance sheet, income statement, cash flow forecast, and capital expenditure budget.

Copies of insurance policy renewals, delivered annually, with the annual financial statements.

Any other financial information the Bank may reasonably request from time to time in respect of the Borrowers (or either of them).

OTHER FEES, COMMISSIONS AND COMPENSATING BALANCES

A Renewal Fee of \$5,000 is payable by the Borrowers annually.

A one-time Work Fee of \$1,000 is payable by the Borrowers upon acceptance of this Credit Facility Agreement.

In addition to, and not in substitution for the obligations of the Borrowers and the rights of the Bank upon the occurrence of an event of default herein, the Borrowers shall pay to the Bank:

- (a) a \$300 per occurrence (or such higher amount as may be determined by the Bank from time to time) for each month or part thereof during which the Borrowers are late in providing the Bank with financial or other information required herein;
- (b) a \$1,500 per occurrence (or such higher amount as may be determined by the Bank from time to time) for each month or part thereof during which the Borrowers are in default of any other term or condition contained in this Credit Facility Agreement or in any other agreement to which either of the Borrowers and the Bank are parties.

The imposition or collection of these fees does not constitute an express or implied waiver by the Bank of any event of default or of any of the terms or conditions of the lending arrangements, security or rights arising from any default. Fees may be charged to either Borrower's deposit account when incurred.

SCHEDULE A – ADDITIONAL TERMS AND CONDITIONS APPLICABLE TO ALL CREDITS

Calculation and Payment of Interest

1. Interest on loans/advances made in Canadian dollars will be calculated on a daily basis and payable monthly on the 22nd day of each month (unless otherwise stipulated by the Bank). Interest shall be payable not in advance on the basis of a 365 day year for the actual number of days elapsed both before and after demand of payment or default and/or judgment.

Interest Rate / Bankers Acceptance Spread

2. The interest rate spread is subject to change at the Bank's absolute discretion at any time and from time to time on thirty (30) days' prior written notice to the Borrower from the Bank, provided that, if an Event of Default has occurred, the interest rate spread is subject to change at the Bank's absolute discretion at any time and from time to time on prior written notice to the Borrower from the Bank.

Interest on Overdue Interest

3. Interest on overdue interest shall be calculated at the same rate as interest on the loans/advances in respect of which interest is overdue, but shall be compounded monthly and be payable on demand, both before and after demand and judgment.

Indemnity Provision

4. If the introduction, adoption or implementation of, or any change in, or in the interpretation of, or any change in its application to the Borrower of, any law, regulation, guideline or request issued by any central bank or other governmental authority (whether or not having the force of law), including, without limitation, any liquidity reserve or other reserve or special deposit requirement or any tax (other than tax on the Bank's general income) or any capital requirement, has due to the Bank's compliance the effect, directly or indirectly, of (i) increasing the cost to the Bank of performing its obligations hereunder or under any avallment hereunder; (ii) reducing any amount received or receivable by the Bank or its effective return hereunder or in respect of any avallment hereunder or on its capital; or (iii) causing the Bank to make any payment or to forgo any return based on any amount received or receivable by the Bank hereunder or in respect of any avallment hereunder determined by the Bank in its discretion, then upon demand from time to time the Borrower shall pay such amount as shall compensate the Bank for any such cost, reduction, payment or forgone return (collectively "Increased Costs") as such amounts are reasonably determined by the Bank and set forth in a certificate to the Borrower.

In the event of the Borrower becoming liable for such Increased Costs, the Borrower shall have the right to prepay in full, without penalty, the outstanding principal balance under the affected credit other than the face amount of any document or instrument issued or accepted by the Bank for the account of the Borrower, including, without limitation, a Letter of Credit, a Letter of Guarantee or a Bankers' Acceptance. Upon any such prepayment, the Borrower shall also pay the then accrued interest on the amount prepaid and the Increased Costs to the date of prepayment together with such amount as will compensate the Bank for the cost of any early termination of its funding arrangements in accordance with its normal practices, as such amounts are calculated in a certificate reasonably prepared by the Bank.

Calculation and Payment of Bankers' Acceptance Fee

5. The fee for the acceptance of each Bankers' Acceptance will be payable on the face amount of each Bankers' Acceptance at the time of acceptance of each draft calculated on the basis of a calendar year for the actual number of days elapsed from and including the date of acceptance to the due date of the draft.

Environment

6. The Borrower agrees:
 - (a) to obey all applicable laws and requirements of any federal, provincial, or any other governmental authority relating to the environment and the operation of the business activities of the Borrower;
 - (b) to allow the Bank access at all times to the business premises of the Borrower to monitor and inspect all property and business activities of the Borrower;
 - (c) to notify the Bank from time to time of any business activity conducted by the Borrower which involves the use or handling of hazardous materials or wastes or which increases the environmental liability of the Borrower in any material manner;
 - (d) to notify the Bank of any proposed change in the use or occupation of the property of the Borrower prior to any change occurring;
 - (e) to provide the Bank with immediate written notice of any environmental problem and any hazardous materials or substances which have an adverse effect on the property, equipment, or business activities of the Borrower and with any other environmental information requested by the Bank from time to time.
 - (f) to conduct all environmental remedial activities which a commercially reasonable person would perform in similar circumstances to meet its environmental responsibilities and if the Borrower fails to do so, the Bank may perform such activities; and
 - (g) to pay for any environmental investigations, assessments or remedial activities with respect to any property of the Borrower that may be performed for or by the Bank from time to time.

If the Borrower notifies the Bank of any specified activity or change or provides the Bank with any information pursuant to subsections (c), (d), or (e), or if the Bank receives any environmental information from other sources, the Bank, in its sole discretion, may decide that an adverse change in the environmental condition of the Borrower or any of the property, equipment, or business activities of the Borrower has occurred which decision will constitute, in the absence of manifest error, conclusive evidence of the adverse change. Following this decision being made by the Bank, the Bank shall notify the Borrower of the Bank's decision concerning the adverse change.

If the Bank decides or is required to incur expenses in compliance or to verify the Borrower's compliance with applicable environmental or other regulations, the Borrower shall indemnify the Bank in respect of such expenses, which will constitute further advances by the Bank to the Borrower under this Agreement.

Notice of Drawdown/Payments

7. The Borrower shall give the Bank prior notice of a drawdown or payment of any loan/advance as follows: two bank business days when the amount is \$5 million dollars or more but less than \$50 million dollars.

Initial Drawdown

8. The right of the Borrower to obtain the initial drawdown under the Credit(s) is subject to the condition precedent that there shall not have been any material adverse changes in the financial condition or the environmental condition of the Borrower or any guarantor of the Borrower.

Periodic Review (Operating, Flooring or Demand Credits)

9. The obligation of the Bank to make further advances or other accommodation available under any Credit(s) of the Borrower under which the indebtedness or liability of the Borrower is payable on demand, is subject to periodic review and to no adverse change occurring in the financial condition or the environmental condition of the Borrower or any guarantor.

Evidence of Indebtedness

10. The Bank's accounts, books and records constitute, in the absence of manifest error, conclusive evidence of the advances made under all Credit facilities, repayments on account thereof and the indebtedness of the Borrower to the Bank.

Acceleration

11.
 - (a) All indebtedness and liability of the Borrower to the Bank payable on demand, is repayable by the Borrower to the Bank at any time on demand;
 - (b) Notwithstanding anything to the contrary in this Agreement, the Bank may, at any time and without prior notice, (a) suspend and/or withdraw any of the Demand Credit facilities made hereunder, (b) decline to allow further advances under all Demand Credit facilities made hereunder, and/or (c) terminate any Demand Credit facility hereunder.
 - (c) All indebtedness and liability of the Borrower to the Bank not payable on demand, shall, at the option of the Bank, become immediately due and payable, the security held by the Bank shall immediately become enforceable, and the obligation of the Bank to make further advances or other accommodation available under the Credits shall terminate, if any one of the following Events of Default occurs:
 - (i) the Borrower or any guarantor fails to make when due, whether on demand or at a fixed payment date, by acceleration or otherwise, any payment of interest, principal, fees, commissions or other amounts payable to the Bank;
 - (ii) there is a breach by the Borrower or any guarantor of any other term or condition contained in this Credit Facility Agreement or in any other agreement to which the Borrower and/or any guarantor and the Bank are parties;

- (iii) any default occurs under any security listed in this Credit Facility Agreement under the headings "Specific Security" or "General Security" or under any other credit, loan or security agreement to which the Borrower and/or any guarantor is a party, or any representation or warranty of the Borrower or (if applicable) any Guarantor ceases to be true.
- (iv) any bankruptcy, re-organization, compromise, arrangement, insolvency or liquidation proceedings or other proceedings for the relief of debtors are instituted by or against the Borrower or any guarantor and, if instituted against the Borrower or any guarantor, are allowed against or consented to by the Borrower or any guarantor or are not dismissed or stayed within 60 days after such institution;
- (v) a receiver is appointed over any property of the Borrower or any guarantor or any judgement or order or any process of any court becomes enforceable against the Borrower or any guarantor or any property of the Borrower or any guarantor or any creditor takes possession of any property of the Borrower or any guarantor;
- (vi) any course of action is undertaken by the Borrower or any guarantor or with respect to the Borrower or any guarantor which would result in the Borrower's or guarantor's reorganization, amalgamation or merger with another corporation or the transfer of all or substantially all of the Borrower's or any guarantor's assets;
- (vii) any guarantee of indebtedness and liability under the Credit Line is withdrawn, determined to be invalid or otherwise rendered ineffective;
- (viii) any adverse change occurs in the financial condition of the Borrower or any guarantor;
- (ix) any adverse change occurs in the environmental condition of:
 - A. the Borrower or any guarantor of the Borrower; or
 - B. any property, equipment, or business activities of the Borrower or any guarantor of the Borrower.

Costs

12. All costs, including legal and appraisal fees incurred by the Bank relative to security and other documentation and the enforcement thereof, shall be for the account of the Borrower and may be charged to the Borrower's deposit account when submitted.

Judgement Currency

13. The obligations of the Borrower or any Guarantor shall be payable in Canadian Dollars. Such obligations shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any other currency except to the extent to which such tender or recovery shall result in the effective receipt by the Bank of the full amount of Canadian Dollars so payable. Accordingly, the obligation of the Borrower shall be enforceable as an alternate or additional cause of action for the purpose of recovery in Canadian Dollars of the amount (if any) by which such effective receipt shall fall short of the full amount of Canadian Dollars so payable and shall not be affected by any judgment being obtained for any other sum due hereunder.

Financing Statement

14. On acceptance of this credit offer the Bank is hereby authorized to register a financing statement(s) in connection with the security detailed in the aforementioned Terms and Conditions sheet(s).

Counterparts and execution of documents.

15. This Credit Facility Agreement and any security and other documents relating to the credits established in it may be executed in counterparts and by different parties in different counterparts, all of which when taken together will constitute a single contract. Subject to applicable conditions precedent, a document will become effective when it has been executed by the Bank (if execution by the Bank is contemplated by the document) and the Bank has received counterparts of the document that, when taken together, bear the signatures of each of the other relevant parties. Delivery of an executed counterpart of a document or a signature page to the document by telecopy or by sending a scanned or other copy by electronic mail or similar means shall be as effective as delivery of an originally executed counterpart, but the Bank may from time to time require delivery of originally executed documents. The Bank may create and store copies of documents in any form as part of its business records, including by microfilm, photocopy and electronic image. Copies may be held in place of original documents and substituted for original documents for any purpose. In administering the credits established in the Credit Facility Agreement and in otherwise dealing with the Borrower and any guarantor, the Bank may rely and act on e-mail, telecopier and other electronic communications that it reasonably believes have been sent by or on behalf of the Borrower or any guarantor, but the Bank may from time to time require that communications from the Borrower or any guarantor be in a non-electronic form specified by the Bank.

Cancellation Rights

16. In addition to any repayment or other cancellation rights that the Borrower might have pursuant to applicable law with respect to a particular Credit, if the Borrower is an eligible enterprise, the Borrower may cancel one or more Credits within three (3) Business Days of entering into this Credit Facility Agreement. If the Borrower notifies the Bank of cancellation of the applicable Credit within that time period, the Bank will acknowledge receipt of the cancellation notice and advise the Borrower of any reimbursement amounts to which the Borrower may be entitled. The Bank is not obliged to reimburse the Borrower or return amounts to the Borrower in relation to (a) any amounts related to the Borrower's use of any Credit prior to cancellation, and (b) any expense that the Bank has reasonably incurred in providing the Borrower with any Credit.

Definitions Related to Cancellation Rights

An "Eligible Enterprise" means a business with authorized credit of less than \$1,000,000, fewer than 500 employees and annual revenues of less than \$50,000,000.

Representation and Warranty

17. Each Borrower and (if applicable) each Guarantor represents and warrants to the Bank that all financial and other information (including, without limitation, any financial forecasts) provided to the Bank in connection with the credit(s) provided pursuant to this Credit Facility Agreement is true and accurate in all material respects and has been prepared in accordance with Canadian Generally Accepted Accounting Principles consistently applied, and acknowledges that the offer

of credit contained in this Credit Facility Agreement is made in reliance on the truth and accuracy of this information and the representation and warranties above.

Borrower represents and warrants to the Bank that the properties owned (in part or in whole) and/or operated by the Borrower will at all times be used for lawful purposes and in compliance with applicable law, including but not limited to, the Cannabis Act, the Controlled Drugs and Substances Act, the Criminal Code of Canada, the Food and Drugs Act, and all relevant regulations promulgated thereunder, and any other applicable federal or provincial laws, regulations, rules or guidelines applicable to the production, distribution, transportation, sale or promotion or research in respect of cannabis in effect from time to time). If the foregoing fails to be true at any time the Borrower shall be in default of Borrower's obligations hereunder and the Bank shall have the right, but not the obligation, to demand repayment of all obligations, liabilities and indebtedness hereunder.

Discontinuance of Benchmark Rate / Bankers' Acceptances

18. Notwithstanding anything to the contrary in this Credit Facility Agreement or any other loan or security document between the Bank and the Borrower, following a Discontinuation Event the Bank may amend the relevant documentation to replace the Benchmark Rate with a Replacement Rate for the next following Interest Period by providing the Borrower with notice thereof, following which the Borrower shall (a) if the relevant credit is an operating facility, have the right to prepay in full, without penalty, the outstanding principal balance under the affected credit plus any accrued interest on the amount prepaid at the end of the then current Interest Period, or (b) if the relevant credit is a term facility or revolving term facility, have the right to prepay the credit in full at the end of the then current Interest Period in accordance with the terms of prepayment set out in the Credit Facility Agreement, including any prepayment fees or penalties.

Where following a Discontinuation Event, the Bank on 30 days prior written notice ("BA Cessation Notice"), terminates its obligation to make or maintain Bankers' Acceptances, any outstanding Bankers' Acceptances shall remain in effect until their stated maturity. As of the date specified in the BA Cessation Notice on which the Bank shall no longer make or maintain Bankers' Acceptances, (i) any loan request that requests the conversion of any loan to, or rollover of any loans as, a Bankers' Acceptance shall be ineffective, and (ii) if any loan request requests a Bankers' Acceptance such loan shall be made as a CORRA loan of the same tenor.

Definitions Related to Discontinuance of Benchmark Rate

"Authority" shall mean an administrative body that regulates and/or publishes the relevant Benchmark Rate, including any applicable governmental or regulatory body that has the direct or indirect ability to determine whether or not a Benchmark Rate shall be generally used in the market and/or published.

"Benchmark Rate" shall mean any interest rate, fee or charge in a Loan Document that is based on or equivalent to a standard regularly published rate.

"CORRA" means the Canadian Overnight Repo Rate Average administered and published by the Bank of Canada (or any successor administrator).

“Discontinuation Event” means (i) an announcement by or on behalf of an Authority that the relevant Benchmark Rate will no longer be used or published or is no longer (or as of a specified date, will no longer be) representative or has ceased publication, or (ii) the relevant Benchmark Rate is not published for five consecutive Business Days and such failure is not reasonably believed to be temporary in nature.

“Interest Period” means, for any credit referencing a Benchmark Rate, the period commencing on the applicable date of drawdown or rollover of such credit and ending on the maturity date of such credit.

“Replacement Rate” means an alternate interest rate, fee, or charge, including any positive or negative spread adjustment or method for determining such spread adjustment, each selected by the Bank, acting reasonably, in each case giving due to consideration to any market methodology and convention for similar credit facilities; provided that the Replacement Rate (together with any applicable spread) shall not be less than zero for the purposes of any Loan Documents.

CORRA Definitions and Loan Mechanics

19.

Definitions

“Adjusted Daily Compounded CORRA” means, the rate per annum equal to (a) Daily Compounded CORRA plus (b) the percentage amount stipulated in the Interest section of the Credit Facility Agreement; provided that in no event will the Adjusted Daily Compounded CORRA be less than zero.

“Adjusted Term CORRA” means, the rate per annum equal to (a) Term CORRA plus (b) the percentage amount stipulated in the Interest section of the Credit Facility Agreement; provided that in no event will the Adjusted Term CORRA be less than zero.

“Daily Compounded CORRA” means, for any particular day in a given Interest Period, CORRA with interest accruing on a compounded daily basis, with the methodology and conventions for this rate (which will include compounding in arrears with a 5 Business Day lookback unless otherwise specified in another agreement with the Bank) being established by the Bank in accordance with the methodology and conventions for this rate selected or recommended by the Bank of Canada or on its behalf for determining compounded CORRA for business loans, provided that if the Bank decides that such convention is not administratively feasible for the Bank, then the Bank will establish another convention in its reasonable discretion.

“Daily Compounded CORRA Advance” means an Advance comprised of Daily Compounded CORRA Loans.

“Daily Compounded CORRA Loan” means a Loan that bears interest at a rate based on Adjusted Daily Compounded CORRA.

“Interest Election Request” means an irrevocable written request by the Borrower to the Bank specifying (i) the Advance to which the request applies, (ii) the effective date of the election (which must be the last day of the then current Interest Period in respect of Rollover of an existing Term CORRA Advance, and a Business Day), (iii) the type of the Advance post election (Prime Rate, Term CORRA or Daily Compounded CORRA), and (iv) the Interest Period to be

applicable (1 month or 3 months) in respect to a Term CORRA Advance. If the Interest Election Request does not contain the information specified above to the satisfaction of the Bank, the Advances to which it relates will be converted to Prime Rate Advances.

“Prime Rate” means, on any day, the greater of: (i) the annual rate of interest established by the Bank as its reference rate for that day for commercial loans made by it in Canada in Canadian dollars.

“Prime Rate Advance” means an advance of a Credit in Canadian dollars bearing interest based on the Prime Rate, plus the applicable margin per annum, if any, identified as such in the Credit Facility Agreement.

“Rollover” means, the continuation of all or a portion of a Term CORRA Advance for an additional Interest Period.

“Rollover Date” means the date of commencement of a new Interest Period applicable to a Term CORRA Loan Advance.

“Term CORRA Administrator” means Candean Benchmark Administration Services Inc., TSX Inc., or any successor administrator.

“Term CORRA” means, for the period of one (1) or three (3) months as selected by the Borrower in a loan request or Interest Election Request, or the Rollover Date, the forward-looking term rate based on CORRA, or any successor thereto selected by the Bank, and that is published by the Term CORRA Administrator and is displayed on a screen or other information service, as identified or selected by the Bank that is 2 Business Days prior to the first day of the applicable Interest Period determined by the Bank in its reasonable discretion in a manner substantially consistent with market practice.

“Term CORRA Advance” means an Advance comprised of Term CORRA Loans.

“Term CORRA Loan” means a Loan that bears interest at a rate based on Adjusted Term CORRA.

CORRA Drawdown

A Term Loan must be fully drawn down in a single advance as specified in the Drawdown section of the Credit Facility Agreement. Any unused portion of a Term Loan by such date shall be cancelled. Once repaid, Advances under a Term Loan may not be reborrowed.

To obtain an Advance under a Term Loan or Revolving Loan, the Borrower must provide the Bank with an irrevocable written request, (a) for a Daily Compounded or Term CORRA Advance, at least 3 Business Days before the date of the Advance and (b) for a Prime Rate Advance, by 10:00am on the date of the Advance.

Each request for an Advance shall specify (a) whether it relates to a Term Loan or Revolving Loan, (b) the amount and currency, (c) the date of the Advance (which shall be a Business Day), (d) whether the Advance shall be a Term CORRA Advance, a Daily Compounded CORRA Advance or a Prime Rate Advance, (e) if the Advance shall be a Term CORRA Advance, the

Interest Period, and (f) that as at the date of the Advance, the conditions precedent all Advances have been satisfied. If the request for Advance does not contain the information specified herein, the Bank shall be under no obligation to provide the Advance.

The Borrower may Rollover a Term CORRA Advance by submitting an Interest Election Request.

CORRA Interest Elections

The Borrower may (i) elect to convert a Prime Rate Advance to (a) a Term CORRA Advance, or (b) a Daily Compounded CORRA Advance, and (ii) elect to change the Interest Period applicable to Term CORRA Advances, by submitting an Interest Election Request to the Bank. If an Interest Election Request does not contain the information prescribed information, the Bank shall be under no obligation to give effect to such Interest Election Request.

If the Borrower does not submit an Interest Election Request for a Term CORRA Advance 5 Business Days prior to the end of the then current Interest Period, then unless the Advance is repaid at the end of such Interest Period, it shall be converted to a Prime Rate Advance.

Upon the occurrence and continuation of an Event of Default, Advances cannot be converted or continued as Term CORRA Advances or Daily Compounding CORRA Advances unless repaid, in which case such Term CORRA Advances shall be converted into Prime Rate Advances at the end of the then current Interest Period and Daily Compounded CORRA Advances may be converted at the discretion of the Bank into Prime Rate Advances upon the occurrence of the Event of Default

Interest

Prime Rate Advances shall bear interest at the Prime Rate plus the applicable margin per annum identified as such in the Credit Facility Agreement.

Term CORRA Advances shall bear interest at Adjusted Term CORRA rate for the specific Interest Period plus the applicable margin per annum identified as such in the Credit Facility Agreement.

Daily Compounded CORRA Advances shall bear interest at Adjusted Daily Compounded CORRA rate plus the applicable margin per annum identified as such in the Credit Facility Agreement. Interest shall be compounded daily. This means that interest accrues daily and is calculated by charging interest on the principal borrowed plus the interest that has accrued daily. The interest rate described in your periodic statement does not reflect such compounding of interest. To arrive at the interest payable on your loan, the interest rate reflected in your periodic statement has to be compounded. A factor is used for calculating the compound interest that is equivalent to the annual interest rate compounded semi-annually, not in advance.

Interest is to be paid on the applicable Interest Payment Date save (a) interest due as a result of the occurrence and continuance of an Event of Default is payable on demand, (b) in the event of any repayment or prepayment of any Loan, accrued interest on the amount repaid or prepaid is due on the date of such repayment or prepayment, (c) when converting a Term CORRA Loan or a Daily Compounded CORRA Loan, accrued interest is due on the conversion date.

Interest is calculated based on a 365-day year and is payable for the actual number of days elapsed, including the first day but excluding the last day.

Inability to Determine Rates

If before the start of an Interest Period for a Term CORRA Advance or prior to the Advance of a Daily Compounded CORRA Advance (a) the Bank is unable to determine Adjusted Term CORRA or Adjusted Daily Compounded CORRA for any reason other than a Discontinuation Event, or (b) the Bank reasonably believes that Term CORRA or Daily Compounded CORRA does not adequately reflect its costs, the Bank shall promptly provide notice to the Borrower.

Upon providing a notice of a Discontinuation Event, the obligation of the Bank to make, and the right of the Borrower to continue, Term CORRA Advances or Daily Compounded CORRA Advances shall be suspended.

Upon receiving a notice of a Discontinuation Event, the Borrower may (i) cancel any pending request for Term CORRA Advances (for the applicable Interest Period) or Daily Compounded CORRA Advances or (ii) convert Term CORRA Advances to Daily Compounded CORRA Advances. If the Borrower does not elect either (i) or (ii), the affected Term CORRA Advances shall automatically be converted to Prime Rate Advances at the end of the applicable Interest Period and the affected Daily Compounded CORRA Advances shall be converted to Prime Rate Advances as of the effective date of the Discontinuation Event.

August 21, 2024

Upper Canada Growers Ltd.
921 Concession 2 Road
Niagara-on-the-Lake, ON
L0S 1L0

UCG Land Inc.
921 Concession 2 Road
Niagara-on-the-Lake, ON
L0S 1L0

Attention: Mr. Robert Haynes

Attention: Mr. Robert Haynes

Dear Sir:

IMPORTANT - NOTICE OF DEFAULT

We refer to our Credit Facility Agreement ("CFA") dated May 13, 2024 addressed to Upper Canada Growers Ltd. and UCG Land Inc. (each a "Borrower" and collectively the "Borrowers"), accepted by the Borrowers on May 21, 2024, under which we agreed to make credit available to the Borrowers.

The CFA contains certain financial conditions to have been met by the Borrower, including the following:

- (a) Fixed Charge Coverage Ratio, tested on a consolidated basis of the Borrowers, is to be maintained at all times at 1.00:1 or better, increasing to 1.15:1 or better effective the quarter ending February 28, 2025, calculated quarterly on a rolling four quarter basis.

Based on [the latest] information provided by the Borrower these financial conditions were not met for the latest reporting period ending on May 31, 2024 as:

- (a) Fixed Charge Coverage Ratio was 0.31x:1.

The above being referred to herein as "Default"

Subject to your acceptance of the additional terms set out below under the heading "Additional Terms", we are prepared [at the present time] to agree not to immediately enforce our rights under the CFA and related documents and continue providing credit on the terms and conditions of the CFA

Additional Terms

The Borrower agrees that effective upon the date it signs this letter as stipulated below, the following additional terms shall apply to the CFA:

- No current or future defaults of the terms of the CFA other than as stipulated herein
- No further deterioration of the financial condition of the Borrower

CREDIT NUMBER: 04

Delete:Consent to disposition of real estate assets to Bonnefield:

The Bank shall release its interest in the under noted properties provided not less than \$4,700,000 net cash proceeds are applied to repay outstanding advances under the credit facility.

- i) PT LT 54 CON 1 OR FRONT COLCHESTER DESIGNATED AS PT 1 ON 12R26933; TOWN OF ESSEX (PIN 75194-0245)
- ii) PART LOT CON 1 OR FRONT COLCHESTER AS IN R1275296 (FIRSTLY) EXCEPT PART 1 PLAN 12R26612; TOWN OF ESSEX (PIN 75194-0243)
- iii) PART LOT 56 CON 1 COLCHESTER DESIGNATED AS PART 1 PLAN 12R26612; TOWN OF ESSEX (PIN 75194-0242)
- iv) Legal land description to be provided: representing the severed portion of PT LT 2 PL 178 COLCHESTER AS IN R992829 EXCEPT PARTS 1 & 2 PLAN 12R-27038; S/T C221022; SAVE AND EXCEPT PART 3 ON PLAN 12R-28551; ESSEX; TOWN OF ESSEX; TOGETHER WITH AN EASEMENT OVER PT OF LOT 2 PLAN 127, DESIGNATED AS PART 3 ON PLAN 12R-28551 AS IN CE1000953 (PIN: 75194-0261) purchased by Bonnefield.

Consent to 1340 County Road disposition:

The Bank shall release its interest in the property 1340 County Road 13, Essex, ON (PIN 75199-0257) provided not less than \$1,100,000 of the net cash proceeds are applied to repay outstanding advances under the credit facility.

Bridge Financing (One time advance of \$5,750,000)

The advance is repayable in the minimum amount of \$4,700,000 within 30 days following drawdown with the balance then converted to a farmland advance under the Credit.

The advance shall be availed in Prime Rate only.

Advances are not to exceed 100% of the purchase price, exclusive of the applicable taxes.

Advances are to be supported by an executed Purchase and Sale Agreement with AgInvest, reflecting the revised closing date, satisfactory to the Bank.

Land valuation verification by appraisal/assessment over the lands to be retained by the borrower upon repayment of the \$4,700,000 portion of the Bridge Financing advance, satisfactory to the Bank.

Advances are to be supported by an executed and unconditional Purchase and Sale Agreement with Bonnefield evidencing minimum net proceeds of \$4,700,000, satisfactory to the Bank.

Environmental Risk Checklist on new land, satisfactory to the Bank.

Collateral Mortgage in an amount equal to the purchase price of acquired property (such amount to be determined by the Bank in its sole discretion), providing a first fixed charge over the land financed under this Credit, with

replacement cost fire insurance coverage, loss, if any, payable to the Bank as mortgagee (insurance not applicable to bare lands) over all real property acquired. Real estate to be held as general security for all present and future debts and obligations of the Borrowers and the Guarantors.

Advances will be made, through the Bank's solicitor upon receipt by the Bank of an up-to-date real estate title opinion or title insurance, ensuring continued priority ranking of the Bank's security interests in real estate pledged to the Bank.

GENERAL SECURITY

Delete:

Collateral mortgage in the amount of \$5,850,000 providing a first fixed charge in favour of the Bank, with replacement cost fire insurance coverage, loss, if any, payable to the Bank as mortgagee, over the following properties:

- i) i) PT LT 54 CON 1 OR FRONT COLCHESTER DESIGNATED AS PT 1 ON 12R26933; TOWN OF ESSEX (PIN 75194-0245)
- ii) ii) PART LOT CON 1 OR FRONT COLCHESTER AS IN R1275296 (FIRSTLY) EXCEPT PART 1 PLAN 12R26612; TOWN OF ESSEX (PIN 75194-0243)
- iii) iii) PART LOT 56 CON 1 COLCHESTER DESIGNATED AS PART 1 PLAN 12R26612; TOWN OF ESSEX (PIN 75194-0242)
- iv) iv) PT LT 2 PL 178 COLCHESTER AS IN R992829 EXCEPT PARTS 1 & 2 PLAN 12R-27038; S/T C221022; SAVE AND EXCEPT PART 3 ON PLAN 12R-28551; ESSEX; TOWN OF ESSEX; TOGETHER WITH AN EASEMENT OVER PT OF LOT 2 PLAN 127, DESIGNATED AS PART 3 ON PLAN 12R-28551 AS IN CE1000953 (PIN: 75194-0261)

GENERAL CONDITIONS

Delete:

Capital Expenditures are not to exceed 125% of the planned annual capital expenditure budget previously signed and delivered to the Bank.

Add:

No Capital Expenditures are permitted.

General Borrower Reporting Conditions

Delete:

Quarterly Borrowing Base Calculation, including aged listings of accounts receivable, accounts payable and cost details on inventory net of deposits, within 45-days of period-end.

Add:

Monthly Borrowing Base Calculation, including aged listings of accounts receivable, accounts payable and cost details on inventory net of deposits, within 45-days of period-end.

Except as set out above, all of the terms and conditions of the CFA continue to be applicable and are in full force and effect.

A default fee of \$1,500 shall be fully earned upon the execution of this letter and the Bank is authorized to collect it by debiting the Operating Credit Number: 01 or any deposit account held by the Borrower with the Bank.

We require the Borrower [and all Guarantors] to acknowledge and agree to the foregoing by signing and returning a copy of this letter to us by August 31, 2024. Should we fail to receive a signed copy of this letter as required, we reserve all our rights, powers, privileges and remedies under the CFA and related documents, applicable law and otherwise, to take any action we consider appropriate.

Yours very truly,

THE BANK OF NOVA SCOTIA

Steven Cosby
Steven Cosby
Director

Jeremy Lee
Jeremy Lee
Associate Director

Accepted by:

BORROWERSUpper Canada Growers Ltd.

By: Robert Haynes
 Title: President / CEO.

Date: 2024-08-28

By: Megan Hayes
 Title: Vice President

Date: 2024-08-28

UCG Land Inc.

By: Robert Haynes
 Title: Vice President

Date: 2024-08-28

By: Megan Hayes
 Title: Secretary

Date: 2024-08-28

GUARANTORS:

Upper Canada Growers Ltd. (as to the
 obligations of UCG Land Inc.)

By: Robert Haynes
 Title: ~~the~~ President

Date: 2024-08-28

By: Megan Hayes
 Title: Vice President

Date: 2024-08-28

UCG Land Inc. (as to the obligations of
 Upper Canada Growers Ltd.)

By: Robert Haynes
 Title: Vice President

Date: 2024-08-28

By: Megan Hayes
 Title: Secretary

Date: 2024-08-28

This is Exhibit "C" referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

GUARANTEE TO THE BANK OF NOVA SCOTIA

IN CONSIDERATION OF THE BANK OF NOVA SCOTIA (herein called the "Bank") agreeing to deal with or to continue to deal with

UCG LAND INC.

(herein called the "Customer") the undersigned and each of them, if more than one, hereby jointly and severally guarantees payment to the Bank of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank or remaining unpaid by the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, and wherever incurred, and whether incurred by the Customer alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses (such debts and liabilities being herein called the "guaranteed liabilities"), the liability of the undersigned hereunder being limited to the sum of

Insert
Limit,
if any.

Unlimited dollars

with interest from the date of demand for payment at the rate set out in paragraph 6 hereof.

AND THE UNDERSIGNED and each of them, if more than one, hereby jointly and severally agrees with the Bank as follows:

1. In this guarantee the word "Guarantor" shall mean the undersigned and, if there is more than one guarantor, it shall mean each of them.
2. This guarantee shall be a continuing guarantee of all the guaranteed liabilities and shall apply to and secure any ultimate balance due or remaining unpaid to the Bank; and this guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank.
3. The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities or other guarantees it may at any time hold before being entitled to payment from the Guarantor, and the Guarantor renounces all benefits of discussion and division.
4. The Guarantor's liability to make payment under this guarantee shall arise forthwith after demand for payment has been made in writing on the undersigned or any one of them, if more than one, and such demand shall be deemed to have been effectually made when an envelope containing such demand addressed to the undersigned or such one of them at the address of the undersigned or such one of them last known to the Bank is posted, postage prepaid, in the post office; and the Guarantor's liability shall bear interest from the date of such demand at the rate set out in paragraph 6 hereof.
5. The service of demand for payment, by post, postage prepaid, in the post office, to a local agent of the Guarantor, said local agent being identified by name and located in the Province or jurisdiction where the Customer's main account is kept, shall be deemed to be service of demand on the Guarantor.
6. The rate of interest payable by the Guarantor from the date of a demand for payment under this guarantee shall be the Bank's prime rate applicable at the time of demand, PLUS 2% per annum. Prime rate is defined as the annual rate of interest expressed as a percentage per annum announced by the Bank on that day as its reference rate for commercial loans made by it in Canada in Canadian dollars. Interest is calculated and payable monthly on the 22nd day of each month following the day of demand and computed monthly on the same day when not so paid.
7. Upon default in payment of any sum owing by the Customer to the Bank at any time, the Bank may treat all guaranteed liabilities as due and payable and may forthwith collect from the Guarantor the total amount hereby guaranteed and may apply the sum so collected upon the guaranteed liabilities or may place it to the credit of a special account. A written statement of a Manager or Acting Manager of a branch of the Bank at which an account of the Customer is kept or of a General Manager of the Bank as to the amount remaining unpaid to the Bank at any time by the Customer shall, if agreed to by the Customer, be conclusive evidence and shall, in any event, be prima facie evidence against the Guarantor as to the amount remaining unpaid to the Bank at such time by the Customer.

8. This guarantee shall be in addition to and not in substitution for any other guarantees or other securities which the Bank may now or hereafter hold in respect of the guaranteed liabilities and the Bank shall be under no obligation to marshal in favour of the Guarantor any other guarantees or other securities or any moneys or other assets which the Bank may be entitled to receive or may have a claim upon; and no loss of or in respect of or unenforceability of any other guarantees or other securities which the Bank may now or hereafter hold in respect of the guaranteed liabilities, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the Guarantor's liability.

9. Without prejudice to or in any way limiting or lessening the Guarantor's liability and without obtaining the consent of or giving notice to the Guarantor, the Bank may discontinue, reduce, increase or otherwise vary the credit of the Customer, may grant time, renewals, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with the Customer and others, including the Guarantor and any other guarantor as the Bank may see fit, and the Bank may take, abstain from taking or perfecting, vary, exchange, renew, discharge, give up, realize on or otherwise deal with securities and guarantees in such manner as the Bank may see fit, and the Bank may apply all moneys received from the Customer or others or from securities or guarantees upon such parts of the guaranteed liabilities as the Bank may see fit and change any such application in whole or in part from time to time.

10. Until repayment in full of all the guaranteed liabilities, all dividends, compositions, proceeds of securities, securities valued or payments received by the Bank from the Customer or others or from estates in respect of the guaranteed liabilities shall be regarded for all purposes as payments in gross without any right on the part of the Guarantor to claim the benefit thereof in reduction of the liability under this guarantee, and the Guarantor shall not claim any set-off or counterclaim against the Customer in respect of any liability of the Customer to the Guarantor, claim or prove in the bankruptcy or insolvency of the Customer in competition with the Bank or have any right to be subrogated to the Bank.

11. This guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Customer, by any change in the name of the Customer, or in the membership of the Customer, if a partnership, or in the objects, capital structure or constitution of the Customer, if a corporation, or by the sale of the Customer's business or any part thereof or by the Customer being amalgamated with a corporation, but shall, notwithstanding any such event, continue to apply to all guaranteed liabilities whether theretofore or thereafter incurred; and in the case of a change in the membership of a Customer which is a partnership or in the case of the Customer being amalgamated with a corporation, this guarantee shall apply to the liabilities of the resulting partnership or corporation, and the term "Customer" shall include each such resulting partnership and corporation.

12. All advances, renewals and credits made or granted by the Bank purportedly to or for the Customer after the death, loss of capacity, bankruptcy or insolvency of the Customer, but before the Bank has received notice thereof shall be deemed to form part of the guaranteed liabilities; and all advances, renewals and credits obtained from the Bank purportedly by or on behalf of the Customer shall be deemed to form part of the guaranteed liabilities, notwithstanding any lack or limitation of power, incapacity or disability of the Customer or of the directors, partners or agents thereof, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the obtaining of such advance, renewals or credits, whether or not the Bank had knowledge thereof; and any such advance, renewal or credit which may not be recoverable from the undersigned as guarantor(s) shall be recoverable from the undersigned and each of them, if more than one, jointly and severally as principal debtor(s) in respect thereof and shall be paid to the Bank on demand with interest at the rate set out in paragraph 6 hereof.

13. All debts and liabilities, present and future, of the Customer to the Guarantor are hereby assigned to the Bank and postponed to the guaranteed liabilities, and all moneys received by the Guarantor in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way lessening or limiting the liability of the Guarantor under this guarantee; and this assignment and postponement is independent of the guarantee and shall remain in full force and effect until repayment in full to the Bank of all the guaranteed liabilities, notwithstanding that the liability of the undersigned or any of them under this guarantee may have been discharged or terminated.

14. The undersigned or any of them, if more than one, or his or their executors or administrators, by giving thirty days' notice in writing to the branch of the Bank at which the main account of the Customer is kept, may terminate his or their further liability under this guarantee in respect of liabilities of the Customer incurred or arising after the expiration of such thirty days, but not in respect of any guaranteed liabilities incurred or arising before the expiration of such thirty days even though not then matured; provided that notwithstanding receipt of any such notice the Bank may fulfill any requirements of the Customer based on agreements express or implied made prior to the expiration of such thirty days and any resulting liabilities shall be covered by this guarantee; and provided further that in the event of the termination of this guarantee as to one or more of the undersigned, if more than one, it shall remain a continuing guarantee as to the other or others of the undersigned.

15. This guarantee embodies all the agreements between the parties hereto relative to the guarantee, assignment and postponement and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein; and it is specifically agreed that the Bank shall not be bound by any representations or promises made by the Customer to the Guarantor.

16. Possession of this instrument by the Bank shall be conclusive evidence against the Guarantor that the instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with and this guarantee shall be operative and binding notwithstanding the non-execution thereof by any proposed signatory.

17. This guarantee shall be governed in all respects by the laws of the Province or jurisdiction in which the Customer's main account with the Bank is kept.

18. This guarantee shall not be discharged or affected by the death or any disability of the undersigned or any of them, if more than one, and shall enure to the benefit of and be binding upon the Bank, its successors and assigns, and the Guarantor, his heirs, executors, administrators, successors and assigns.

AS WITNESS the hand and seal of the Guarantor at _____

this _____ day of _____, _____.

SIGNED SEALED AND DELIVERED

in the presence of

SIGNATURE AND SEAL

UPPER CANADA GROWERS LTD.

SIGNATURE Per: Robert Haynes, President

SIGNATURE Per: Manish Nayar, Treasurer

We have the authority to bind the corporation

SIGNATURE

SIGNATURE

SIGNATURE

SIGNATURE

GUARANTEE**TO THE BANK OF NOVA SCOTIA**

IN CONSIDERATION OF THE BANK OF NOVA SCOTIA (herein called the "Bank") agreeing to deal with or to continue to deal with

UPPER CANADA GROWERS LTD.

(herein called the "Customer") the undersigned and each of them, if more than one, hereby jointly and severally guarantees payment to the Bank of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank or remaining unpaid by the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, and wherever incurred, and whether incurred by the Customer alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses (such debts and liabilities being herein called the "guaranteed liabilities"), the liability of the undersigned hereunder being limited to the sum of

Insert
Limit,
if any.

Unlimited dollars

with interest from the date of demand for payment at the rate set out in paragraph 6 hereof.

AND THE UNDERSIGNED and each of them, if more than one, hereby jointly and severally agrees with the Bank as follows:

1. In this guarantee the word "Guarantor" shall mean the undersigned and, if there is more than one guarantor, it shall mean each of them.
2. This guarantee shall be a continuing guarantee of all the guaranteed liabilities and shall apply to and secure any ultimate balance due or remaining unpaid to the Bank; and this guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank.
3. The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities or other guarantees it may at any time hold before being entitled to payment from the Guarantor, and the Guarantor renounces all benefits of discussion and division.
4. The Guarantor's liability to make payment under this guarantee shall arise forthwith after demand for payment has been made in writing on the undersigned or any one of them, if more than one, and such demand shall be deemed to have been effectually made when an envelope containing such demand addressed to the undersigned or such one of them at the address of the undersigned or such one of them last known to the Bank is posted, postage prepaid, in the post office; and the Guarantor's liability shall bear interest from the date of such demand at the rate set out in paragraph 6 hereof.
5. The service of demand for payment, by post, postage prepaid, in the post office, to a local agent of the Guarantor, said local agent being identified by name and located in the Province or jurisdiction where the Customer's main account is kept, shall be deemed to be service of demand on the Guarantor.
6. The rate of interest payable by the Guarantor from the date of a demand for payment under this guarantee shall be the Bank's prime rate applicable at the time of demand, PLUS 2% per annum. Prime rate is defined as the annual rate of interest expressed as a percentage per annum announced by the Bank on that day as its reference rate for commercial loans made by it in Canada in Canadian dollars. Interest is calculated and payable monthly on the 22nd day of each month following the day of demand and computed monthly on the same day when not so paid.
7. Upon default in payment of any sum owing by the Customer to the Bank at any time, the Bank may treat all guaranteed liabilities as due and payable and may forthwith collect from the Guarantor the total amount hereby guaranteed and may apply the sum so collected upon the guaranteed liabilities or may place it to the credit of a special account. A written statement of a Manager or Acting Manager of a branch of the Bank at which an account of the Customer is kept or of a General Manager of the Bank as to the amount remaining unpaid to the Bank at any time by the Customer shall, if agreed to by the Customer, be conclusive evidence and shall, in any event, be prima facie evidence against the Guarantor as to the amount remaining unpaid to the Bank at such time by the Customer.

8. This guarantee shall be in addition to and not in substitution for any other guarantees or other securities which the Bank may now or hereafter hold in respect of the guaranteed liabilities and the Bank shall be under no obligation to marshal in favour of the Guarantor any other guarantees or other securities or any moneys or other assets which the Bank may be entitled to receive or may have a claim upon; and no loss of or in respect of or unenforceability of any other guarantees or other securities which the Bank may now or hereafter hold in respect of the guaranteed liabilities, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the Guarantor's liability.

9. Without prejudice to or in any way limiting or lessening the Guarantor's liability and without obtaining the consent of or giving notice to the Guarantor, the Bank may discontinue, reduce, increase or otherwise vary the credit of the Customer, may grant time, renewals, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with the Customer and others, including the Guarantor and any other guarantor as the Bank may see fit, and the Bank may take, abstain from taking or perfecting, vary, exchange, renew, discharge, give up, realize on or otherwise deal with securities and guarantees in such manner as the Bank may see fit, and the Bank may apply all moneys received from the Customer or others or from securities or guarantees upon such parts of the guaranteed liabilities as the Bank may see fit and change any such application in whole or in part from time to time.

10. Until repayment in full of all the guaranteed liabilities, all dividends, compositions, proceeds of securities, securities valued or payments received by the Bank from the Customer or others or from estates in respect of the guaranteed liabilities shall be regarded for all purposes as payments in gross without any right on the part of the Guarantor to claim the benefit thereof in reduction of the liability under this guarantee, and the Guarantor shall not claim any set-off or counterclaim against the Customer in respect of any liability of the Customer to the Guarantor, claim or prove in the bankruptcy or insolvency of the Customer in competition with the Bank or have any right to be subrogated to the Bank.

11. This guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Customer, by any change in the name of the Customer, or in the membership of the Customer, if a partnership, or in the objects, capital structure or constitution of the Customer, if a corporation, or by the sale of the Customer's business or any part thereof or by the Customer being amalgamated with a corporation, but shall, notwithstanding any such event, continue to apply to all guaranteed liabilities whether theretofore or thereafter incurred; and in the case of a change in the membership of a Customer which is a partnership or in the case of the Customer being amalgamated with a corporation, this guarantee shall apply to the liabilities of the resulting partnership or corporation, and the term "Customer" shall include each such resulting partnership and corporation.

12. All advances, renewals and credits made or granted by the Bank purportedly to or for the Customer after the death, loss of capacity, bankruptcy or insolvency of the Customer, but before the Bank has received notice thereof shall be deemed to form part of the guaranteed liabilities; and all advances, renewals and credits obtained from the Bank purportedly by or on behalf of the Customer shall be deemed to form part of the guaranteed liabilities, notwithstanding any lack or limitation of power, incapacity or disability of the Customer or of the directors, partners or agents thereof, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the obtaining of such advance, renewals or credits, whether or not the Bank had knowledge thereof; and any such advance, renewal or credit which may not be recoverable from the undersigned as guarantor(s) shall be recoverable from the undersigned and each of them, if more than one, jointly and severally as principal debtor(s) in respect thereof and shall be paid to the Bank on demand with interest at the rate set out in paragraph 6 hereof.

13. All debts and liabilities, present and future, of the Customer to the Guarantor are hereby assigned to the Bank and postponed to the guaranteed liabilities, and all moneys received by the Guarantor in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way lessening or limiting the liability of the Guarantor under this guarantee; and this assignment and postponement is independent of the guarantee and shall remain in full force and effect until repayment in full to the Bank of all the guaranteed liabilities, notwithstanding that the liability of the undersigned or any of them under this guarantee may have been discharged or terminated.

14. The undersigned or any of them, if more than one, or his or their executors or administrators, by giving thirty days' notice in writing to the branch of the Bank at which the main account of the Customer is kept, may terminate his or their further liability under this guarantee in respect of liabilities of the Customer incurred or arising after the expiration of such thirty days, but not in respect of any guaranteed liabilities incurred or arising before the expiration of such thirty days even though not then matured; provided that notwithstanding receipt of any such notice the Bank may fulfill any requirements of the Customer based on agreements express or implied made prior to the expiration of such thirty days and any resulting liabilities shall be covered by this guarantee; and provided further that in the event of the termination of this guarantee as to one or more of the undersigned, if more than one, it shall remain a continuing guarantee as to the other or others of the undersigned.

15. This guarantee embodies all the agreements between the parties hereto relative to the guarantee, assignment and postponement and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein; and it is specifically agreed that the Bank shall not be bound by any representations or promises made by the Customer to the Guarantor.

16. Possession of this instrument by the Bank shall be conclusive evidence against the Guarantor that the instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with and this guarantee shall be operative and binding notwithstanding the non-execution thereof by any proposed signatory.

17. This guarantee shall be governed in all respects by the laws of the Province or jurisdiction in which the Customer's main account with the Bank is kept.

18. This guarantee shall not be discharged or affected by the death or any disability of the undersigned or any of them, if more than one, and shall enure to the benefit of and be binding upon the Bank, its successors and assigns, and the Guarantor, his heirs, executors, administrators, successors and assigns.

AS WITNESS the hand and seal of the Guarantor at _____

this _____ day of _____, _____.

SIGNED SEALED AND DELIVERED

in the presence of

SIGNATURE AND SEAL

UCG LAND INC.

SIGNATURE Per: Manish Nayal President

SIGNATURE Per: Robert Haynes, Vice-President

We have the authority to bind the corporation

SIGNATURE

SIGNATURE

SIGNATURE

SIGNATURE

This is Exhibit “D” referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

GENERAL SECURITY AGREEMENT**1. UPPER CANADA GROWERS LTD.**

(NAME OF CUSTOMER)

of **921 Concession 2 Road Niagara-On-The-Lake, ON - L0S1L0**

(the "Customer")

(ADDRESS OF CUSTOMER)

for valuable consideration grants, assigns, transfers, sets over, mortgages and charges to THE BANK OF NOVA SCOTIA, at its Branch located at **4715 TAHOE BOULEVARD, MISSISSAUGA, ON L4W 0B4**

(ADDRESS OF BRANCH)

(the "Bank") as and by way of a fixed and specific mortgage and charge, and grants to the Bank, a security interest in the present and after acquired undertaking and property (other than consumer goods) of the Customer including without limitation all the right title, interest and benefit which the Customer now has or may hereafter have in all property of the kinds hereinafter described (the "Collateral"):

- (a) all goods comprising the inventory of the Customer including but not limited to goods held for sale or lease or that have been leased or consigned to or by the Customer or furnished or to be furnished under a contract of service or that are raw materials, work in process or materials used or consumed in a business or profession or finished goods and timber cut or to be cut, oil, gas, hydrocarbons, and minerals extracted or to be extracted, all livestock and the young and unborn young thereof and all crops;
- (b) all goods which are not inventory or consumer goods, including but not limited to furniture, fixtures, equipment, machinery, plant, tools, vehicles and other tangible personal property, whether described in Schedule "A" hereto or not;
- (c) all accounts, including deposit accounts in banks, credit unions, trust companies and similar institutions, debts, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Customer, and all claims of any kind which the Customer now has or may hereafter have including but not limited to claims against the Crown and claims under insurance policies;
- (d) all chattel paper;
- (e) all money;
- (f) all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (g) all instruments, including but not limited to bills, notes, cheques, letters of credit, and advices of credit;
- (h) all investment property, including but not limited to shares, stock, warrants, bonds, debentures, debenture stock and other securities (whether evidenced by a security certificate or an uncertificated security) and financial assets, security entitlements, securities accounts, futures contracts and futures accounts;
- (i) all intangibles including but not limited to contracts, agreements, options, clearing house options, permits, licences, consents, approvals, authorizations, orders, judgments, certificates, rulings, insurance policies, agricultural and other quotas, subsidies, franchises, immunities, privileges, and benefits and all goodwill, patents, trade marks, trade names, trade secrets, inventions, processes, copyrights and other industrial or intellectual property;
- (j) with respect to the personal property described in subparagraphs (a) to (i) inclusive, all books, accounts, invoices, letters, papers, documents, disks, and other records in any form, electronic or otherwise, evidencing or relating thereto; and all contracts, investment property, securities, instruments and other rights and benefits in respect thereof;
- (k) with respect to the personal property described in subparagraphs (a) to (j) inclusive, all parts, components, renewals, substitutions and replacements thereof and all attachments, accessories and increases, additions and accessions thereto; and
- (l) with respect to the personal property described in subparagraphs (a) to (k) inclusive, all proceeds therefrom (other than consumer goods), including personal property in any form or fixtures derived directly or indirectly from any dealing with such property or proceeds therefrom, and any insurance or other payment as indemnity or compensation for loss of or damage to such property or any right to such payment, and any payment made in total or partial discharge or redemption of an intangible, chattel paper, instrument, security or investment property; and

In this Agreement, the words "goods", "consumer goods", "account", "account debtor", "inventory", "crops", "equipment", "fixtures", "chattel paper", "document of title", "instrument", "money", "security", or "securities", "intangible", "receiver", "proceeds", "accessions", "certificated security", "clearing house option", "control", "financial asset", "futures account", "futures contract", "futures intermediary", "investment property", "securities account", "securities intermediary", "security certificate", "security entitlement", and "uncertificated security" shall have the same meanings as their defined meanings where such words are defined in the Personal Property Security Act of the province or territory in which the Branch of the Bank mentioned in paragraph 1 is located, such Act including any amendments thereto, being referred to in this Agreement as "the PPSA". In this Agreement "Collateral" shall refer to "Collateral or any item thereof".

2. The fixed and specific mortgages and charges and the security interest granted under this Agreement secure payment and performance of all obligations of the Customer to the Bank, including but not limited to all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank in any currency or remaining unpaid by the Customer to the Bank in any currency, whether arising from dealings between the Bank and the

Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer and wherever incurred, and whether incurred by the Customer alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses (the "Obligations").

3. The Customer hereby represents and warrants to the Bank that:

- (a) all of the Collateral is, or when the Customer acquires any right, title or interest therein, will be the sole property of the Customer free and clear of all security interests, mortgages, charges, hypothecs, liens or other encumbrances except as disclosed by the Customer to the Bank in writing;
- (b) the Collateral insofar as it consists of goods (other than inventory enroute from suppliers or enroute to customers or on lease or consignment) will be kept at the locations specified in Schedule "B" hereto or at such other locations as the Customer shall specify in writing to the Bank and subject to the provisions of paragraph 4(j) none of the Collateral shall be moved therefrom without the prior written consent of the Bank;
- (c) the Customer's chief executive office is located at the address specified in paragraph 1;
- (d) none of the Collateral consists of consumer goods; and
- (e) this Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Customer in accordance with its terms.

4. The Customer hereby agrees that:

- (a) the Customer shall diligently maintain, use and operate the Collateral and shall carry on and conduct its business in a proper and efficient manner so as to preserve and protect the Collateral and the earnings, incomes, rents, issues and profits thereof;
- (b) the Customer shall cause the Collateral to be insured and kept insured to the full insurable value thereof with reputable insurers against loss or damage by fire and such other risks as the Bank may reasonably require and shall maintain such insurance with loss if any payable to the Bank and shall lodge such policies with the Bank;
- (c) the Customer shall pay all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to the Bank, when required, the receipts and vouchers establishing such payment;
- (d) the Customer shall duly observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (e) the Customer shall keep proper books of account in accordance with sound accounting practice, shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require, and the Customer shall permit the Bank or its authorized agents at any time at the expense of the Customer to examine all books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom;
- (f) the Customer shall furnish to the Bank such information with respect to the Collateral and the insurance thereon as the Bank may from time to time require and shall give written notice to the Bank of all litigation before any court, administrative board or other tribunal affecting the Customer or the Collateral;
- (g) the Customer shall defend the title to the Collateral against all persons and shall keep the Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances except for those disclosed to the Bank in writing prior to the execution of this Agreement or hereafter approved in writing by the Bank prior to their creation or assumption;
- (h) the Customer shall, upon request by the Bank, execute and deliver all such financing statements, certificates, further assignments and documents and do all such further acts and things as may be considered by the Bank to be necessary or desirable to give effect to the intent of this Agreement and the Customer hereby irrevocably constitutes and appoints the Manager or Acting Manager for the time being of the Branch of the Bank mentioned in paragraph 1, the true and lawful attorney of the Customer, with full power of substitution, to do any of the foregoing in the name of the Customer whenever and wherever the Bank may consider it to be necessary or desirable;
- (i) the Customer shall promptly notify the Bank in writing of any event which occurs that would have a material adverse effect upon the Collateral or upon the financial condition of the Customer and immediately upon the Customer's acquisition of rights in any vehicle, mobile home, trailer, boat, outboard motor for a boat, aircraft or aircraft engine, shall promptly provide the Bank with full particulars, including serial number, of such Collateral; and
- (j) the Customer will not change its name or the location of its chief executive office or place of business or sell, exchange, transfer, assign or lease or otherwise dispose of or change the use of the Collateral or any interest therein or modify, amend or terminate any chattel paper, document of title, instrument, security, investment property or intangible, without the prior written consent of the Bank, except that the Customer may, until an event of default set out in paragraph 9 occurs, sell or lease inventory in the ordinary course of the Customer's business.

5. Until an event of default occurs, the Customer may use the Collateral in any lawful manner not inconsistent with this Agreement or any other agreement to which the Bank and the Customer are parties, but the Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Customer agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith, and for such purpose shall permit the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Customer to examine and inspect the Collateral and related records and documents.

6. Before or after an event of default occurs, the Bank may give notice to any or all account debtors of the Customer and to any or all persons liable to the Customer under an instrument to make all further payments to the Bank and any payments or other proceeds of Collateral received by the Customer from account debtors or from any persons liable to the Customer under an instrument, whether before or after such notice is given by the Bank, shall be held by the Customer in trust for the Bank and paid over to the Bank upon request. The Bank may take charge of all proceeds of Collateral and may apply any money taken as Collateral to the satisfaction of the Obligations secured hereby. The Bank may hold as additional security any increase or profits, except money, received from any Collateral in the Bank's possession, and may apply any money received from such Collateral to reduce the Obligations secured hereby and may hold any balance as additional security for such part of the Obligations as may not yet be due, whether absolute or contingent. The Bank will not be obligated to keep any Collateral separate or identifiable. In the case of any instrument, security, investment property or chattel paper comprising part of the Collateral, the Bank will not be obligated to take any necessary or other steps to preserve rights against other persons.
7. Before or after an event of default occurs, the Bank may have any Collateral comprising instruments, shares, stock, warrants, bonds, debentures, debenture stock, securities or other investment property, registered in its name or in the name of its nominee and shall be entitled but not bound or required to vote in respect of such Collateral at any meeting at which the holder thereof is entitled to vote and, generally, to exercise any of the rights which the holder of such Collateral may at any time have. The Customer will also take such steps as the Bank requires to enable the Bank to obtain and maintain control of any investment property, including but not limited to arranging for any issuer of uncertificated securities, securities intermediary or futures intermediary to enter into an agreement satisfactory to the Bank to enable the Bank to obtain and maintain control. The Bank shall not be responsible for any loss occasioned by the exercise of any of any rights contemplated in this paragraph or by failure to exercise the same within the time limited for the exercise thereof.
8. Upon the Customer's failure to perform any of its duties hereunder, the Bank may, but shall not be obliged to, perform any or all of such duties, without waiving any rights to enforce this Agreement, and the Customer shall pay to the Bank, forthwith upon written demand therefor, an amount equal to the costs, fees and expenses incurred by the Bank in so doing plus interest thereon from the date such costs, fees and expenses are incurred until paid at the rate of 3% per annum over the Prime Lending Rate of the Bank in effect from time to time. The "Prime Lending Rate of the Bank" means the variable per annum, reference rate of interest as announced and adjusted by the Bank from time to time for loans made by the Bank in Canada in Canadian dollars.
9. The happening of any one or more of the following events shall constitute an event of default under this Agreement:
- (a) if the Customer does not pay when due any of the Obligations;
 - (b) if the Customer does not perform any provisions of this Agreement or of any other agreement to which the Customer and the Bank are parties;
 - (c) if the Customer ceases or threatens to cease to carry on its business, commits an act of bankruptcy, becomes insolvent makes an assignment or proposal under the Bankruptcy and Insolvency Act, takes advantage of provisions for relief under the Companies' Creditors Arrangement Act or any other legislation for the benefit of insolvent debtors, transfers all or substantially all of its assets, or proposes a compromise or arrangement to its creditors;
 - (d) if the Customer enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement;
 - (e) if any proceeding is taken with respect to a compromise or arrangement or to have the Customer declared bankrupt or wound up, or if any proceeding is taken, whether in court or under the terms of any agreement or appointment in writing, to have a receiver appointed of any Collateral or if any encumbrance becomes enforceable against any Collateral;
 - (f) if any execution, sequestration or extent or any other process of any court becomes enforceable against the Customer or if any distress or analogous process is levied upon any Collateral;
 - (g) if the Bank in good faith believes and has commercially reasonable grounds for believing that the prospect of payment or performance of any Obligation is or is about to be impaired or that any Collateral is or is about to be in danger of being lost, damaged, confiscated or placed in jeopardy.
10. If an event of default occurs, the Bank may withhold any future advances and may declare that the Obligations shall immediately become due and payable in full, and the Bank may proceed to enforce payment of the Obligations and the Customer and the Bank shall have, in addition to any other rights and remedies provided by law, the rights and remedies of a debtor and a secured party respectively under the PPSA and other applicable legislation and those provided by this Agreement. The Bank may take possession of the Collateral, enter upon any premises of the Customer, otherwise enforce this Agreement, enforce its rights under any agreement with any issuer of uncertificated securities, securities intermediary or futures intermediary and enforce any rights of the Customer in respect of the Collateral by any manner permitted by law and may use the Collateral in the manner and to the extent that the Bank may consider appropriate and may hold, insure, repair, process, maintain, protect, preserve, prepare for disposition and dispose of the same and may require the Customer to assemble the Collateral and deliver or make the Collateral available to the Bank at a reasonably convenient place designated by the Bank.
11. Where required to do so by the PPSA, or other relevant legislation, the Bank shall give to the Customer the written notice required by the PPSA or such other relevant legislation of an intended enforcement or disposition of the Collateral by serving such notice personally on the Customer or by mailing such notice by registered mail to the last known post office address of the Customer or by electronic transmission to the last known electronic mailing or transmission address of the Customer or by any other method authorized or permitted by the PPSA or such other relevant legislation.

12. If an event of default occurs, the Bank may take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term shall include a receiver and manager) of the Collateral or may by appointment in writing appoint any person to be a receiver of the Collateral and may remove any receiver so appointed by the Bank and appoint another in his stead; and any such receiver appointed by instrument in writing shall, to the extent permitted by applicable law or to such lesser extent permitted, have all of the rights, benefits and powers of the Bank hereunder or under the PPSA or otherwise and without limitation have power (a) to take possession of the Collateral, (b) to carry on all or any part or parts of the business of the Customer, (c) to borrow money required for the seizure, retaking, repossession, holding, insurance, repairing, processing, maintaining, protecting, preserving, preparing for disposition, disposition of the Collateral and for any other enforcement of this Agreement or for the carrying on of the business of the Customer on the security of the Collateral in priority to the security interest created under this Agreement, and (d) to sell, lease or otherwise dispose of the whole or any part of the Collateral at public auction, by public tender or by private sale, lease or other disposition either for cash or upon credit, at such time and upon such terms and conditions as the receiver may determine provided that if any such disposition involves deferred payment the Bank will not be accountable for and the Customer will not be entitled to be credited with the proceeds of any such disposition until the monies therefore are actually received; and further provided that any such receiver shall be deemed the agent of the Customer and the Bank shall not be in any way responsible for any misconduct or negligence of any such receiver.

13. Any proceeds of any disposition of any Collateral may be applied by the Bank to the payment of expenses incurred or paid in connection with seizing, repossessing, retaking, holding, repairing, processing, insuring, preserving, preparing for disposition and disposing of the Collateral (including reasonable solicitor's fees and legal expenses and any other reasonable expenses), and any balance of such proceeds may be applied by the Bank towards the payment of the Obligations in such order of application as the Bank may from time to time effect. All such expenses and all amounts borrowed on the security of the Collateral under paragraph 12 shall bear interest at the rate of 3% per annum over the Prime Lending Rate of the Bank in effect from time to time, shall be payable by the Customer upon demand and shall be Obligations under this Agreement. If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the expenses incurred by the Bank, the Customer shall be liable to pay any deficiency to the Bank on demand.

14. The Customer and the Bank further agree that:

- (a) the Bank may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Customer, debtors of the Customer, sureties and others and with the Collateral or other security as the Bank may see fit without prejudice to the liability of the Customer and the Bank's rights under this Agreement
- (b) this Agreement shall not be considered as satisfied or discharged by any intermediate payment of all or any part of the Obligations but shall constitute and be a continuing security to the Bank for a current or running account and shall be in addition to and not in substitution for any other security now or hereafter held by the Bank;
- (c) nothing in this Agreement shall obligate the Bank to make any loan or accommodation to the Customer or extend the time for payment or satisfaction of the Obligations;
- (d) any failure by the Bank to exercise any right set out in this Agreement shall not constitute a waiver thereof; nothing in this Agreement or in the Obligations secured by this Agreement shall preclude any other remedy by action or otherwise for the enforcement of this Agreement or the payment in full of the Obligations secured by this Agreement;
- (e) all rights of the Bank under this Agreement shall be assignable and in any action brought by an assignee to enforce such rights, the Customer shall not assert against the assignee any claim or defence which the Customer now has or may hereafter have against the Bank;
- (f) all rights of the Bank under this Agreement shall enure to the benefit of its successors and assigns and all obligations of the Customer under this Agreement shall bind the Customer, his heirs, executors, administrators, successors and assigns;
- (g) if more than one Customer executes this Agreement their obligations under this Agreement shall be joint and several, and the Obligations shall include those of all or any one or more of them;
- (h) if the Customer is a corporation, The Limitation of Civil Rights Act of the province of Saskatchewan shall have no application to this Agreement or to any agreement or instrument renewing or extending or collateral to this Agreement or to the rights, powers or remedies of the Bank under this Agreement;
- (i) this Agreement shall be governed in all respects by the laws of the jurisdiction in which the Branch of the Bank mentioned in paragraph 1 is located;
- (j) the time for attachment of the security interest created hereby has not been postponed and is intended to attach when this Agreement is signed by the Customer and attaches at that time to Collateral in which the Customer then has any right, title or interest and attaches to Collateral in which the Customer subsequently acquires any right title or interest at the time when the Customer first acquires such right, title or interest.

The Customer acknowledges receiving a copy of this Agreement.

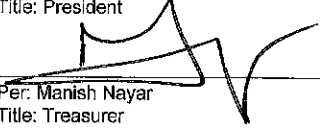
The Customer expressly waives the right to receive a copy of any financing statement or financing change statement which may be registered by the Bank in connection with this Agreement or any verification statement issued with respect thereto where such waiver is not otherwise prohibited by law.

Signed this _____ day of _____.

Customer: UPPER CANADA GROWERS LTD.

Witness:

by: 
Per: Robert Haynes
Title: President

by: 
Per: Manish Nayar
Title: Treasurer
We have the authority to bind the corporation

FULL NAME AND ADDRESS OF THE CUSTOMER (FOR INDIVIDUAL(S), INSERT FIRST GIVEN NAME, INITIAL OF SECOND GIVEN NAME, (FULL SECOND NAME IN ALBERTA, SASKATCHEWAN AND BRITISH COLUMBIA) IF ANY, THEN SURNAME)	IF GIVEN BY INDIVIDUAL(S) RECORD DATE OF BIRTH DAY MONTH YEAR	SEX	
		M	F
921 Concession 2 Road, Niagara-On-The-Lake, Ontario, L0S 1J0		☐	☐
		☐	☐
		☐	☐

SCHEDULE "A"

(Description of Collateral)

If space is insufficient attach additional page headed Page 2 of Schedule "A".

SCHEDULE "B"

(Location of Collateral)

If space is insufficient attach additional page headed Page 2 of Schedule "B".

921 Concession 2 Road, Niagara-On-The-Lake, Ontario, L0S 1J0

DATE RECEIVED
RECORDED
APPROVED
E.O. AUDITOR

This is Exhibit “E” referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

**NOTICE OF INTENTION TO GIVE SECURITY
UNDER SECTION 427 OF THE BANK ACT**

4715 TAHOE BOULEVARD
MISSISSAUGA ON

06502 -002

STAMP BRANCH TRANSIT NUMBER

To Whom it may Concern:

UPPER CANADA GROWERS LTD.
921 Concession 2 Road

Niagara-On-The-Lake ON L0S 1L0

(Name of person, firm or company, P.O. address)

hereby gives notice that it is its intention to give security under the authority of Section 427
(his/her/its/their)
of the Bank Act, to THE BANK OF NOVA SCOTIA.

QUÉBEC
ONLY

It is the express wish of the parties that this Notice and all related documents be drawn up in English.
Les parties ont exigé que cet avis et tous les documents y afférents soient rédigés en anglais.

Dated at _____ this _____ day of _____, _____

SIGNATURE

Original signature required on both copies.

DUPLICATE FOR REGISTRATION OFFICE - RETURN BOTH SIGNED COPIES

**NOTICE OF INTENTION TO GIVE SECURITY
UNDER SECTION 427 OF THE BANK ACT**

4715 TAHOE BOULEVARD
MISSISSAUGA ON

06502 -002

STAMP BRANCH TRANSIT NUMBER

To Whom it may Concern:

UPPER CANADA GROWERS LTD.
921 Concession 2 Road

Niagara-On-The-Lake ON L0S 1L0

(Name of person, firm or company, P.O. address)

hereby gives notice that it is its intention to give security under the authority of Section 427
(his/her/its/their)
of the Bank Act, to THE BANK OF NOVA SCOTIA.

QUÉBEC
ONLY

It is the express wish of the parties that this Notice and all related documents be drawn up in English.
Les parties ont exigé que cet avis et tous les documents y afférents soient rédigés en anglais.

Dated at _____ this _____ day of _____, _____

DATE RECEIVED

RECORDED

APPROVED

E.O.

AUDITOR

UPPER CANADA GROWERS LTD.

SIGNATURE

Per: Robert Haynes, President

Per: Manish Nayar, Treasurer

Original signature required on both copies.

This is Exhibit “F” referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

AGREEMENT AS TO LOANS AND
ADVANCES AND SECURITY THEREFOR.
SECTION 427 OR 435 OF THE BANK ACT.

In consideration of the loan(s) or advance(s) being made and/or to be made hereafter by The Bank of Nova Scotia (hereinafter called "the Bank") to the undersigned (hereinafter called "the Customer") (and for purposes of this Agreement a "loan" or "advance" shall be deemed to include an acceptance of a bill of exchange drawn on the Bank and not payable on demand, and payment or making money available for payment of such a bill of exchange or issuing a guarantee or otherwise making a promise to effect a payment) the Customer agrees with the Bank as follows:

1. All security now or at any time hereafter held by the Bank for the payment of any debt or liability of the Customer (the said security being hereinafter called "the security"), including, without limiting the generality of the foregoing, security by way of warehouse receipt or bill of lading or under Section 427 of the Bank Act, together with all property covered by or comprised in the security (the said property being hereinafter called "the property"), and all proceeds of the security and of the property, shall be continuing collateral security for the payment of such debt or liability and also for the payment of interest thereon, which unless otherwise agreed shall be the rate from time to time applicable to loans made by the Bank to the Customer under the said section 427 or under section 435 of the said Act, calculated according to the Bank's usual custom and of all costs, charges, and expenses of or incurred by the Bank in connection therewith, whether in protecting, preserving, realizing or collecting the security or the property or attempting so to do or otherwise, and interest thereon, all of which the Customer agrees to pay to the Bank.
2. The Customer shall keep the property insured to its full insurable value against loss or damage by fire, and, if requested by the Bank, against loss or damage from any other cause, with insurers satisfactory to the Bank, and shall assign to the Bank the policies evidencing such insurance or all claims thereunder and/or have the loss made payable to the Bank as the Bank may require and shall deliver the policies to the Bank, and in the event of failure so to do the Bank may, but shall not be bound to, effect such insurance on the property as it sees fit and the Customer shall on demand repay to the Bank the amount of any premiums paid by it, with interest thereon at the rate and calculated as aforesaid.
3. If the Bank surrenders to the Customer the security or the property or any part of either of them, the Customer shall receive the same in trust for and on behalf of the Bank and from time to time shall deal therewith as the Bank may direct and, at the request of the Bank, shall give to the Bank security on the property so surrendered, or covered by the security so surrendered, to the satisfaction of the Bank.
4. The proceeds of all sales by the Customer of the property or any part thereof, including, without limiting the generality of the foregoing, cash, debts arising from such sales or otherwise, evidences of title, instruments, documents and securities, which the Customer may receive or be entitled to receive in respect thereof, are hereby assigned to the Bank and shall be paid or transferred to the Bank forthwith, and until so paid or transferred shall be held by the Customer in trust for the Bank. Execution by the Customer and acceptance by the Bank of an assignment of book debts or of any additional assignment of any such proceeds, shall be deemed to be in furtherance hereof and not an acknowledgment by the Bank of any right or title on the part of the Customer to such book debts or proceeds.
5. The Customer shall at all times duly and seasonably pay and discharge all claims whatsoever in any way secured by or constituting a charge upon the property or any part thereof and particularly, but without limiting the generality of the foregoing, all wages, salaries and other remuneration of all employees employed by the Customer in connection with the business or farm of the Customer in respect of which any property covered by the security is held or acquired by the Customer, and shall from time to time at the request of the Bank exhibit to the Bank evidence of such payment and discharge and obtain and deliver to the Bank such waivers or releases as the Bank may deem necessary to secure to the Bank the priority of its rights in the property.
6. The Customer shall from time to time on demand and to the satisfaction of the Bank deliver to the Bank additional security, and if the Customer fails to do so, or fails to pay any debt or liability to the Bank when due, or fails to perform any term or condition of this Agreement or of any other agreement to which the Customer and the Bank are parties or of any security, or if the Bank honestly and in good faith believes that the ability of the Customer to pay any debt or liability or to perform this Agreement or any other agreement aforesaid or any security is

impaired, the Bank may in its discretion cease or refrain from making loans or advances to the Customer whether under any credit extended by the Bank or otherwise, and all debts and liabilities of the Customer to the Bank shall at the option of the Bank be payable forthwith and without any demand, and the Bank is hereby authorized from time to time to sell at public or private sale or otherwise realize upon the security or any part thereof in a timely and appropriate manner and all or any of the property whenever and whatever and for such price in money or other consideration and such terms and conditions as the Bank deems best, upon 15 days notice to the Customer and to anyone else entitled to notice by law (provided that if the property is perishable, notice is not required), and to deal with the proceeds as in this Agreement or otherwise provided, without prejudice to its claim for any deficiency and free from any right of redemption on the part of the Customer which is hereby waived and released, the Customer expressly waiving all and every formality prescribed by custom or by law in relation to any such sale or other realization.

7. The Bank may from time to time without any demand, enter upon or into and occupy and use, enjoy and exercise free of charge and to the exclusion of all others, including the Customer, any and all premises and property (real and personal, immovable and movable) and all rights, powers and privileges of, or used, enjoyed or exercised by, the Customer in connection with the property or any part thereof or in or upon which the same may be (not being the premises of a warehouseman or carrier) until the property shall be fully realized upon, and may from time to time appoint a receiver or agent to act for the Customer, for whose acts the Customer alone shall be responsible, and the Customer shall have no power to revoke such appointment or determine such agency. Such receiver or agent shall have and may exercise all the powers, rights and discretions granted to the Bank by this Agreement and the Bank and any such receiver or agent shall have the right from time to time in the name of the Customer to exercise any and all of the Customer's rights, powers and privileges of every kind and to do all acts and things which the Customer could do if acting, for the purpose of completing, selling, shipping or otherwise dealing with the property in such manner as the Bank may deem best for the purpose of realizing upon the property.

8. Any promissory note or bill of exchange delivered to the Bank by or on behalf of the Customer, together with any securities or documents attached thereto or received therewith, shall be subject to the terms of this Agreement and the Bank and holders for the time being of any such note or bill may at any time before or after its maturity and whether or not it has been dishonoured, accept payment and deliver the securities or documents or accept partial payment from time to time and thereupon release part to the securities or of the property covered by the documents or any of them.

9. The Bank may from time to time apply

- (a) the proceeds of realization of the security or of the property or any part thereof,
- (b) the proceeds of sales by the Customer of the property or any part thereof, and
- (c) all other payments which it receives,

against any debt or liability of the Customer to the Bank whether arising from agreements or dealings between the Bank and the Customer or from any agreement or dealings with any third person by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise arising and whether the Customer be bound alone or with another or others and whether as principal or surety, and any such application by the Bank may, in the whole or in part, be changed by the Bank from time to time as it deems best; or the Bank may hold such proceeds of realization, proceeds of sale and other payments, with all the powers, rights and discretions conferred on it by this Agreement or otherwise, as continuing collateral security for the fulfilment of all obligations, present or future, direct or indirect, absolute or contingent, of the Customer.

10. The proceeds of realization of any part of the security or of the property which are applicable only to part of the debts and liabilities of the Customer to the Bank shall first be applied to such part of the debts and liabilities, and any surplus remaining after payment of such part may from time to time be held or applied by the Bank for purposes set out in and in accordance with clause 9.

11. The Bank may release, compromise, settle and adjust any claim, dispute or difference which may arise in respect of the security or of the property or the proceeds of either of them and may grant extensions of time and indulgences.

12. The Customer shall from time to time execute, draw, endorse and deliver all such instruments and documents and do all such acts and things as the Bank may deem necessary or desirable for the purpose of perfecting the title of the Bank to the security or the property or the proceeds of either of them or of carrying into effect any or all of the provisions of this Agreement or of securing the fulfilment of all such obligations as aforesaid of the Customer to the Bank. The Customer hereby appoints the Bank and its general managers, assistant general managers, inspectors, managers and persons for the time being acting as managers of branches of the Bank

where an account of the Customer may be kept and any person or persons from time to time named by the Bank for the purposes hereinafter mentioned, and any one of them acting alone, the attorneys and attorney of the Customer with full power of substitution from time to time for and in the name of the Customer to do whatsoever the said attorneys or attorney may deem expedient for the purpose of carrying into effect any or all of the provisions of this agreement, and this appointment being made in consideration of a loan or loans, advance or advances, by the Bank to the Customer shall be irrevocable and shall be of full force and effect whenever and so often as any loan or advance by the Bank to the Customer is unpaid or any such obligation as aforesaid to the Bank is unfulfilled and notwithstanding any occurrence or event which would otherwise terminate such agency. Every power, right and discretion vested by law in the Bank or conferred upon it by this Agreement may be exercised on its behalf by the said officers or acting officers of the Bank or any person or persons from time to time named by the Bank for such purpose, and any one of them acting alone.

13. The Bank shall not be responsible for any failure to exercise or enforce, or any delay in the exercise or enforcement of any powers, rights or discretions of the Bank nor for any act, default or misconduct of any agent, officer, employee or servant of the Bank and the Bank shall be accountable only for such moneys as it shall actually receive.

14. Any notice to or demand upon the Customer shall be sufficiently given if despatched by post addressed to the Customer at the address of the Customer as shown by the books kept in relation to the account of the Customer at the branch of the Bank from which notice or demand is despatched and shall be deemed to have been received by the Customer at the time when in the ordinary course of post it would be expected to reach the said address.

15. The benefit of all rules of law or equity and compliance with any statutory provisions now or hereafter in force inconsistent with any of the provisions of this Agreement are hereby waived by the Customer.

16. The provisions hereof shall be in addition to all other remedies of the Bank existing in law and to all rights under agreements heretofore given, and no sale or delivery by the Customer of the property or any part thereof shall prejudice or affect the rights however arising of the Bank in or with respect to property so sold or delivered, and this shall be a continuing agreement and all its provisions shall extend to all loans and advances to the Customer by the Bank and all obligations of the Customer to the Bank at any time outstanding and to the security and the property as they may exist from time to time and all proceeds thereof; and every loan and advance heretofore, now or hereafter made shall be deemed to have been made upon the agreements herein contained.

17. This Agreement shall be binding upon and enure to the benefit of the Customer and the Bank and the heirs, executors, administrators, successors and assigns, as the case may be, of each of them.

QUÉBEC ONLY The parties have requested that this Agreement and all related documents be drawn up in English.
Les parties ont exigé que cette convention et tous les documents y afférents soient rédigés en anglais.

Signed and sealed at

this day of

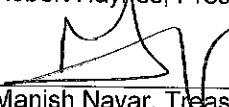
WITNESS

UPPER CANADA GROWERS LTD.

SIGNATURE


Per: Robert Haynes, President

SIGNATURE


Per: Manish Nayar, Treasurer
We have the authority to bind the corporation

DATE RECEIVED
.....
RECORDED
APPROVED
E.O.
AUDITOR

This is Exhibit “G” referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

PROMISE TO GIVE SECURITY UNDER SECTION 427For Office
Use Only

DATE

TO: THE BANK OF NOVA SCOTIA
06502
4715 TAHOE BOULEVARD
MISSISSAUGA Ontario L4W 0B4

The Undersigned promises and agrees to give to the Bank security by way of assignment under Section 427 of the Bank Act on all property and classes of property of which the Undersigned is now or may hereafter become the owner, for payment of all debts, liabilities, loans and advances now and in the future, including renewals, substitutions, extensions or replacements thereof, made by the Bank to the Undersigned or incurred by the Undersigned with the Bank.

For purposes of this promise a "loan" or "advance" shall be deemed to include an acceptance of a bill of exchange drawn on the Bank and not payable on demand, and payment or making money available for payment of such a bill of exchange or issuing a guarantee or otherwise making a promise to effect a payment.

Any notes which the Bank may from time to time take from the undersigned, representing the said loans and advances or any part thereof, shall not extinguish or pay the indebtedness created by such loans and advances, but shall represent the same only. No security acquired by the Bank shall be merged in any subsequent security or be taken to be substituted for any security previously acquired.

QUÉBEC
ONLY

It is the express wish of the parties that the above Promise to give Security and all related documents be drawn up in English. Les parties ont exigé que la présente promesse de donner des garanties et tous les documents y afférents soient rédigés en anglais.

UPPER CANADA GROWERS LTD.

SIGNATURE

Per: Robert Haynes, President

Per: Manish Nayar, Treasurer

We have the authority to bind the corporation

DATE RECEIVED
RECORDED ----
APPROVED ----
E.O. AUDITOR ----

This is Exhibit “H” referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

SECURITY AGREEMENT UNDER SECTION 427 OF THE BANK ACT

For good and valuable consideration, the undersigned hereby assigns to THE BANK OF NOVA SCOTIA (hereinafter called "the Bank") as continuing security for the payment of all loans and advances made or that may be made by the Bank to the undersigned or renewals of such loans and advances or substitutions therefor and interest on such loans and advances and on any such renewals or substitutions, all property and classes of property hereinafter described of which the undersigned is now or may hereafter become the owner, to wit,

Describe property

fertilizer, pesticide, forestry equipment, forestry implements or products of the forest

and that is now or may hereafter be in the place or places hereinafter designated, to wit,
set out in Schedule A hereto

Location(s)

or in any other place or, where the said property is comprised in whole or in part of fishing vessels, fishing equipment and supplies or products of the sea, lakes and rivers, wherever such property may be.

This security is given under section 427 of the Bank Act.

The property now owned by the undersigned and hereby assigned is free from any mortgage, lien or charge thereon, other than previous assignments, if any, to the Bank and

Describe any other mortgage, lien or charge

and the undersigned warrants that the property that may hereafter be acquired by the undersigned and is hereby assigned shall be free from any mortgage, lien or charge thereon, other than previous assignments, if any, to the Bank and

Describe any other mortgage, lien or charge

Dated at

the day of

UPPER CANADA GROWERS LTD.



 SIGNATURE Per: Robert Haynes, President



 Per: Manish Nayal, Treasurer

DATE RECEIVED _____
RECORDED _____
APPROVED _____
E.O.
AUDITOR _____

(NOTE: The description of property and the designation of place or places, including the number, name and port of registry of any registered or recorded vessel being built or equipped or about to be built comprised in the property, or any part thereof, may be set out on the back of the form or in a schedule annexed.)

Schedule A
Locations

921 Concession 2 Road, Niagara-On-The-Lake, Ontario, L0S 1J0

Pt of 1050 Ferris Road, Essex and legally described as PART LT 58 CONCESSION 1 OR FRONT COLCHESTER, PART 2 12R5006 SAVE AND EXCEPT PART 1 12R28819; TOWN OF ESSEX and being the whole of PIN 75198-0187(LT)

V/L Ferris Road E/S Essex, Ontario and legally described as PT LT 16 CON GORE OR 2ND RANGE COLCHESTER PT 1 12R11909, EXCEPT PT 1, 12R14883; ESSEX and being the whole of PIN 75194-0023 (LT)

1340 County Road 13, Essex, Ontario and legally described as PT LT 12 CON GORE OR 2ND RANGE COLCHESTER BEING PTS 2,3 AND 4 ON PL 12R25796; TOWN OF ESSEX and being the whole of PIN 75199-0257 (LT)

1090-1116 Ridge Road, Essex, Ontario:

1. PT LT 4 PL 178 COLCHESTER AS IN R843148; ESSEX and being the whole of PIN 75194-0156 (LT).

2. PT LT 6-8 PL 178 AS IN R1371764, EXCEPT PT 1 PL 12R15636, PT LTS 48, 49 CON 1 OR FRONT, DESIGNATED AS PT 1 PL 12R21178; ESSEX and being the whole of PIN 75194-0198(LT).

3. PT LT 9 PL 178 COLCHESTER PT 2 & 3, 12R7446; T/W & S/T R613698; ESSEX AMENDED BY LO 2003/01/21 and being the whole of PIN 75187-0007.

_____, 2023

THE BANK OF NOVA SCOTIA

4715 Tahoe Blvd.
Mississauga, Ontario, L4W 0B4

Dear Sirs/Mesdames:

Re: Section 427 Bank Act Security Documents

This is your irrevocable authority to do the following acts in connection with our Section 427 Bank Act security documents on our behalf and as our duly authorized agents:

1. date them a date that is subsequent to the date of filing of the Notice of Intention to Give Security under Section 427 of the Bank Act; and
2. insert all other appropriate reference dates as you see fit.

It is understood and agreed that the Section 427 Bank Act security documents described herein shall not become operative and take effect until they have been dated by the Bank as provided above and they shall be deemed to have been delivered and given to the Bank pursuant to Section 427 of the Bank Act as of the date designated by the Bank pursuant to paragraph one of this letter.

UPPER CANADA GROWERS LTD.

Per: _____

Name: Robert Haynes

Title: President

Per: _____

Name: Manish Nayar

Title: Treasurer

I/We have the authority to bind the corporation

This is Exhibit “I” referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

ASSIGNMENT OF INSURANCE

BETWEEN:

THE BANK OF NOVA SCOTIA
(the "Lender")

- and -

UPPER CANADA GROWERS LTD.
(the "Borrower")

WHEREAS:

- A. Pursuant to a commitment letter executed by, *inter alia*, the Borrower and Lender dated September 25, 2023, as amended, amended and restated, modified, supplemented, or replaced from time to time (the "**Commitment Letter**"), the Borrower agreed to borrow certain funds (the "**Credit Facilities**") from the Lender on the terms and conditions contained therein; and
- B. To secure the repayment of the Credit Facilities, the Borrower has agreed to grant a security interest in the present and after acquired undertaking and property of the Borrower pursuant to a general security agreement.

NOW THEREFORE, IN CONSIDERATION OF the advance of the Credit Facilities from the Lender to the Borrower, the Borrower hereby agrees as follows:

- 1. The Borrower hereby assigns to the Lender the benefit of all insurance policies maintained by the Borrower in respect of the Borrower's present and after acquired undertaking and property, including, without restriction, those insurance policies described in Schedule "A" attached hereto (the "**Policies**"). Without restricting the generality of the foregoing, all of the Borrower's rights and benefits under the Policies are hereby vested in the Lender, including the right to bring action to recover monies under the Policies. Provided however that, nothing contained in this agreement shall be construed so as to oblige the Lender to pay any premiums owing under the Policies or to otherwise maintain the Policies in good standing.
- 2. So long as the Credit Facilities, or any portion thereof, remains outstanding, the Borrower shall:
 - (a) keep and maintain insurance on the present and after acquired undertaking and property of the Borrower in accordance with the requirements of the Lender as set forth in the Commitment Letter and the security granted pursuant thereto;
 - (b) pay all premiums owing in respect of the Policies as the same become due;
 - (c) refrain from committing or omitting any acts which could or would affect the validity or enforceability of the Policies;
 - (d) from time to time, at the reasonable request of the Lender, provide the Lender with evidence that the Policies have been obtained and are in good standing.

- 2 -

3. Notwithstanding anything contained herein, it is acknowledged and agreed that this Assignment is taken as security for the repayment of the Credit Facilities and that, upon repayment in full of the Credit Facilities (and all other monies owing pursuant to the Commitment Letter and the security granted pursuant thereto) this Assignment shall become null and void.
4. This Assignment shall enure to the benefit of and be binding upon the parties hereto, together with their successors and permitted assigns.

IN WITNESS WHEREOF the Borrower has signed this Assignment on the ____ day of _____, 2023.

UPPER CANADA GROWERS LTD.

Per: _____

Name: Robert Bruce Haynes

Title: President

Per: _____

Name: Manish Nayar

Title: Treasurer

We have the authority to bind the corporation

SCHEDULE "A"

See attached binder and/or summary of coverage

This is Exhibit “J” referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

GENERAL SECURITY AGREEMENT**1. UCG LAND INC.**

(NAME OF CUSTOMER)

of 144 Front Street West, Suite 700, Toronto, Ontario, M5J 2L7

(the "Customer")

(ADDRESS OF CUSTOMER)

for valuable consideration grants, assigns, transfers, sets over, mortgages and charges to THE BANK OF NOVA SCOTIA, at its Branch located at 4715 TAHOE BOULEVARD, MISSISSAUGA, ON L4W 0B

(ADDRESS OF BRANCH)

(the "Bank") as and by way of a fixed and specific mortgage and charge, and grants to the Bank, a security interest in the present and after acquired undertaking and property (other than consumer goods) of the Customer including without limitation all the right title, interest and benefit which the Customer now has or may hereafter have in all property of the kinds hereinafter described (the "Collateral"):

- (a) all goods comprising the inventory of the Customer including but not limited to goods held for sale or lease or that have been leased or consigned to or by the Customer or furnished or to be furnished under a contract of service or that are raw materials, work in process or materials used or consumed in a business or profession or finished goods and timber cut or to be cut, oil, gas, hydrocarbons, and minerals extracted or to be extracted, all livestock and the young and unborn young thereof and all crops;
- (b) all goods which are not inventory or consumer goods, including but not limited to furniture, fixtures, equipment, machinery, plant, tools, vehicles and other tangible personal property, whether described in Schedule "A" hereto or not;
- (c) all accounts, including deposit accounts in banks, credit unions, trust companies and similar institutions, debts, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Customer, and all claims of any kind which the Customer now has or may hereafter have including but not limited to claims against the Crown and claims under insurance policies;
- (d) all chattel paper;
- (e) all money;
- (f) all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (g) all instruments, including but not limited to bills, notes, cheques, letters of credit, and advices of credit;
- (h) all investment property, including but not limited to shares, stock, warrants, bonds, debentures, debenture stock and other securities (whether evidenced by a security certificate or an uncertificated security) and financial assets, security entitlements, securities accounts, futures contracts and futures accounts;
- (i) all intangibles including but not limited to contracts, agreements, options, clearing house options, permits, licences, consents, approvals, authorizations, orders, judgments, certificates, rulings, insurance policies, agricultural and other quotas, subsidies, franchises, immunities, privileges, and benefits and all goodwill, patents, trade marks, trade names, trade secrets, inventions, processes, copyrights and other industrial or intellectual property;
- (j) with respect to the personal property described in subparagraphs (a) to (i) inclusive, all books, accounts, invoices, letters, papers, documents, disks, and other records in any form, electronic or otherwise, evidencing or relating thereto; and all contracts, investment property, securities, instruments and other rights and benefits in respect thereof;
- (k) with respect to the personal property described in subparagraphs (a) to (j) inclusive, all parts, components, renewals, substitutions and replacements thereof and all attachments, accessories and increases, additions and accessions thereto; and
- (l) with respect to the personal property described in subparagraphs (a) to (k) inclusive, all proceeds therefrom (other than consumer goods), including personal property in any form or fixtures derived directly or indirectly from any dealing with such property or proceeds therefrom, and any insurance or other payment as indemnity or compensation for loss of or damage to such property or any right to such payment, and any payment made in total or partial discharge or redemption of an intangible, chattel paper, instrument, security or investment property; and

In this Agreement, the words "goods", "consumer goods", "account", "account debtor", "inventory", "crops", "equipment", "fixtures", "chattel paper", "document of title", "instrument", "money", "security", or "securities", "intangible", "receiver", "proceeds", "accessions", "certificated security", "clearing house option", "control", "financial asset", "futures account", "futures contract", "futures intermediary", "investment property", "securities account", "securities intermediary", "security certificate", "security entitlement", and "uncertificated security" shall have the same meanings as their defined meanings where such words are defined in the Personal Property Security Act of the province or territory in which the Branch of the Bank mentioned in paragraph 1 is located, such Act including any amendments thereto, being referred to in this Agreement as "the PPSA". In this Agreement "Collateral" shall refer to "Collateral or any item thereof".

2. The fixed and specific mortgages and charges and the security interest granted under this Agreement secure payment and performance of all obligations of the Customer to the Bank, including but not limited to all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank in any currency or remaining unpaid by the Customer to the Bank in any currency, whether arising from dealings between the Bank and the

Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer and wherever incurred, and whether incurred by the Customer alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses (the "Obligations").

3. The Customer hereby represents and warrants to the Bank that:

- (a) all of the Collateral is, or when the Customer acquires any right, title or interest therein, will be the sole property of the Customer free and clear of all security interests, mortgages, charges, hypothecs, liens or other encumbrances except as disclosed by the Customer to the Bank in writing;
- (b) the Collateral insofar as it consists of goods (other than inventory enroute from suppliers or enroute to customers or on lease or consignment) will be kept at the locations specified in Schedule "B" hereto or at such other locations as the Customer shall specify in writing to the Bank and subject to the provisions of paragraph 4(j) none of the Collateral shall be moved therefrom without the prior written consent of the Bank;
- (c) the Customer's chief executive office is located at the address specified in paragraph 1;
- (d) none of the Collateral consists of consumer goods; and
- (e) this Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Customer in accordance with its terms.

4. The Customer hereby agrees that:

- (a) the Customer shall diligently maintain, use and operate the Collateral and shall carry on and conduct its business in a proper and efficient manner so as to preserve and protect the Collateral and the earnings, incomes, rents, issues and profits thereof;
- (b) the Customer shall cause the Collateral to be insured and kept insured to the full insurable value thereof with reputable insurers against loss or damage by fire and such other risks as the Bank may reasonably require and shall maintain such insurance with loss if any payable to the Bank and shall lodge such policies with the Bank;
- (c) the Customer shall pay all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to the Bank, when required, the receipts and vouchers establishing such payment;
- (d) the Customer shall duly observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (e) the Customer shall keep proper books of account in accordance with sound accounting practice, shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require, and the Customer shall permit the Bank or its authorized agents at any time at the expense of the Customer to examine all books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom;
- (f) the Customer shall furnish to the Bank such information with respect to the Collateral and the insurance thereon as the Bank may from time to time require and shall give written notice to the Bank of all litigation before any court, administrative board or other tribunal affecting the Customer or the Collateral;
- (g) the Customer shall defend the title to the Collateral against all persons and shall keep the Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances except for those disclosed to the Bank in writing prior to the execution of this Agreement or hereafter approved in writing by the Bank prior to their creation or assumption;
- (h) the Customer shall, upon request by the Bank, execute and deliver all such financing statements, certificates, further assignments and documents and do all such further acts and things as may be considered by the Bank to be necessary or desirable to give effect to the intent of this Agreement and the Customer hereby irrevocably constitutes and appoints the Manager or Acting Manager for the time being of the Branch of the Bank mentioned in paragraph 1, the true and lawful attorney of the Customer, with full power of substitution, to do any of the foregoing in the name of the Customer whenever and wherever the Bank may consider it to be necessary or desirable;
- (i) the Customer shall promptly notify the Bank in writing of any event which occurs that would have a material adverse effect upon the Collateral or upon the financial condition of the Customer and immediately upon the Customer's acquisition of rights in any vehicle, mobile home, trailer, boat, outboard motor for a boat, aircraft or aircraft engine, shall promptly provide the Bank with full particulars, including serial number, of such Collateral; and
- (j) the Customer will not change its name or the location of its chief executive office or place of business or sell, exchange, transfer, assign or lease or otherwise dispose of or change the use of the Collateral or any interest therein or modify, amend or terminate any chattel paper, document of title, instrument, security, investment property or intangible, without the prior written consent of the Bank, except that the Customer may, until an event of default set out in paragraph 9 occurs, sell or lease inventory in the ordinary course of the Customer's business.

5. Until an event of default occurs, the Customer may use the Collateral in any lawful manner not inconsistent with this Agreement or any other agreement to which the Bank and the Customer are parties, but the Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Customer agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith, and for such purpose shall permit the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Customer to examine and inspect the Collateral and related records and documents.

6. Before or after an event of default occurs, the Bank may give notice to any or all account debtors of the Customer and to any or all persons liable to the Customer under an instrument to make all further payments to the Bank and any payments or other proceeds of Collateral received by the Customer from account debtors or from any persons liable to the Customer under an instrument, whether before or after such notice is given by the Bank, shall be held by the Customer in trust for the Bank and paid over to the Bank upon request. The Bank may take charge of all proceeds of Collateral and may apply any money taken as Collateral to the satisfaction of the Obligations secured hereby. The Bank may hold as additional security any increase or profits, except money, received from any Collateral in the Bank's possession, and may apply any money received from such Collateral to reduce the Obligations secured hereby and may hold any balance as additional security for such part of the Obligations as may not yet be due, whether absolute or contingent. The Bank will not be obligated to keep any Collateral separate or identifiable. In the case of any instrument, security, investment property or chattel paper comprising part of the Collateral, the Bank will not be obligated to take any necessary or other steps to preserve rights against other persons.
7. Before or after an event of default occurs, the Bank may have any Collateral comprising instruments, shares, stock, warrants, bonds, debentures, debenture stock, securities or other investment property, registered in its name or in the name of its nominee and shall be entitled but not bound or required to vote in respect of such Collateral at any meeting at which the holder thereof is entitled to vote and, generally, to exercise any of the rights which the holder of such Collateral may at any time have. The Customer will also take such steps as the Bank requires to enable the Bank to obtain and maintain control of any investment property, including but not limited to arranging for any issuer of uncertificated securities, securities intermediary or futures intermediary to enter into an agreement satisfactory to the Bank to enable the Bank to obtain and maintain control. The Bank shall not be responsible for any loss occasioned by the exercise of any of any rights contemplated in this paragraph or by failure to exercise the same within the time limited for the exercise thereof.
8. Upon the Customer's failure to perform any of its duties hereunder, the Bank may, but shall not be obliged to, perform any or all of such duties, without waiving any rights to enforce this Agreement, and the Customer shall pay to the Bank, forthwith upon written demand therefor, an amount equal to the costs, fees and expenses incurred by the Bank in so doing plus interest thereon from the date such costs, fees and expenses are incurred until paid at the rate of 3% per annum over the Prime Lending Rate of the Bank in effect from time to time. The "Prime Lending Rate of the Bank" means the variable per annum, reference rate of interest as announced and adjusted by the Bank from time to time for loans made by the Bank in Canada in Canadian dollars.
9. The happening of any one or more of the following events shall constitute an event of default under this Agreement:
- (a) if the Customer does not pay when due any of the Obligations;
 - (b) if the Customer does not perform any provisions of this Agreement or of any other agreement to which the Customer and the Bank are parties;
 - (c) if the Customer ceases or threatens to cease to carry on its business, commits an act of bankruptcy, becomes insolvent makes an assignment or proposal under the Bankruptcy and Insolvency Act, takes advantage of provisions for relief under the Companies' Creditors Arrangement Act or any other legislation for the benefit of insolvent debtors, transfers all or substantially all of its assets, or proposes a compromise or arrangement to its creditors;
 - (d) if the Customer enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement;
 - (e) if any proceeding is taken with respect to a compromise or arrangement or to have the Customer declared bankrupt or wound up, or if any proceeding is taken, whether in court or under the terms of any agreement or appointment in writing, to have a receiver appointed of any Collateral or if any encumbrance becomes enforceable against any Collateral;
 - (f) if any execution, sequestration or extent or any other process of any court becomes enforceable against the Customer or if any distress or analogous process is levied upon any Collateral;
 - (g) if the Bank in good faith believes and has commercially reasonable grounds for believing that the prospect of payment or performance of any Obligation is or is about to be impaired or that any Collateral is or is about to be in danger of being lost, damaged, confiscated or placed in jeopardy.
10. If an event of default occurs, the Bank may withhold any future advances and may declare that the Obligations shall immediately become due and payable in full, and the Bank may proceed to enforce payment of the Obligations and the Customer and the Bank shall have, in addition to any other rights and remedies provided by law, the rights and remedies of a debtor and a secured party respectively under the PPSA and other applicable legislation and those provided by this Agreement. The Bank may take possession of the Collateral, enter upon any premises of the Customer, otherwise enforce this Agreement, enforce its rights under any agreement with any issuer of uncertificated securities, securities intermediary or futures intermediary and enforce any rights of the Customer in respect of the Collateral by any manner permitted by law and may use the Collateral in the manner and to the extent that the Bank may consider appropriate and may hold, insure, repair, process, maintain, protect, preserve, prepare for disposition and dispose of the same and may require the Customer to assemble the Collateral and deliver or make the Collateral available to the Bank at a reasonably convenient place designated by the Bank.
11. Where required to do so by the PPSA, or other relevant legislation, the Bank shall give to the Customer the written notice required by the PPSA or such other relevant legislation of an intended enforcement or disposition of the Collateral by serving such notice personally on the Customer or by mailing such notice by registered mail to the last known post office address of the Customer or by electronic transmission to the last known electronic mailing or transmission address of the Customer or by any other method authorized or permitted by the PPSA or such other relevant legislation.

12. If an event of default occurs, the Bank may take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term shall include a receiver and manager) of the Collateral or may by appointment in writing appoint any person to be a receiver of the Collateral and may remove any receiver so appointed by the Bank and appoint another in his stead; and any such receiver appointed by instrument in writing shall, to the extent permitted by applicable law or to such lesser extent permitted, have all of the rights, benefits and powers of the Bank hereunder or under the PPSA or otherwise and without limitation have power (a) to take possession of the Collateral, (b) to carry on all or any part or parts of the business of the Customer, (c) to borrow money required for the seizure, retaking, repossession, holding, insurance, repairing, processing, maintaining, protecting, preserving, preparing for disposition, disposition of the Collateral and for any other enforcement of this Agreement or for the carrying on of the business of the Customer on the security of the Collateral in priority to the security interest created under this Agreement, and (d) to sell, lease or otherwise dispose of the whole or any part of the Collateral at public auction, by public tender or by private sale, lease or other disposition either for cash or upon credit, at such time and upon such terms and conditions as the receiver may determine provided that if any such disposition involves deferred payment the Bank will not be accountable for and the Customer will not be entitled to be credited with the proceeds of any such disposition until the monies therefore are actually received; and further provided that any such receiver shall be deemed the agent of the Customer and the Bank shall not be in any way responsible for any misconduct or negligence of any such receiver.

13. Any proceeds of any disposition of any Collateral may be applied by the Bank to the payment of expenses incurred or paid in connection with seizing, repossessing, retaking, holding, repairing, processing, insuring, preserving, preparing for disposition and disposing of the Collateral (including reasonable solicitor's fees and legal expenses and any other reasonable expenses), and any balance of such proceeds may be applied by the Bank towards the payment of the Obligations in such order of application as the Bank may from time to time effect. All such expenses and all amounts borrowed on the security of the Collateral under paragraph 12 shall bear interest at the rate of 3% per annum over the Prime Lending Rate of the Bank in effect from time to time, shall be payable by the Customer upon demand and shall be Obligations under this Agreement. If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the expenses incurred by the Bank, the Customer shall be liable to pay any deficiency to the Bank on demand.

14. The Customer and the Bank further agree that:

- (a) the Bank may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Customer, debtors of the Customer, sureties and others and with the Collateral or other security as the Bank may see fit without prejudice to the liability of the Customer and the Bank's rights under this Agreement
- (b) this Agreement shall not be considered as satisfied or discharged by any intermediate payment of all or any part of the Obligations but shall constitute and be a continuing security to the Bank for a current or running account and shall be in addition to and not in substitution for any other security now or hereafter held by the Bank;
- (c) nothing in this Agreement shall obligate the Bank to make any loan or accommodation to the Customer or extend the time for payment or satisfaction of the Obligations;
- (d) any failure by the Bank to exercise any right set out in this Agreement shall not constitute a waiver thereof; nothing in this Agreement or in the Obligations secured by this Agreement shall preclude any other remedy by action or otherwise for the enforcement of this Agreement or the payment in full of the Obligations secured by this Agreement;
- (e) all rights of the Bank under this Agreement shall be assignable and in any action brought by an assignee to enforce such rights, the Customer shall not assert against the assignee any claim or defence which the Customer now has or may hereafter have against the Bank;
- (f) all rights of the Bank under this Agreement shall enure to the benefit of its successors and assigns and all obligations of the Customer under this Agreement shall bind the Customer, his heirs, executors, administrators, successors and assigns;
- (g) if more than one Customer executes this Agreement their obligations under this Agreement shall be joint and several, and the Obligations shall include those of all or any one or more of them;
- (h) if the Customer is a corporation, The Limitation of Civil Rights Act of the province of Saskatchewan shall have no application to this Agreement or to any agreement or instrument renewing or extending or collateral to this Agreement or to the rights, powers or remedies of the Bank under this Agreement;
- (i) this Agreement shall be governed in all respects by the laws of the jurisdiction in which the Branch of the Bank mentioned in paragraph 1 is located;
- (j) the time for attachment of the security interest created hereby has not been postponed and is intended to attach when this Agreement is signed by the Customer and attaches at that time to Collateral in which the Customer then has any right, title or interest and attaches to Collateral in which the Customer subsequently acquires any right title or interest at the time when the Customer first acquires such right, title or interest.

The Customer acknowledges receiving a copy of this Agreement.

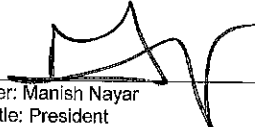
The Customer expressly waives the right to receive a copy of any financing statement or financing change statement which may be registered by the Bank in connection with this Agreement or any verification statement issued with respect thereto where such waiver is not otherwise prohibited by law.

Signed this _____ day of _____.

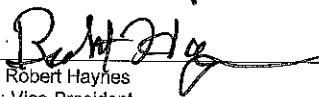
Customer: UCG LAND INC.

Witness:

by:

Per: 
Title: President

by:

Per: 
Title: Vice-President

We have the authority to bind the corporation

FULL NAME AND ADDRESS OF THE CUSTOMER (FOR INDIVIDUAL(S), INSERT FIRST GIVEN NAME, INITIAL OF SECOND GIVEN NAME, (FULL SECOND NAME IN ALBERTA, SASKATCHEWAN AND BRITISH COLUMBIA) IF ANY, THEN SURNAME)	IF GIVEN BY INDIVIDUAL(S) RECORD DATE OF BIRTH DAY MONTH YEAR	SEX	
		M	F
144 Front Street West, Suite 700, Toronto, Ontario, M5J 2L7		☐	☐
		☐	☐
		☐	☐

SCHEDULE "A"

(Description of Collateral)

If space is insufficient attach additional page headed Page 2 of Schedule "A".

SCHEDULE "B"

(Location of Collateral)

If space is insufficient attach additional page headed Page 2 of Schedule "B".

See Schedule B-1

DATE RECEIVED
.....
RECORDED
APPROVED
E.O.
AUDITOR

Schedule B-1
Locations

921 Concession 2 Road, Niagara-On-The-Lake, Ontario, L0S 1J0

144 Front Street West, Suite 700, Toronto, Ontario, M5J 2L7

Pt of 1050 Ferris Road, Essex and legally described as PART LT 58 CONCESSION 1 OR FRONT COLCHESTER, PART 2 12R5006 SAVE AND EXCEPT PART 1 12R28819; TOWN OF ESSEX and being the whole of PIN 75198-0187(LT)

V/L Ferris Road E/S Essex, Ontario and legally described as PT LT 16 CON GORE OR 2ND RANGE COLCHESTER PT 1 12R11909, EXCEPT PT 1, 12R14883; ESSEX and being the whole of PIN 75194-0023 (LT)

1340 County Road 13, Essex, Ontario and legally described as PT LT 12 CON GORE OR 2ND RANGE COLCHESTER BEING PTS 2,3 AND 4 ON PL 12R25796; TOWN OF ESSEX and being the whole of PIN 75199-0257 (LT)

1090-1116 Ridge Road, Essex, Ontario:

1. PT LT 4 PL 178 COLCHESTER AS IN R843148; ESSEX and being the whole of PIN 75194-0156 (LT).

2. PT LT 6-8 PL 178 AS IN R1371764, EXCEPT PT 1 PL 12R15636, PT LTS 48, 49 CON 1 OR FRONT, DESIGNATED AS PT 1 PL 12R21178; ESSEX and being the whole of PIN 75194-0198(LT).

3. PT LT 9 PL 178 COLCHESTER PT 2 & 3, 12R7446; T/W & S/T R613698; ESSEX AMENDED BY LO 2003/01/21 and being the whole of PIN 75187-0007.

This is Exhibit “K” referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

NOTICE OF INTENTION TO GIVE SECURITY UNDER SECTION 427 OF THE BANK ACT

4715 TAHOE BOULEVARD
MISSISSAUGA ON

06502 -002

STAMP BRANCH TRANSIT NUMBER

To Whom it may Concern:

UCG LAND INC.

144 Front Street West, Suite 700, Toronto, Ontario, M5J 2L7

(Name of person, firm or company, P.O. address)

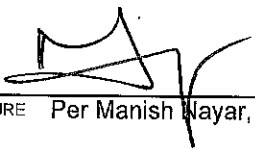
hereby gives notice that it is their intention to give security under the authority of Section 427
(his/her/its/their)
of the Bank Act, to THE BANK OF NOVA SCOTIA.

QUÉBEC
ONLY

It is the express wish of the parties that this Notice and all related documents be drawn up in English.
Les parties ont exigé que cet avis et tous les documents y afférents soient rédigés en anglais.

Dated at _____ this _____ day of _____, _____

UCG LAND INC.


SIGNATURE Per Manish Nayar, President


Per: Robert Haynes, Vice-President

Original signature required on both copies.

DUPLICATE FOR REGISTRATION OFFICE - RETURN BOTH SIGNED COPIES

NOTICE OF INTENTION TO GIVE SECURITY UNDER SECTION 427 OF THE BANK ACT

4715 TAHOE BOULEVARD
MISSISSAUGA ON

06502 -002

STAMP BRANCH TRANSIT NUMBER

To Whom it may Concern:

UCG LAND INC.

144 Front Street West, Suite 700, Toronto, Ontario, M5J 2L7

(Name of person, firm or company, P.O. address)

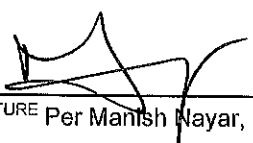
hereby gives notice that it is their intention to give security under the authority of Section 427
(his/her/its/their)
of the Bank Act, to THE BANK OF NOVA SCOTIA.

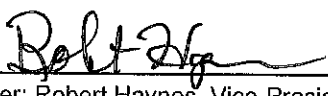
QUÉBEC
ONLY

It is the express wish of the parties that this Notice and all related documents be drawn up in English.
Les parties ont exigé que cet avis et tous les documents y afférents soient rédigés en anglais.

Dated at _____ this _____ day of _____, _____

UCG LAND INC.


SIGNATURE Per Manish Nayar, President


Per: Robert Haynes, Vice-President

Original signature required on both copies.

DATE RECEIVED
.....
RECORDED
APPROVED
E.O.
AUDITOR

This is Exhibit “L” referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

AGREEMENT AS TO LOANS AND
ADVANCES AND SECURITY THEREFOR.
SECTION 427 OR 435 OF THE BANK ACT.

In consideration of the loan(s) or advance(s) being made and/or to be made hereafter by The Bank of Nova Scotia (hereinafter called "the Bank") to the undersigned (hereinafter called "the Customer") (and for purposes of this Agreement a "loan" or "advance" shall be deemed to include an acceptance of a bill of exchange drawn on the Bank and not payable on demand, and payment or making money available for payment of such a bill of exchange or issuing a guarantee or otherwise making a promise to effect a payment) the Customer agrees with the Bank as follows:

1. All security now or at any time hereafter held by the Bank for the payment of any debt or liability of the Customer (the said security being hereinafter called "the security"), including, without limiting the generality of the foregoing, security by way of warehouse receipt or bill of lading or under Section 427 of the Bank Act, together with all property covered by or comprised in the security (the said property being hereinafter called "the property"), and all proceeds of the security and of the property, shall be continuing collateral security for the payment of such debt or liability and also for the payment of interest thereon, which unless otherwise agreed shall be the rate from time to time applicable to loans made by the Bank to the Customer under the said section 427 or under section 435 of the said Act, calculated according to the Bank's usual custom and of all costs, charges, and expenses of or incurred by the Bank in connection therewith, whether in protecting, preserving, realizing or collecting the security or the property or attempting so to do or otherwise, and interest thereon, all of which the Customer agrees to pay to the Bank.
2. The Customer shall keep the property insured to its full insurable value against loss or damage by fire, and, if requested by the Bank, against loss or damage from any other cause, with insurers satisfactory to the Bank, and shall assign to the Bank the policies evidencing such insurance or all claims thereunder and/or have the loss made payable to the Bank as the Bank may require and shall deliver the policies to the Bank, and in the event of failure so to do the Bank may, but shall not be bound to, effect such insurance on the property as it sees fit and the Customer shall on demand repay to the Bank the amount of any premiums paid by it, with interest thereon at the rate and calculated as aforesaid.
3. If the Bank surrenders to the Customer the security or the property or any part of either of them, the Customer shall receive the same in trust for and on behalf of the Bank and from time to time shall deal therewith as the Bank may direct and, at the request of the Bank, shall give to the Bank security on the property so surrendered, or covered by the security so surrendered, to the satisfaction of the Bank.
4. The proceeds of all sales by the Customer of the property or any part thereof, including, without limiting the generality of the foregoing, cash, debts arising from such sales or otherwise, evidences of title, instruments, documents and securities, which the Customer may receive or be entitled to receive in respect thereof, are hereby assigned to the Bank and shall be paid or transferred to the Bank forthwith, and until so paid or transferred shall be held by the Customer in trust for the Bank. Execution by the Customer and acceptance by the Bank of an assignment of book debts or of any additional assignment of any such proceeds, shall be deemed to be in furtherance hereof and not an acknowledgment by the Bank of any right or title on the part of the Customer to such book debts or proceeds.
5. The Customer shall at all times duly and seasonably pay and discharge all claims whatsoever in any way secured by or constituting a charge upon the property or any part thereof and particularly, but without limiting the generality of the foregoing, all wages, salaries and other remuneration of all employees employed by the Customer in connection with the business or farm of the Customer in respect of which any property covered by the security is held or acquired by the Customer, and shall from time to time at the request of the Bank exhibit to the Bank evidence of such payment and discharge and obtain and deliver to the Bank such waivers or releases as the Bank may deem necessary to secure to the Bank the priority of its rights in the property.
6. The Customer shall from time to time on demand and to the satisfaction of the Bank deliver to the Bank additional security, and if the Customer fails to do so, or fails to pay any debt or liability to the Bank when due, or fails to perform any term or condition of this Agreement or of any other agreement to which the Customer and the Bank are parties or of any security, or if the Bank honestly and in good faith believes that the ability of the Customer to pay any debt or liability or to perform this Agreement or any other agreement aforesaid or any security is

impaired, the Bank may in its discretion cease or refrain from making loans or advances to the Customer whether under any credit extended by the Bank or otherwise, and all debts and liabilities of the Customer to the Bank shall at the option of the Bank be payable forthwith and without any demand, and the Bank is hereby authorized from time to time to sell at public or private sale or otherwise realize upon the security or any part thereof in a timely and appropriate manner and all or any of the property whenever and whatever and for such price in money or other consideration and such terms and conditions as the Bank deems best, upon 15 days notice to the Customer and to anyone else entitled to notice by law (provided that if the property is perishable, notice is not required), and to deal with the proceeds as in this Agreement or otherwise provided, without prejudice to its claim for any deficiency and free from any right of redemption on the part of the Customer which is hereby waived and released, the Customer expressly waiving all and every formality prescribed by custom or by law in relation to any such sale or other realization.

7. The Bank may from time to time without any demand, enter upon or into and occupy and use, enjoy and exercise free of charge and to the exclusion of all others, including the Customer, any and all premises and property (real and personal, immovable and movable) and all rights, powers and privileges of, or used, enjoyed or exercised by, the Customer in connection with the property or any part thereof or in or upon which the same may be (not being the premises of a warehouseman or carrier) until the property shall be fully realized upon, and may from time to time appoint a receiver or agent to act for the Customer, for whose acts the Customer alone shall be responsible, and the Customer shall have no power to revoke such appointment or determine such agency. Such receiver or agent shall have and may exercise all the powers, rights and discretions granted to the Bank by this Agreement and the Bank and any such receiver or agent shall have the right from time to time in the name of the Customer to exercise any and all of the Customer's rights, powers and privileges of every kind and to do all acts and things which the Customer could do if acting, for the purpose of completing, selling, shipping or otherwise dealing with the property in such manner as the Bank may deem best for the purpose of realizing upon the property.

8. Any promissory note or bill of exchange delivered to the Bank by or on behalf of the Customer, together with any securities or documents attached thereto or received therewith, shall be subject to the terms of this Agreement and the Bank and holders for the time being of any such note or bill may at any time before or after its maturity and whether or not it has been dishonoured, accept payment and deliver the securities or documents or accept partial payment from time to time and thereupon release part to the securities or of the property covered by the documents or any of them.

9. The Bank may from time to time apply

- (a) the proceeds of realization of the security or of the property or any part thereof,
- (b) the proceeds of sales by the Customer of the property or any part thereof, and
- (c) all other payments which it receives,

against any debt or liability of the Customer to the Bank whether arising from agreements or dealings between the Bank and the Customer or from any agreement or dealings with any third person by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise arising and whether the Customer be bound alone or with another or others and whether as principal or surety, and any such application by the Bank may, in the whole or in part, be changed by the Bank from time to time as it deems best; or the Bank may hold such proceeds of realization, proceeds of sale and other payments, with all the powers, rights and discretions conferred on it by this Agreement or otherwise, as continuing collateral security for the fulfilment of all obligations, present or future, direct or indirect, absolute or contingent, of the Customer.

10. The proceeds of realization of any part of the security or of the property which are applicable only to part of the debts and liabilities of the Customer to the Bank shall first be applied to such part of the debts and liabilities, and any surplus remaining after payment of such part may from time to time be held or applied by the Bank for purposes set out in and in accordance with clause 9.

11. The Bank may release, compromise, settle and adjust any claim, dispute or difference which may arise in respect of the security or of the property or the proceeds of either of them and may grant extensions of time and indulgences.

12. The Customer shall from time to time execute, draw, endorse and deliver all such instruments and documents and do all such acts and things as the Bank may deem necessary or desirable for the purpose of perfecting the title of the Bank to the security or the property or the proceeds of either of them or of carrying into effect any or all of the provisions of this Agreement or of securing the fulfilment of all such obligations as aforesaid of the Customer to the Bank. The Customer hereby appoints the Bank and its general managers, assistant general managers, inspectors, managers and persons for the time being acting as managers of branches of the Bank

where an account of the Customer may be kept and any person or persons from time to time named by the Bank for the purposes hereinafter mentioned, and any one of them acting alone, the attorneys and attorney of the Customer with full power of substitution from time to time for and in the name of the Customer to do whatsoever the said attorneys or attorney may deem expedient for the purpose of carrying into effect any or all of the provisions of this agreement, and this appointment being made in consideration of a loan or loans, advance or advances, by the Bank to the Customer shall be irrevocable and shall be of full force and effect whenever and so often as any loan or advance by the Bank to the Customer is unpaid or any such obligation as aforesaid to the Bank is unfulfilled and notwithstanding any occurrence or event which would otherwise terminate such agency. Every power, right and discretion vested by law in the Bank or conferred upon it by this Agreement may be exercised on its behalf by the said officers or acting officers of the Bank or any person or persons from time to time named by the Bank for such purpose, and any one of them acting alone.

13. The Bank shall not be responsible for any failure to exercise or enforce, or any delay in the exercise or enforcement of any powers, rights or discretions of the Bank nor for any act, default or misconduct of any agent, officer, employee or servant of the Bank and the Bank shall be accountable only for such moneys as it shall actually receive.

14. Any notice to or demand upon the Customer shall be sufficiently given if despatched by post addressed to the Customer at the address of the Customer as shown by the books kept in relation to the account of the Customer at the branch of the Bank from which notice or demand is despatched and shall be deemed to have been received by the Customer at the time when in the ordinary course of post it would be expected to reach the said address.

15. The benefit of all rules of law or equity and compliance with any statutory provisions now or hereafter in force inconsistent with any of the provisions of this Agreement are hereby waived by the Customer.

16. The provisions hereof shall be in addition to all other remedies of the Bank existing in law and to all rights under agreements heretofore given, and no sale or delivery by the Customer of the property or any part thereof shall prejudice or affect the rights however arising of the Bank in or with respect to property so sold or delivered, and this shall be a continuing agreement and all its provisions shall extend to all loans and advances to the Customer by the Bank and all obligations of the Customer to the Bank at any time outstanding and to the security and the property as they may exist from time to time and all proceeds thereof; and every loan and advance heretofore, now or hereafter made shall be deemed to have been made upon the agreements herein contained.

17. This Agreement shall be binding upon and enure to the benefit of the Customer and the Bank and the heirs, executors, administrators, successors and assigns, as the case may be, of each of them.

QUÉBEC ONLY The parties have requested that this Agreement and all related documents be drawn up in English.
Les parties ont exigé que cette convention et tous les documents y afférents soient rédigés en anglais.

Signed and sealed at

this day of

WITNESS

UCG LAND INC.

SIGNATURE

Per: Manish Nayar, President

SIGNATURE

Per: Robert Haynes, Vice-President

We have the authority to bind the corporation

DATE RECEIVED
RECORDED
APPROVED
E.O.
AUDITOR

This is Exhibit “M” referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

PROMISE TO GIVE SECURITY UNDER SECTION 427

For Office Use Only

DATE

TO: THE BANK OF NOVA SCOTIA
06502
4715 TAHOE BOULEVARD
MISSISSAUGA Ontario L4W 0B4

The Undersigned promises and agrees to give to the Bank security by way of assignment under Section 427 of the Bank Act on all property and classes of property of which the Undersigned is now or may hereafter become the owner, for payment of all debts, liabilities, loans and advances now and in the future, including renewals, substitutions, extensions or replacements thereof, made by the Bank to the Undersigned or incurred by the Undersigned with the Bank.

For purposes of this promise a "loan" or "advance" shall be deemed to include an acceptance of a bill of exchange drawn on the Bank and not payable on demand, and payment or making money available for payment of such a bill of exchange or issuing a guarantee or otherwise making a promise to effect a payment.

Any notes which the Bank may from time to time take from the undersigned, representing the said loans and advances or any part thereof, shall not extinguish or pay the indebtedness created by such loans and advances, but shall represent the same only. No security acquired by the Bank shall be merged in any subsequent security or be taken to be substituted for any security previously acquired.

QUÉBEC
ONLY

It is the express wish of the parties that the above Promise to give Security and all related documents be drawn up in English. Les parties ont exigé que la présente promesse de donner des garanties et tous les documents y afférents soient rédigés en anglais.

UCG LAND INC.

SIGNATURE

Per: Manish Nayar, President

Per: Robert Haynes, Vice-President

We have the authority to bind the corporation

DATE RECEIVED
RECORDED
APPROVED
E.O. AUDITOR

This is Exhibit “N” referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

SECURITY AGREEMENT UNDER SECTION 427 OF THE BANK ACT

For good and valuable consideration, the undersigned hereby assigns to THE BANK OF NOVA SCOTIA (hereinafter called "the Bank") as continuing security for the payment of all loans and advances made or that may be made by the Bank to the undersigned or renewals of such loans and advances or substitutions therefor and interest on such loans and advances and on any such renewals or substitutions, all property and classes of property hereinafter described of which the undersigned is now or may hereafter become the owner, to wit,

Describe property

fertilizer, pesticide, forestry equipment, forestry implements or products of the forest

and that is now or may hereafter be in the place or places hereinafter designated, to wit,

See Schedule A

Location(s)

or in any other place or, where the said property is comprised in whole or in part of fishing vessels, fishing equipment and supplies or products of the sea, lakes and rivers, wherever such property may be.

This security is given under section 427 of the Bank Act.

The property now owned by the undersigned and hereby assigned is free from any mortgage, lien or charge thereon, other than previous assignments, if any, to the Bank and

Describe any other
mortgage, lien or
charge

and the undersigned warrants that the property that may hereafter be acquired by the undersigned and is hereby assigned shall be free from any mortgage, lien or charge thereon, other than previous assignments, if any, to the Bank and

Describe any other
mortgage, lien or
charge

Dated at

the day of

UCG LAND INC.

SIGNATURE

Per: Manish Nayar, President

Per: Robert Haynes, Vice-President

We have the authority to bind the corporation

DATE RECEIVED

RECORDED

APPROVED

E.O. AUDITOR

(NOTE: The description of property and the designation of place or places, including the number, name and port of registry of any registered or recorded vessel being built or equipped or about to be built comprised in the property, or any part thereof, may be set out on the back of the form or in a schedule annexed.)

Schedule A
Locations

921 Concession 2 Road, Niagara-On-The-Lake, Ontario, L0S 1J0

144 Front Street West, Suite 700, Toronto, Ontario, M5J 2L7

Pt of 1050 Ferris Road, Essex and legally described as PART LT 58 CONCESSION 1 OR FRONT COLCHESTER, PART 2 12R5006 SAVE AND EXCEPT PART 1 12R28819; TOWN OF ESSEX and being the whole of PIN 75198-0187(LT)

V/L Ferris Road E/S Essex, Ontario and legally described as PT LT 16 CON GORE OR 2ND RANGE COLCHESTER PT 1 12R11909, EXCEPT PT 1, 12R14883; ESSEX and being the whole of PIN 75194-0023 (LT)

1340 County Road 13, Essex, Ontario and legally described as PT LT 12 CON GORE OR 2ND RANGE COLCHESTER BEING PTS 2,3 AND 4 ON PL 12R25796; TOWN OF ESSEX and being the whole of PIN 75199-0257 (LT)

1090-1116 Ridge Road, Essex, Ontario:

1. PT LT 4 PL 178 COLCHESTER AS IN R843148; ESSEX and being the whole of PIN 75194-0156 (LT).

2. PT LT 6-8 PL 178 AS IN R1371764, EXCEPT PT 1 PL 12R15636, PT LTS 48, 49 CON 1 OR FRONT, DESIGNATED AS PT 1 PL 12R21178; ESSEX and being the whole of PIN 75194-0198(LT).

3. PT LT 9 PL 178 COLCHESTER PT 2 & 3, 12R7446; T/W & S/T R613698; ESSEX AMENDED BY LO 2003/01/21 and being the whole of PIN 75187-0007.

_____, 2023

THE BANK OF NOVA SCOTIA

4715 Tahoe Blvd.
Mississauga, Ontario, L4W 0B4

Dear Sirs/Mesdames:

Re: Section 427 Bank Act Security Documents

This is your irrevocable authority to do the following acts in connection with our Section 427 Bank Act security documents on our behalf and as our duly authorized agents:

1. date them a date that is subsequent to the date of filing of the Notice of Intention to Give Security under Section 427 of the Bank Act; and
2. insert all other appropriate reference dates as you see fit.

It is understood and agreed that the Section 427 Bank Act security documents described herein shall not become operative and take effect until they have been dated by the Bank as provided above and they shall be deemed to have been delivered and given to the Bank pursuant to Section 427 of the Bank Act as of the date designated by the Bank pursuant to paragraph one of this letter.

UCG LAND INC.

Per: _____

Name: Manish Nayar

Title: President

Per: _____

Name: Robert Haynes

Title: Vice-President

I/We have the authority to bind the corporation

This is Exhibit "O" referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

LRO # 12 Charge/Mortgage

In preparation on 2023 10 27 at 11:20

This document has not been submitted and may be incomplete.

yyyy mm dd Page 1 of 2

Properties

<i>PIN</i>	75198 - 0187	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PART LT 58 CONCESSION 1 OR FRONT COLCHESTER, PART 2 12R5006 SAVE AND EXCEPT PART 1 12R28819; TOWN OF ESSEX			
<i>Address</i>	HARROW			
<i>PIN</i>	75194 - 0023	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 16 CON GORE OR 2ND RANGE COLCHESTER PT 1 12R11909, EXCEPT PT 1, 12R14883; ESSEX			
<i>Address</i>	FERRIS ROAD HARROW			
<i>PIN</i>	75199 - 0257	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 12 CON GORE OR 2ND RANGE COLCHESTER BEING PTS 2,3 AND 4 ON PL 12R25796; TOWN OF ESSEX			
<i>Address</i>	1340 COUNTY ROAD 13 HARROW			
<i>PIN</i>	75194 - 0156	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 4 PL 178 COLCHESTER AS IN R843148; ESSEX			
<i>Address</i>	RIDGE ROAD HARROW			
<i>PIN</i>	75194 - 0198	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 6-8 PL 178 AS IN R1371764, EXCEPT PT 1 PL 12R15836, PT LTS 48, 49 CON 1 OR FRONT, DESIGNATED AS PT 1 PL 12R21178; ESSEX.			
<i>Address</i>	COUNTY ROAD 50 HARROW			
<i>PIN</i>	75187 - 0007	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 9 PL 178 COLCHESTER PT 2 & 3, 12R7446; T/W & S/T R613698; ESSEX AMENDED BY LO 2003/01/21.			
<i>Address</i>	COUNTY ROAD 50 HARROW			

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 UCG LAND INC.
Acting as a company
Address for Service 144 Front Street West, Suite 700, Toronto, Ontario M5J 2L7
A person or persons with authority to bind the corporation has/have consented to the registration of this document.
This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name THE BANK OF NOVA SCOTIA
Acting as a company
Address for Service 4715 Tahoe Blvd., Mississauga, Ontario, L4W 0B4

Provisions

<i>Principal</i>	\$20,000,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>			
<i>Balance Due Date</i>			
<i>Interest Rate</i>	Prime plus 6% per annum		
<i>Payments</i>			
<i>Interest Adjustment Date</i>			
<i>Payment Date</i>	Payable On Demand		
<i>First Payment Date</i>			
<i>Last Payment Date</i>			
<i>Standard Charge Terms</i>	200012		
<i>Insurance Amount</i>	See standard charge terms		
<i>Guarantor</i>			

LRO # 12 Charge/Mortgage

In preparation on 2023 10 27 at 11:20

This document has not been submitted and may be incomplete.

yyyy mm dd Page 2 of 2

Additional Provisions

The Chargor agrees that the property described herein shall remain free and clear of all encumbrances, liens, mortgages, charges, security interests, and other financing agreements of any kind subordinate to the Chargee's interest in the property except those approved in writing by the Chargee throughout the term of this Charge/Mortgage and any renewal or renewals thereof and any such encumbrances which may arise without the Chargee's express consent will be immediately discharged by the Chargor.

The security now or hereinafter granted pursuant to a commitment letter dated September 25, 2023 between, inter alia, the Chargor and Chargee, as amended, restated, modified, supplemented, or replaced from time to time, and all documents ancillary thereto, shall be cross-collateralized with the security now or hereafter granted.

File Number

Chargee Client File Number :

0084265.85

This is Exhibit “P” referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS INDENTURE made this _____ day of _____, 2023,

BETWEEN:

UCG LAND INC.
(hereinafter called the "Assignor")

- and -

THE BANK OF NOVA SCOTIA
(hereinafter called the "Assignee")

WHEREAS:

- A. The Assignor has granted to the Assignee a charge/mortgage, which is registered against title to the Lands (as hereinafter defined) as the instrument immediately preceding the instrument containing the within Assignment (which, together with all amendments thereto and extensions and replacements thereof is hereinafter referred to as the "**Mortgage**") securing the sum of Twenty Million Dollars (\$20,000,000.00) and charging the lands described in the "Properties" section of the electronic form of Notice of Assignment of Rents – General to which this Schedule is attached, together with their appurtenant common interests (being hereinafter referred to as the "**Lands**");
- B. It was agreed that as further and additional security for the repayment of the monies secured by the Mortgage, the Assignor would execute this Assignment.

NOW THEREFORE IN CONSIDERATION of these premises and of such advances as may from time to time be made by the Assignee on the security of the Mortgage and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Assignor), the parties covenant as follows:

1. The Assignor hereby assigns, transfers and sets over unto the Assignee, its successors and assigns, all rents, profits, benefits and other sums now due, payable or recoverable or hereafter to become due, payable or recoverable:
 - (a) under every existing and future lease of and agreement to lease the whole or any portion of the Lands;
 - (b) in respect of every existing and future tenancy, use and occupation or license and concession in respect of the whole or any portion of the Lands, whether or not pursuant to any lease or agreement to lease;
 - (c) under every existing and future guarantee of all or any of the obligations of any existing or future tenant, user, occupier or licensee of the whole or any portion of the Lands;
 - (d) under any and all policies of insurance of whatsoever nature in respect of the whole or any portion of the Lands including without limitation, insurance against physical loss or damage to any buildings or improvements on the Lands or any loss of rent in respect thereof; and
 - (e) under all warranties and guarantees relating to the Lands or to the buildings, or improvements or chattels thereon,

(such sums herein collectively referred to as the "**Proceeds**" and the agreements noted above herein collectively referred to as the "**Agreements**"), with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Proceeds and to enforce payment thereof in the name of the Assignor, its successors and assigns.

2. Nothing contained herein shall be deemed to have the effect of making the Assignee responsible for the collection of the Proceeds or any part thereof or for the performance of any covenant by the Assignor or any other party contained in any of the Agreements and the Assignor agrees to observe and perform all of its obligations under each of the Agreements.

3. The Assignee shall be liable to account for only such monies as are actually received by the Assignee by virtue of this Assignment less all proper costs of collection and the net amount of such monies as are actually received by the Assignee may, in the exercise of its discretion, be applied on account of the amount owing under the Mortgage or be paid to the Assignor.

4. The Assignee shall not by reason of this Assignment or by reason of any steps, actions, distress or other proceedings taken to enforce any of its rights hereunder, be deemed to be a mortgagee in possession of the Lands or any part thereof.
5. Until default shall be made in the payment of any monies secured by the Mortgage or in the keeping or observance or performance of any covenant, proviso or condition therein or herein contained on the part of the Assignor to be kept, observed or performed and, thereafter during such period or periods as the Assignee may in writing authorize, the Assignor may, as trustee for the Assignee and subject to the provisions of this Assignment, collect the Proceeds due from time to time under any of the Agreements but nothing in this paragraph shall permit or authorize the Assignor to collect any rents or other payments contrary to the provisions of paragraph 7 hereof. The monies collected and received by the Assignor as trustee for the Assignee shall not be deemed to be applied in reduction of the monies secured by the Mortgage or this Assignment until actually paid by the Assignor to the Assignee and so applied by the Assignee.
6. The waiver by the Assignee of the strict performance of any covenants in the Mortgage or in this Assignment shall not constitute a waiver of or abrogate such covenants or be a waiver of any subsequent breach of the same or any other covenant.
7. The Assignor warrants and agrees with the Assignee that no rental in excess of one monthly instalment in advance, has been paid under any of the Agreements in respect of the Lands or any part thereof and that it will not demand or accept any of the rents under any of the Agreements in excess of one monthly instalment in advance.
8. The Assignor has not entered into and will not enter into any agreement with any tenant of the Lands or under any of the Agreements whereby any right of set-off shall or may arise between the Assignor and any tenant.
9. The Assignor does hereby declare and agree that any direction or request by the Assignee to pay any of the Proceeds to the Assignee, shall be sufficient warrant and authority to any tenant to make such payments, and the payment of any of the Proceeds to the Assignee shall be and operate as a discharge to the payor in the respect of the amount of the Proceeds so paid.
10. This Assignment is given as further security for the payment of the monies secured by the Mortgage and is given, pursuant to the Mortgage, to more fully set forth the terms of any assignment of Proceeds thereby granted, and is in addition to and not in substitution for any assignment of Proceeds thereby granted and shall not merge with the Mortgage.
11. The Assignor hereby agrees to execute such further assurances as may be reasonably required by the Assignee from time to time to perfect this Assignment and without limiting the generality of the foregoing whenever any of the Agreements not now existing is made or arises, the Assignor will, if required by the Assignee, forthwith give to the Assignee a specific assignment of any Proceeds therefrom or of the Agreements and will give any other parties to the Agreements a notice of such assignment and will obtain from them acknowledgements of such notice in any form which may be prescribed by the Assignee.
12. The Assignor agrees that it will only lease or agree to lease the Lands and all parts thereof at rents, on terms and conditions and for uses which are consistent with the practice and expectations of a prudent landlord for the premises to be leased.
13. This Assignment shall enure to the benefit of and be binding upon the parties hereto, their respective successors and assigns.
14. The Assignor hereby charges the Lands as security for payment of the obligations of the Assignor under this Assignment and consents to registration of this Assignment by the Assignee or its agent at such registry offices as the Assignee or its agent may in their discretion deem appropriate, including, but not limited to the registration of this Assignment against title to the Lands at the appropriate Land Registry Office having jurisdiction over the Lands.
15. Wherever the singular number or the masculine gender is used in this Assignment the same shall be construed as including the plural and feminine and neuter respectively where the fact or context so requires. In any case where this Assignment is executed by more than one party all covenants and agreements herein contained shall be construed and taken as against such executing parties as joint and several; and the heirs, executors, administrators, successors and assigns of any party executing this Assignment are jointly and severally bound by the covenants, agreements, stipulations and provisos herein contained. The covenants, agreements, stipulations and provisos herein stated shall be in addition to those granted or implied by statute.
16. This Assignment may be executed by the Assignor and transmitted by e-mail or other electronic transmission and if so executed and transmitted, this Assignment will, for all purposes, be effective and binding on such party, as if such party had delivered an originally executed document.

- 3 -

IN WITNESS WHEREOF the Assignor has hereunto subscribed its name and affixed its seal by the hands of its proper officers authorized in that behalf as of the day and year first above written.

UCG LAND INC.

Per: _____

Name: Manish Nayar

Title: President

Per: _____

Name: Robert Bruce Haynes

Title: Vice-President

We have the authority to bind the corporation

This is Exhibit “Q” referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

ASSIGNMENT OF INSURANCE

BETWEEN:

THE BANK OF NOVA SCOTIA
(the "Lender")

- and -

UCG LAND INC.
(the "Borrower")

WHEREAS:

- A. Pursuant to a commitment letter executed by, *inter alia*, the Borrower and Lender dated September 25, 2023, as amended, amended and restated, modified, supplemented, or replaced from time to time (the "**Commitment Letter**"), the Borrower agreed to borrow certain funds (the "**Credit Facilities**") from the Lender on the terms and conditions contained therein; and
- B. To secure the repayment of the Credit Facilities, the Borrower has agreed to grant a charge/mortgage in favour of the Lender (the "**Mortgage**") to be registered as a first mortgage charge against those lands identified in Schedule 'A' attached hereto (the "**Lands**") and to grant a security interest in the present and after acquired undertaking and property of the Borrower pursuant to a general security agreement.

NOW THEREFORE, IN CONSIDERATION OF the advance of the Credit Facilities from the Lender to the Borrower, the Borrower hereby agrees as follows:

- 1. The Borrower hereby assigns to the Lender the benefit of all insurance policies maintained by the Borrower in respect of the Lands and the Borrower's present and after acquired undertaking and property, including, without restriction, those insurance policies described in Schedule "A" attached hereto (the "**Policies**"). Without restricting the generality of the foregoing, all of the Borrower's rights and benefits under the Policies are hereby vested in the Lender, including the right to bring action to recover monies under the Policies. Provided however that, nothing contained in this agreement shall be construed so as to oblige the Lender to pay any premiums owing under the Policies or to otherwise maintain the Policies in good standing.
- 2. So long as the Credit Facilities, or any portion thereof, remains outstanding, the Borrower shall:
 - (a) keep and maintain insurance on the Lands and the present and after acquired undertaking and property of the Borrower in accordance with the requirements of the Lender as set forth in the Commitment Letter and the security granted pursuant thereto;
 - (b) pay all premiums owing in respect of the Policies as the same become due;
 - (c) refrain from committing or omitting any acts which could or would affect the validity or enforceability of the Policies;

- 2 -

- (d) from time to time, at the reasonable request of the Lender, provide the Lender with evidence that the Policies have been obtained and are in good standing.
3. Notwithstanding anything contained herein, it is acknowledged and agreed that this Assignment is taken as security for the repayment of the Credit Facilities and that, upon repayment in full of the Credit Facilities (and all other monies owing pursuant to the Commitment Letter and the security granted pursuant thereto) this Assignment shall become null and void.
4. This Assignment shall enure to the benefit of and be binding upon the parties hereto, together with their successors and permitted assigns.

IN WITNESS WHEREOF the Borrower has signed this Assignment on the ____ day of _____, 2023.

UCG LAND INC.

Per: _____

Name: Manish Nayar

Title: President

Per: _____

Name: Robert Bruce Haynes

Title: Vice-President

We have the authority to bind the corporation

SCHEDULE A**PROPERTIES**

- PROPERTY #1:** Part of 1050 Ferris Road
PART LT 58 CONCESSION 1 OR FRONT COLCHESTER, PART 2
12R5006 SAVE AND EXCEPT PART 1 12R28819; TOWN OF ESSEX and
being the whole of PIN 75198-0187(LT) in Land Registry Office No.: 12
- PROPERTY #2:** Vacant Land Ferris Road
PT LT 16 CON GORE OR 2ND RANGE COLCHESTER PT 1
12R11909, EXCEPT PT 1, 12R14883; ESSEX and being the whole of PIN
75194-0023(LT) in Land Registry Office No.: 12
- PROPERTY #3:** 1340 County Road 13
PT LT 12 CON GORE OR 2ND RANGE COLCHESTER BEING PTS 2,3
AND 4 ON PL 12R25796; TOWN OF ESSEX and being the whole of PIN
75199-0257(LT) in Land Registry Office No.: 12
- PROPERTY #4:** 1090-1116 Ridge Road
PT LT 4 PL 178 COLCHESTER AS IN R843148; ESSEX and being the
whole of PIN 75194-0156(LT) in Land Registry Office No.: 12
- PROPERTY #5:** 1090-1116 Ridge Road
PT LT 6-8 PL 178 AS IN R1371764, EXCEPT PT 1 PL 12R15636, PT LTS
48, 49 CON 1 OR FRONT, DESIGNATED AS PT 1 PL 12R21178; ESSEX
and being the whole of PIN 75194-0198(LT) in Land Registry Office No.:
12
- PROPERTY #6:** 1090-1116 Ridge Road
PT LT 9 PL 178 COLCHESTER PT 2 & 3, 12R7446; T/W & S/T R613698;
ESSEX AMENDED BY LO 2003/01/21 and being the whole of PIN 75187-
0007(LT) in Land Registry Office No.: 12

SCHEDULE "A"

See attached binder and/or summary of coverage

This is Exhibit "R" referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

Your Ref No. 3890680D-B5C2-4690-A
Liens : 23 Pages : 30

Searched : 08JAN2025 04:40 PM
Printed : 08JAN2025 04:39 PM

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/08/2025
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 16:38:11
ACCOUNT : 009233-0001 FAMILY : 1 OF 23 ENQUIRY PAGE : 1 OF 30
FILE CURRENCY : 07JAN 2025
SEARCH : BD : UPPER CANADA GROWERS LTD.

00 FILE NUMBER : 500604255 EXPIRY DATE : 23NOV 2028 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20231123 1448 1590 9388 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: UPPER CANADA GROWERS LTD.

OCN :

04 ADDRESS : 921 CONCESSION 2 ROAD
CITY : NIAGARA-ON-THE-LAKE PROV: ON POSTAL CODE: L0S 1J0
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :

07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
THE BANK OF NOVA SCOTIA

09 ADDRESS : 4715 TAHOE BLVD
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4W 0B4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 X X X X X
YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT: MILLER THOMSON LLP (SW0)

17 ADDRESS : 255 QUEENS AVENUE, SUITE 2010
CITY : LONDON PROV: ON POSTAL CODE: N6A 5R8

00 FILE NUMBER : 502397973 EXPIRY DATE : 01FEB 2029 STATUS :
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20240201 1004 1462 9046 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: UPPER CANADA GROWERS LTD

OCN :
04 ADDRESS : 1090 RIDGE RD
CITY : HARROW PROV: ON POSTAL CODE: N0R1G0
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
KUBOTA CANADA LTD

09 ADDRESS : 1155 KUBOTA DRIVE
CITY : PICKERING PROV: ON POSTAL CODE: L1X0H4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X 142273 X
YEAR MAKE MODEL V.I.N.
11 2024 KUBOTA !R640 KBC5Z63CPPZH11623

12
GENERAL COLLATERAL DESCRIPTION
13 2024 KUBOTA !R640 KBC5Z63CPPZH11623

14
15
16 AGENT: PPSA CANADA INC - (5156)
17 ADDRESS : 303-110 SHEPPARD AVE. E.
CITY : TORONTO PROV: ON POSTAL CODE: M2N6Y8

PSSME02PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM01/08/2025138
CCCL369DISPLAY 1C REGISTRATION - SCREEN 116:38:12
ACCOUNT : 009233-0001FAMILY : 3 OF 23ENQUIRY PAGE : 3 OF 30
FILE CURRENCY : 07JAN 2025
SEARCH : BD : UPPER CANADA GROWERS LTD.

00 FILE NUMBER : 503094186EXPIRY DATE : 01MAR 2029STATUS :
01 CAUTION FILING :PAGE : 01 OF 001MV SCHEDULE ATTACHED :
REG NUM : 20240229 1003 1462 0688 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB :IND NAME:
03 BUS NAME: UPPER CANADA GROWERS LTD
OCN :
04 ADDRESS : 1090 RIDGE RD
CITY : HARROWPROV: ONPOSTAL CODE: N0R1G0
05 IND DOB :IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY :PROV:POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :
KUBOTA CANADA LTD
09 ADDRESS : 1155 KUBOTA DRIVE
CITY : PICKERINGPROV: ONPOSTAL CODE: L1X0H4
CONS. MVDATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X 255553 X
YEAR MAKEMODELV.I.N.
11 2024 KUBOTA#M5N-111HDCC24KBUM6EDCCP8C50927
12 2024 KUBOTA#M5N-111HDCC24KBUM6EDCJP8D50928
GENERAL COLLATERAL DESCRIPTION
13 2024 KUBOTA #M5N-111HDCC24 KBUM6EDCCP8C50927
14 2024 KUBOTA #M5N-111HDCC24 KBUM6EDCJP8D50928
15
16 AGENT: PPSA CANADA INC - (5156)
17 ADDRESS : 303-110 SHEPPARD AVE. E.
CITY : TORONTOPROV: ONPOSTAL CODE: M2N6Y8

PSSME02PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM01/08/2025139
CCCL369DISPLAY 1C REGISTRATION - SCREEN 116:38:13
ACCOUNT : 009233-0001FAMILY : 4 OF 23ENQUIRY PAGE : 4 OF 30
FILE CURRENCY : 07JAN 2025
SEARCH : BD : UPPER CANADA GROWERS LTD.

00 FILE NUMBER : 503458983EXPIRY DATE : 13MAR 2029STATUS :
01 CAUTION FILING :PAGE : 001 OF 1MV SCHEDULE ATTACHED :
REG NUM : 20240313 0857 1590 4337 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB :IND NAME:
03 BUS NAME: UCG LAND INC.

OCN :
04 ADDRESS : 144 FRONT STREET WEST, SUITE 700
CITY : TORONTOPROV: ONPOSTAL CODE: M5J 2L7
05 IND DOB :IND NAME:
06 BUS NAME: UPPER CANADA GROWERS LTD.

OCN :
07 ADDRESS : 921 CONCESSION 2 ROAD
CITY : NIAGARA-ON-THE-LAKE,PROV: ONPOSTAL CODE: L0S 1J0
08 SECURED PARTY/LIEN CLAIMANT :
THE BANK OF NOVA SCOTIA
09 ADDRESS : 4715 TAHOE BLVD.
CITY : MISSISSAUGA
PROV: ONPOSTAL CODE: L4W 0B4
CONS. MVDATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10
YEAR MAKEMODELV.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13 GENERAL ASSIGNMENT OF LEASES AND RENTS
14
15
16 AGENT: MILLER THOMSON LLP (TORONTO)
17 ADDRESS : 5800-40 KING ST W
CITY : TORONTOPROV: ONPOSTAL CODE: M5H 3S1

00 FILE NUMBER : 504266301 EXPIRY DATE : 09APR 2028 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20240409 1128 1532 2414 REG TYP: P PPSA REG PERIOD: 04
02 IND DOB : IND NAME:
03 BUS NAME: UPPER CANADA GROWERS LTD.

OCN :
04 ADDRESS : 921 CONCESSION RD 2
CITY : NIAGARA ON THE LAKE PROV: ON POSTAL CODE: L0S1J0
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :
FORD CREDIT CANADA LEASING, DIVISION OF CANADIAN ROAD LEASING COMPANY
09 ADDRESS : PO BOX 8651 STN MAIN
CITY : CONCORD PROV: ON POSTAL CODE: L4K 0N8
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X
YEAR MAKE MODEL V.I.N.
11 2024 LINCOLN AVIATOR 5LM5J7XC0RGL00369

12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT: D + H LIMITED PARTNERSHIP
17 ADDRESS : 2 ROBERT SPECK PARKWAY, 15TH FLOOR
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4Z 1H8

00 FILE NUMBER : 511008822

EXPIRY DATE : 13NOV 2034

STATUS :

01 CAUTION FILING :

PAGE : 001 OF 1

MV SCHEDULE ATTACHED :

REG NUM : 20241113 1435 1590 5753

REG TYP: P

PPSA

REG PERIOD: 10

02 IND DOB :

IND NAME:

03 BUS NAME: UPPER CANADA GROWERS LTD.

OCN : 1954532

04 ADDRESS : 149 READ ROAD

CITY : NIAGARA ON THE LAKE

PROV: ON

POSTAL CODE: L0S 1J0

05 IND DOB :

IND NAME:

06 BUS NAME:

OCN :

07 ADDRESS :

CITY :

PROV:

POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

OYA SOLAR INC.

09 ADDRESS : C/O 6889 REXWOOD RD UNIT #5

CITY : MISSISSAUGA

PROV: ON

POSTAL CODE: L4V 1R2

CONS.

MV

DATE OF OR NO FIXED

GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 X X X X

YEAR MAKE

MODEL

V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13 PURSUANT TO A PROMISSORY NOTE AND SUPPORTING GENERAL SECURITY

14 AGREEMENT ENTERED INTO BETWEEN DEBTOR AND CREDITOR.

15

16 AGENT: HIMELFARB PROSZANSKI (20240076)

17 ADDRESS : 1401-480 UNIVERSITY AVENUE

CITY : TORONTO

PROV: ON

POSTAL CODE: M5G 1V2

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/08/2025 142
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 16:38:15
ACCOUNT : 009233-0001 FAMILY : 7 OF 23 ENQUIRY PAGE : 7 OF 30
FILE CURRENCY : 07JAN 2025
SEARCH : BD : UPPER CANADA GROWERS LTD.

00 FILE NUMBER : 757680048 EXPIRY DATE : 18NOV 2025 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20191118 1159 6005 5733 REG TYP: P PPSA REG PERIOD: 06
02 IND DOB : IND NAME:
03 BUS NAME: UPPER CANADA GROWERS LTD.

OCN :

04 ADDRESS : PO BOX 252
CITY : VIRGIL PROV: ON POSTAL CODE: L0S 1T0
05 IND DOB : IND NAME:
06 BUS NAME: UPPER CANADA GROWERS

OCN :

07 ADDRESS : PO BOX 252
CITY : VIRGIL PROV: ON POSTAL CODE: L0S 1T0

08 SECURED PARTY/LIEN CLAIMANT :
CWB NATIONAL LEASING INC.

09 ADDRESS : 1525 BUFFALO PLACE (2962676)
CITY : WINNIPEG PROV: MB POSTAL CODE: R3T 1L9
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 X
YEAR MAKE MODEL V.I.N.
11 2011 HYSTER FORKLIFT HY 60FT L177V07112J

12

GENERAL COLLATERAL DESCRIPTION

13 AGREEMENT NUMBER 2962676, TOGETHER WITH ALL ATTACHMENTS,
14 ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY
15 OR INDIRECTLY THEREFROM.

16 AGENT:

17 ADDRESS :
CITY : PROV: POSTAL CODE:

00 FILE NUMBER : 761348727 EXPIRY DATE : 01APR 2025 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20200401 1353 5098 7303 REG TYP: P PPSA REG PERIOD: 05
02 IND DOB : IND NAME:
03 BUS NAME: UPPER CANADA GROWERS LTD.

OCN :
04 ADDRESS : 149 READ RD
CITY : NIAGARA-ON-THE-LAKE PROV: ON POSTAL CODE: L0S 1J0
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
FARM CREDIT CANADA

09 ADDRESS : 1133 ST. GEORGE BLVD, SUITE 200
CITY : MONCTON PROV: NB POSTAL CODE: E1E 4E1
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

11
12
GENERAL COLLATERAL DESCRIPTION

13
14
15
16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/08/2025 144
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 16:38:16
ACCOUNT : 009233-0001 FAMILY : 9 OF 23 ENQUIRY PAGE : 9 OF 30
FILE CURRENCY : 07JAN 2025
SEARCH : BD : UPPER CANADA GROWERS LTD.

00 FILE NUMBER : 763121394 EXPIRY DATE : 29JUN 2027 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
 REG NUM : 20200629 0813 1532 4123 REG TYP: P PPSA REG PERIOD: 07
02 IND DOB : 05APR1989 IND NAME: MEGAN L HAYNES
03 BUS NAME:

OCN :

04 ADDRESS : 17-1448 NIAGARA STONE RD
 CITY : VIRGIL PROV: ON POSTAL CODE: L0S1T0
05 IND DOB : 05APR1989 IND NAME: MEGAN L HAYNES
06 BUS NAME:

OCN :

07 ADDRESS : 17-1448 NIAGARA STONE RD
 CITY : VIRGIL PROV: ON POSTAL CODE: L0S1T0

08 SECURED PARTY/LIEN CLAIMANT :
 FORD CREDIT CANADA COMPANY

09 ADDRESS : PO BOX 2400
 CITY : EDMONTON PROV: AB POSTAL CODE: T5J 5C7
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
 YEAR MAKE MODEL V.I.N.
11 2020 FORD EDGE 2FMPK3J93LBA65205

12

GENERAL COLLATERAL DESCRIPTION

13 THE FULL DEBTOR NAME IS - MEGAN LINDSAY HAYNES

14

15

16 AGENT: D + H LIMITED PARTNERSHIP

17 ADDRESS : 2 ROBERT SPECK PARKWAY, 15TH FLOOR

 CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4Z 1H8

PAGE TOT
01 CAUTION : 001 OF 1
21 REFERENCE FILE NUMBER : 763121394
22 AMEND PAGE: NO PAGE: CHANGE: A
23 REFERENCE DEBTOR/ IND NAME: MEGAN
24 TRANSFEROR: BUS NAME:

MV SCHED: 20220228 0906 1532 2673
AMNDMNT REN YEARS:
L HAYNES
BUS NAME:

FILE NUMBER 763121394
REGISTRATION NUM
REG TYPE

25 OTHER CHANGE:
26 REASON: RELEASING MEGAN LINDSAY HAYNES ADDING UPPER CANADA GROWERS LTD.
27 /DESCR:
28 :
02/05 IND/TRANSFeree:
03/06 BUS NAME/TRFEE: UPPER CANADA GROWERS LTD.

OCN:

04/07 ADDRESS: 921 CONCESSION ROAD
CITY: NIAGARA ON THE LAKE
29 ASSIGNOR:

PROV: ON
POSTAL CODE: L0S 1J0

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :
CITY :
CONS.
GOODS INVTRY EQUIP ACCTS OTHER
10 X X
11
12
13
14
15

PROV :
MV
INCL
X

POSTAL CODE :
DATE OF
Maturity OR
NO FIXED
MAT DATE
X

AMOUNT

16 NAME : D + H LIMITED PARTNERSHIP
17 ADDRESS : 2 ROBERT SPECK PARKWAY, 15TH FLOOR
CITY : MISSISSAUGA

PROV : ON
POSTAL CODE : L4Z 1H8

PSSME02PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM01/08/2025146
CCCL369DISPLAY 1C REGISTRATION - SCREEN 116:38:22
ACCOUNT : 009233-0001FAMILY : 10 OF 23ENQUIRY PAGE : 11 OF 30
FILE CURRENCY : 07JAN 2025
SEARCH : BD : UPPER CANADA GROWERS LTD.

00 FILE NUMBER : 772773912EXPIRY DATE : 25MAY 2027STATUS :
01 CAUTION FILING :PAGE : 001 OF 1MV SCHEDULE ATTACHED :
REG NUM : 20210525 1355 1532 5693 REG TYP: P PPSA REG PERIOD: 06
02 IND DOB :IND NAME:
03 BUS NAME: UPPER CANADA GROWERS LTD.

OCN :
04 ADDRESS : 9218 CONCESSION RD 2
CITY : NIAGARA ON THE LAKEPROV: ONPOSTAL CODE: L0S1J0
05 IND DOB :IND NAME:
06 BUS NAME:

OCN :
07 ADDRESS :
CITY :PROV:POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :
FORD CREDIT CANADA COMPANY
09 ADDRESS : PO BOX 2400
CITY : EDMONTONPROV: ABPOSTAL CODE: T5J 5C7
CONS. MVDATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCLAMOUNTMATURITYMAT DATE
10X X X X
YEAR MAKEMODELV.I.N.
11 2021 FORDEXPLR1FM5K8GC7MGB09157
12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT: D + H LIMITED PARTNERSHIP
17 ADDRESS : 2 ROBERT SPECK PARKWAY, 15TH FLOOR
CITY : MISSISSAUGA PROV: ONPOSTAL CODE: L4Z 1H8

00 FILE NUMBER : 774486252 EXPIRY DATE : 16JUL 2025 STATUS :
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20210716 1002 1462 7061 REG TYP: P PPSA REG PERIOD: 4
02 IND DOB : IND NAME:
03 BUS NAME: UPPER CANADA GROWERS LTD

OCN :
04 ADDRESS : 1090 RIDGE RD
CITY : HARROW PROV: ON POSTAL CODE: N0R1G0
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
KUBOTA CANADA LTD

09 ADDRESS : 5900 14TH AVE
CITY : MARKHAM PROV: ON POSTAL CODE: L3S4K4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X 124905 X
YEAR MAKE MODEL V.I.N.
11 2021 KUBOTA !KX080-4S2 KBCDZ84CCM3C11642

12
GENERAL COLLATERAL DESCRIPTION
13 2021 KUBOTA !KX080-4S2 KBCDZ84CCM3C11642

14
15
16 AGENT: PPSA CANADA INC - (5156)
17 ADDRESS : 303-110 SHEPPARD AVE. E.
CITY : TORONTO PROV: ON POSTAL CODE: M2N6Y8

PSSME02PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM01/08/2025148
CCCL369DISPLAY 1C REGISTRATION - SCREEN 116:38:23
ACCOUNT : 009233-0001FAMILY : 12 OF 23ENQUIRY PAGE : 13 OF 30
FILE CURRENCY : 07JAN 2025
SEARCH : BD : UPPER CANADA GROWERS LTD.

00 FILE NUMBER : 777398283 EXPIRY DATE : 18OCT 2026 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20211018 1512 1532 6425 REG TYP: P PPSA REG PERIOD: 05
02 IND DOB : IND NAME:
03 BUS NAME: UPPER CANADA GROWERS LTD.
OCN :
04 ADDRESS : 921 CON RD 2
CITY : NIAGARA-ON-THE-LAKE PROV: ON POSTAL CODE: L0S1L0
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :
FORD CREDIT CANADA COMPANY
09 ADDRESS : BOX 1800 RPO LAKESHORE WEST
CITY : OAKVILLE PROV: ON POSTAL CODE: L6K 0J8
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X
YEAR MAKE MODEL V.I.N.
11 2021 FORD F150 1FTFW1E86MFC83228
12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT: D + H LIMITED PARTNERSHIP
17 ADDRESS : 2 ROBERT SPECK PARKWAY, 15TH FLOOR
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4Z 1H8

PSSME02PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM01/08/2025149
CCCL369DISPLAY 1C REGISTRATION - SCREEN 116:38:23
ACCOUNT : 009233-0001FAMILY : 13 OF 23ENQUIRY PAGE : 14 OF 30
FILE CURRENCY : 07JAN 2025
SEARCH : BD : UPPER CANADA GROWERS LTD.

00 FILE NUMBER : 777762135EXPIRY DATE : 29OCT 2026STATUS :
01 CAUTION FILING :PAGE : 01 OF 001MV SCHEDULE ATTACHED :
REG NUM : 20211029 1002 1462 1900 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB :IND NAME:
03 BUS NAME: UPPER CANADA GROWERS LTD

OCN :
04 ADDRESS : 1090 RIDGE RD
CITY : HARROWPROV: ONPOSTAL CODE: N0R1G0
05 IND DOB :IND NAME:
06 BUS NAME:

OCN :
07 ADDRESS :
CITY :PROV:POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :
KUBOTA CANADA LTD

09 ADDRESS : 5900 14TH AVE
CITY : MARKHAMPROV: ONPOSTAL CODE: L3S4K4
CONS. MVDATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10X X X 96342X
YEAR MAKEMODELV.I.N.
11 2021 KUBOTA#M5N-111HDCC24KBUM6EDCPM8C50689

12
GENERAL COLLATERAL DESCRIPTION
13 2021 KUBOTA #M5N-111HDCC24 KBUM6EDCPM8C50689
14
15
16 AGENT: PPSA CANADA INC - (5156)
17 ADDRESS : 303-110 SHEPPARD AVE. E.
CITY : TORONTOPROV: ONPOSTAL CODE: M2N6Y8

PSSME02PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM01/08/2025150
CCCL369DISPLAY 1C REGISTRATION - SCREEN 116:38:24
ACCOUNT : 009233-0001FAMILY : 14 OF 23ENQUIRY PAGE : 15 OF 30
FILE CURRENCY : 07JAN 2025
SEARCH : BD : UPPER CANADA GROWERS LTD.

00 FILE NUMBER : 777762279EXPIRY DATE : 29OCT 2026STATUS :
01 CAUTION FILING :PAGE : 01 OF 001MV SCHEDULE ATTACHED :
REG NUM : 20211029 1002 1462 1914 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB :IND NAME:
03 BUS NAME: UPPER CANADA GROWERS LTD

OCN :
04 ADDRESS : 1090 RIDGE RD
CITY : HARROWPROV: ONPOSTAL CODE: N0R1G0
05 IND DOB :IND NAME:
06 BUS NAME:

OCN :
07 ADDRESS :
CITY :PROV:POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :
KUBOTA CANADA LTD

09 ADDRESS : 5900 14TH AVE
CITY : MARKHAMPROV: ONPOSTAL CODE: L3S4K4
CONS. MVDATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10X X X 96342X
YEAR MAKEMODELV.I.N.
11 2021 KUBOTA#M5N-111HDCC24KBUM6EDCKL8K50656
12

GENERAL COLLATERAL DESCRIPTION
13 2021 KUBOTA #M5N-111HDCC24 KBUM6EDCKL8K50656
14
15

16 AGENT: PPSA CANADA INC - (5156)
17 ADDRESS : 303-110 SHEPPARD AVE. E.
CITY : TORONTOPROV: ONPOSTAL CODE: M2N6Y8

PSSME02PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM01/08/2025151
CCCL369DISPLAY 1C REGISTRATION - SCREEN 116:38:25
ACCOUNT : 009233-0001FAMILY : 15 OF 23ENQUIRY PAGE : 16 OF 30
FILE CURRENCY : 07JAN 2025
SEARCH : BD : UPPER CANADA GROWERS LTD.

00 FILE NUMBER : 781113258EXPIRY DATE : 15MAR 2025STATUS :
01 CAUTION FILING :PAGE : 01 OF 001MV SCHEDULE ATTACHED :
REG NUM : 20220315 1002 1462 8738 REG TYP: P PPSA REG PERIOD: 3
02 IND DOB :IND NAME:
03 BUS NAME: UPPER CANADA GROWERS LTD

OCN :
04 ADDRESS : 1090 RIDGE RD
CITY : HARROWPROV: ONPOSTAL CODE: N0R1G0
05 IND DOB :IND NAME:
06 BUS NAME:

OCN :
07 ADDRESS :
CITY :PROV:POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :
KUBOTA CANADA LTD

09 ADDRESS : 5900 14TH AVE
CITY : MARKHAMPROV: ONPOSTAL CODE: L3S4K4
CONS. MVDATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10X X X 24187X
YEAR MAKEMODELV.I.N.
11 2022 KUBOTA#RTV-X1140A5KD2GDBKNG049466
12

GENERAL COLLATERAL DESCRIPTION
13 2022 KUBOTA #RTV-X1140 A5KD2GDBKNG049466
14
15

16 AGENT: PPSA CANADA INC - (5156)
17 ADDRESS : 303-110 SHEPPARD AVE. E.
CITY : TORONTOPROV: ONPOSTAL CODE: M2N6Y8

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PSSME02          PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM          01/08/2025
CCCL369          DISPLAY 1C REGISTRATION - SCREEN 1                     16:38:25
ACCOUNT : 009233-0001          FAMILY : 16 OF 23          ENQUIRY PAGE : 17 OF 30
FILE CURRENCY : 07JAN 2025
SEARCH  : BD  : UPPER CANADA GROWERS LTD.

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00 FILE NUMBER : 789361812    EXPIRY DATE : 16DEC 2028 STATUS :
01 CAUTION FILING :          PAGE : 01 OF 001    MV SCHEDULE ATTACHED :
    REG NUM : 20221216 1003 1462 2988 REG TYP: P  PPSA    REG PERIOD: 6
02 IND DOB :                IND NAME:
03 BUS NAME: UPPER CANADA GROWERS LTD

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```
04 ADDRESS : 1090 RIDGE RD
   CITY    : HARROW          PROV: ON      POSTAL CODE: N0R1G0
05 IND DOB :                IND NAME:
06 BUS NAME:
```

07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
KUBOTA CANADA LTD

09	ADDRESS : 1155 KUBOTA DRIVE									
	CITY : PICKERING					PROV: ON		POSTAL CODE: L1X0H4		
	CONS. INVTRY. EQUIP ACCTS OTHER					MV INCL		DATE OF OR NO FIXED		
						AMOUNT		MATURITY MAT DATE		
10	X X X					199068		X		
	YEAR MAKE				MODEL		V.I.N.			
11	2022 KUBOTA				#M7-172D-PS		KBTMKHSAHMF11508			

12

GENERAL COLLATERAL DESCRIPTION
13 2022 KUBOTA #M7-172D-PS KBTMKHSAHMFG11508

14
15
16 AGENT: PPSA CANADA INC - (5156)
17 ADDRESS : 303-110 SHEPPARD AVE. E.
CITY : TORONTO PROV: ON POSTAL CODE: M2N6Y8

16 AGENT: PPSA CANADA INC - (5156)

17 ADDRESS : 303-110 SHEPPARD AVE. E.

CITY : TORONTO PROV: ON POSTAL CODE: M2N6Y8

PSSME02PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM01/08/2025153
CCCL369DISPLAY 1C REGISTRATION - SCREEN 116:38:26
ACCOUNT : 009233-0001FAMILY : 17 OF 23ENQUIRY PAGE : 18 OF 30
FILE CURRENCY : 07JAN 2025
SEARCH : BD : UPPER CANADA GROWERS LTD.

00 FILE NUMBER : 790720659EXPIRY DATE : 13FEB 2028STATUS :
01 CAUTION FILING :PAGE : 001 OF 1MV SCHEDULE ATTACHED :
REG NUM : 20230213 1554 1532 0965 REG TYP: P PPSA REG PERIOD: 05
02 IND DOB :IND NAME:
03 BUS NAME: UPPER CANADA GROWERS LTD.OCN :

04 ADDRESS : 921 CONCESSION RD 2
CITY : NIAGARA ON THE LAKEPROV: ONPOSTAL CODE: L0S1J0
05 IND DOB :IND NAME:
06 BUS NAME:OCN :

07 ADDRESS :
CITY :PROV:POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :
FORD CREDIT CANADA COMPANY
09 ADDRESS : BOX 1800 RPO LAKESHORE WEST
CITY : OAKVILLEPROV: ONPOSTAL CODE: L6K 0J8
CONS. MVDATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X
YEAR MAKEMODELV.I.N.
11 2023 FORDT350HD1FDVU4X81PKA52907
12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT: D + H LIMITED PARTNERSHIP
17 ADDRESS : 2 ROBERT SPECK PARKWAY, 15TH FLOOR
CITY : MISSISSAUGAPROV: ONPOSTAL CODE: L4Z 1H8

PSSME02PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM01/08/2025154
CCCL369DISPLAY 1C REGISTRATION - SCREEN 116:38:26
ACCOUNT : 009233-0001FAMILY : 18 OF 23ENQUIRY PAGE : 19 OF 30
FILE CURRENCY : 07JAN 2025
SEARCH : BD : UPPER CANADA GROWERS LTD.

00 FILE NUMBER : 790928721EXPIRY DATE : 22FEB 2026STATUS :
01 CAUTION FILING :PAGE : 01 OF 001MV SCHEDULE ATTACHED :
REG NUM : 20230222 1002 1462 9102 REG TYP: P PPSA REG PERIOD: 3
02 IND DOB :IND NAME:
03 BUS NAME: UPPER CANADA GROWERS LTD

OCN :
04 ADDRESS : 1090 RIDGE RD
CITY : HARROWPROV: ONPOSTAL CODE: N0R1G0
05 IND DOB :IND NAME:
06 BUS NAME:

OCN :
07 ADDRESS :
CITY :PROV:POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :
KUBOTA CANADA LTD

09 ADDRESS : 1155 KUBOTA DRIVE
CITY : PICKERINGPROV: ONPOSTAL CODE: L1X0H4
CONS. MVDATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10X X X 19557X
YEAR MAKEMODELV.I.N.
11 2022 KUBOTA#RTV-X900GA5KB2FDBPNG075274
12

GENERAL COLLATERAL DESCRIPTION
13 2022 KUBOTA #RTV-X900G A5KB2FDBPNG075274
14
15

16 AGENT: PPSA CANADA INC - (5156)
17 ADDRESS : 303-110 SHEPPARD AVE. E.
CITY : TORONTOPROV: ONPOSTAL CODE: M2N6Y8

PSSME02PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM01/08/2025155
CCCL369DISPLAY 1C REGISTRATION - SCREEN 116:38:27
ACCOUNT : 009233-0001FAMILY : 19 OF 23ENQUIRY PAGE : 20 OF 30
FILE CURRENCY : 07JAN 2025
SEARCH : BD : UPPER CANADA GROWERS LTD.

00 FILE NUMBER : 792160236 EXPIRY DATE : 06APR 2027 STATUS :
01 CAUTION FILING : PAGE : 01 OF 002 MV SCHEDULE ATTACHED :
REG NUM : 20230406 1003 1462 7537 REG TYP: P PPSA REG PERIOD: 4
02 IND DOB : IND NAME:
03 BUS NAME: UPPER CANADA GROWERS LTD
OCN :
04 ADDRESS : 1090 RIDGE RD
CITY : HARROW PROV: ON POSTAL CODE: N0R1G0
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :
KUBOTA CANADA LTD
09 ADDRESS : 1155 KUBOTA DRIVE
CITY : PICKERING PROV: ON POSTAL CODE: L1X0H4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X 212646 X
YEAR MAKE MODEL V.I.N.
11 2021 KUBOTA #M5N-111HDCC24 KBUM6EDCPM8B50673
12 2023 KUBOTA *M9100 2071696D
GENERAL COLLATERAL DESCRIPTION
13 2021 KUBOTA #M5N-111HDCC24 KBUM6EDCPM8B50673
14 2023 KUBOTA *M9100 2071696D
15 2021 KUBOTA #M5N-111HDCC24 KBUM6EDCJL8K50657
16 AGENT: PPSA CANADA INC - (5156)
17 ADDRESS : 303-110 SHEPPARD AVE. E.
CITY : TORONTO PROV: ON POSTAL CODE: M2N6Y8

PSSME02PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM01/08/2025156
CCCL369DISPLAY 1C REGISTRATION - SCREEN 116:38:32
ACCOUNT : 009233-0001FAMILY : 19 OF 23ENQUIRY PAGE : 21 OF 30
FILE CURRENCY : 07JAN 2025
SEARCH : BD : UPPER CANADA GROWERS LTD.

00 FILE NUMBER : 792160236EXPIRY DATE : 06APR 2027STATUS :
01 CAUTION FILING :PAGE : 02 OF 002MV SCHEDULE ATTACHED :
REG NUM : 20230406 1003 1462 7537 REG TYP: P PPSA REG PERIOD: 4
02 IND DOB :IND NAME:
03 BUS NAME:OCN :
04 ADDRESS :
CITY :PROV:POSTAL CODE:
05 IND DOB :IND NAME:
06 BUS NAME:OCN :
07 ADDRESS :
CITY :PROV:POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :
09 ADDRESS :
CITY :PROV:POSTAL CODE:
CONS.MVDATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKEMODELV.I.N.
11 2021 KUBOTA#M5N-111HDCC24KBUM6EDCJL8K50657
12 2023 KUBOTA*M910042083436A
GENERAL COLLATERAL DESCRIPTION
13 2023 KUBOTA *M9100 42083436A
14
15
16 AGENT: PPSA CANADA INC - (5156)
17 ADDRESS : 303-110 SHEPPARD AVE. E.
CITY : TORONTOPROV: ONPOSTAL CODE: M2N6Y8

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/08/2025 157
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 16:38:33
ACCOUNT : 009233-0001 FAMILY : 20 OF 23 ENQUIRY PAGE : 22 OF 30
FILE CURRENCY : 07JAN 2025
SEARCH : BD : UPPER CANADA GROWERS LTD.

00 FILE NUMBER : 793447398 EXPIRY DATE : 18MAY 2029 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20230518 1520 1902 1630 REG TYP: P PPSA REG PERIOD: 06
02 IND DOB : IND NAME:
03 BUS NAME: UPPER CANADA GROWERS LTD

OCN :

04 ADDRESS : 921 CONCESSION 2 ROAD
CITY : NIAGARA-ON-THE-LAKE PROV: ON POSTAL CODE: L0S 1J0
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :

07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
MERIDIAN ONECAP CREDIT CORP.

09 ADDRESS : 204 - 3185 WILLINGDON GREEN
CITY : BURNABY PROV: BC POSTAL CODE: V5G 4P3
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 X X
YEAR MAKE MODEL V.I.N.
11 2022 HYUNDAI HX130A LCR HHKHE322PE0000103

12

GENERAL COLLATERAL DESCRIPTION

13 EXCAVATOR(S) TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS
14 REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL
15 PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE
16 AGENT: ESC CORPORATE SERVICES LTD.
17 ADDRESS : 201-1325 POLSON DR.
CITY : VERNON PROV: BC POSTAL CODE: V1T 8H2

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/08/2025 158
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 16:38:33
ACCOUNT : 009233-0001 FAMILY : 20 OF 23 ENQUIRY PAGE : 23 OF 30
FILE CURRENCY : 07JAN 2025
SEARCH : BD : UPPER CANADA GROWERS LTD.

00 FILE NUMBER : 793447398 EXPIRY DATE : 18MAY 2029 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
 REG NUM : 20230518 1520 1902 1630 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:

OCN :

04 ADDRESS :
 CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10
 YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13 AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE

14 PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR

15 DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL

16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/08/2025 159
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 16:38:34
ACCOUNT : 009233-0001 FAMILY : 21 OF 23 ENQUIRY PAGE : 24 OF 30
FILE CURRENCY : 07JAN 2025
SEARCH : BD : UPPER CANADA GROWERS LTD.

00 FILE NUMBER : 796527846 EXPIRY DATE : 24AUG 2028 STATUS :
01 CAUTION FILING : PAGE : 001 OF 3 MV SCHEDULE ATTACHED :
REG NUM : 20230824 1039 1902 3789 REG TYP: P PPSA REG PERIOD: 05
02 IND DOB : IND NAME:
03 BUS NAME: UPPER CANADA GROWERS LTD.

OCN :

04 ADDRESS : 921 CONCESSION 2 ROAD
CITY : NIAGARA-ON-THE-LAKE PROV: ON POSTAL CODE: L0S 1J0
05 IND DOB : 30OCT1959 IND NAME: ROBERT B HAYNES
06 BUS NAME:

OCN :

07 ADDRESS : 1684 ROAD 2 E GD
CITY : RUTHVEN PROV: ON POSTAL CODE: N0P 2G0

08 SECURED PARTY/LIEN CLAIMANT :
AGRICULTURAL CREDIT CORPORATION

09 ADDRESS : 200 HANLON CREEK BLVD
CITY : GUELPH PROV: ON POSTAL CODE: N1C 0A1
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 X X X
YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13 AN ONGOING SECURITY INTEREST ON ALL PRESENT AND FUTURE DECIDUOUS TREE
14 CROPS INCLUDING ALL PROCEEDS THEREOF USED AS COLLATERAL FOR WHICH A
15 CASH ADVANCE PAYMENT WAS ISSUED UNDER THE "ADVANCE PAYMENTS PROGRAM
16 AGENT: ESC CORPORATE SERVICES LTD.

17 ADDRESS : 445 KING STREET WEST, SUITE 400
CITY : TORONTO PROV: ON POSTAL CODE: M5V 1K4

00 FILE NUMBER : 796527846
01 CAUTION FILING :
REG NUM : 20230824 1039 1902 3789 REG TYP:
02 IND DOB : 05APR1989 IND NAME: MEGAN
03 BUS NAME:

EXPIRY DATE : 24AUG 2028
PAGE : 002 OF 3
REG PERIOD:
L HAYNES

STATUS :
MV SCHEDULE ATTACHED :

04 ADDRESS : 17-1448 NIAGARA STONE RD
CITY : VIRGIL
05 IND DOB : 05APR1989 IND NAME: JASON
06 BUS NAME:

PROV: ON
R HAYNES

POSTAL CODE: L0S 1T0

07 ADDRESS : 1145 RIDGE ROAD
CITY : HARROW
08 SECURED PARTY/LIEN CLAIMANT :

PROV: ON

POSTAL CODE: N0R 1G0

09 ADDRESS :
CITY :
CONS.
GOODS INVTRY. EQUIP ACCTS OTHER INCL
10 YEAR MAKE
11
12

PROV:
MV
AMOUNT

POSTAL CODE:
DATE OF OR NO FIXED
MATURITY MAT DATE

GENERAL COLLATERAL DESCRIPTION
13 "(APP) PURSUANT TO THE AGRICULTURAL MARKETING PROGRAMS ACT (AMPA)
14 AND ANY SUBSEQUENT PRESENT AND FUTURE AGRICULTURAL PRODUCTS OF THE
15 SAME NATURE PRODUCED BY THE PRODUCER WHETHER OR NOT HARVESTED, AND
16 AGENT:
17 ADDRESS :
CITY :

PROV:

POSTAL CODE:

00 FILE NUMBER : 796527846
01 CAUTION FILING :
REG NUM : 20230824 1039 1902 3789 REG TYP:
02 IND DOB : 14DEC1976 IND NAME: MANISH
03 BUS NAME:

EXPIRY DATE : 24AUG 2028 STATUS :
PAGE : 003 OF 3
MV SCHEDULE ATTACHED :
REG PERIOD:
NAYAR

04 ADDRESS : 2 GREEN VALLEY ROAD
CITY : TORONTO
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :
PROV: ON POSTAL CODE: M2P 1A5

07 ADDRESS :
CITY :
08 SECURED PARTY/LIEN CLAIMANT :

OCN :
PROV: POSTAL CODE:

09 ADDRESS :
CITY :
CONS.
GOODS INVTRY. EQUIP ACCTS OTHER INCL
10
YEAR MAKE

PROV: POSTAL CODE:
MV
DATE OF OR NO FIXED
MATURITY MAT DATE

MODEL V.I.N.

11
12
GENERAL COLLATERAL DESCRIPTION
13 WHETHER OR NOT ATTACHED BY ROOT TO THE LAND. A CONTINUING SECURITY
14 INTEREST ON ALL PROCEEDS MADE PAYABLE TO THE PRODUCER UNDER THE
15 BUSINESS RISK MANAGEMENT PROGRAM (BRM)
16 AGENT:
17 ADDRESS :
CITY :

PROV: POSTAL CODE:

PSSME02PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM01/08/2025162
CCCL369DISPLAY 1C REGISTRATION - SCREEN 116:38:35
ACCOUNT : 009233-0001FAMILY : 22 OF 23ENQUIRY PAGE : 27 OF 30
FILE CURRENCY : 07JAN 2025
SEARCH : BD : UPPER CANADA GROWERS LTD.

00 FILE NUMBER : 796820364EXPIRY DATE : 01SEP 2028STATUS :
01 CAUTION FILING :PAGE : 001 OF 1MV SCHEDULE ATTACHED :
REG NUM : 20230901 1257 1532 0496 REG TYP: P PPSA REG PERIOD: 05
02 IND DOB :IND NAME:
03 BUS NAME: UPPER CANADA GROWERS LTD.OCN :

04 ADDRESS : 921 CONCESSION RD 2
CITY : NIAGARA ON THE LAKEPROV: ONPOSTAL CODE: L0S1J0
05 IND DOB :IND NAME:
06 BUS NAME:OCN :

07 ADDRESS :
CITY :PROV:POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :
FORD CREDIT CANADA COMPANY
09 ADDRESS : BOX 1800 RPO LAKESHORE WEST
CITY : OAKVILLEPROV: ONPOSTAL CODE: L6K 0J8
CONS. MVDATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X XV.I.N.
YEAR MAKEMODEL1FDVU4X80PKB43568
11 2023 FORDT350HD
12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT: D + H LIMITED PARTNERSHIP
17 ADDRESS : 2 ROBERT SPECK PARKWAY, 15TH FLOOR
CITY : MISSISSAUGA PROV: ONPOSTAL CODE: L4Z 1H8

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/08/2025 163
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 16:38:36
ACCOUNT : 009233-0001 FAMILY : 23 OF 23 ENQUIRY PAGE : 28 OF 30
FILE CURRENCY : 07JAN 2025
SEARCH : BD : UPPER CANADA GROWERS LTD.

00 FILE NUMBER : 797108067 EXPIRY DATE : 12SEP 2030 STATUS :
01 CAUTION FILING : PAGE : 01 OF 003 MV SCHEDULE ATTACHED :
 REG NUM : 20230912 1703 1462 1482 REG TYP: P PPSA REG PERIOD: 7
02 IND DOB : IND NAME:
03 BUS NAME: UPPER CANADA GROWERS LTD.

OCN :

04 ADDRESS : 921 CONCESSION 2 RD.
 CITY : NIAGARA-ON-THE-LAKE PROV: ON POSTAL CODE: L0S1J0
05 IND DOB : IND NAME:
06 BUS NAME: UPPER CANADA GROWERS LTD.

OCN :

07 ADDRESS : 1090 RIDGE ROAD
 CITY : HARROW PROV: ON POSTAL CODE: N0R1G0

08 SECURED PARTY/LIEN CLAIMANT :
 TOYOTA INDUSTRIES COMMERCIAL FINANCE CANADA, INC.

09 ADDRESS : 630 - 401 THE WEST MALL
 CITY : TORONTO PROV: ON POSTAL CODE: M9C5J5
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 X
 YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13 MATERIAL HANDLING EQUIPMENT TOGETHER WITH ALL PARTS, ATTACHMENTS,
14 ACCESSORIES, ADDITIONS, BATTERIES, CHARGERS, REPAIR PARTS, AND OTHER
15 EQUIPMENT PLACED ON OR FORMING PART OF THE GOODS DESCRIBED HEREIN
16 AGENT: PPSA CANADA INC. - (8154)

17 ADDRESS : 110 SHEPPARD AVE EAST, SUITE 303
 CITY : TORONTO PROV: ON POSTAL CODE: M2N6Y8

```
PSSME02          PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM          01/08/2025164
CCCL369          DISPLAY 1C REGISTRATION - SCREEN 1                     16:38:37
ACCOUNT : 009233-0001          FAMILY : 23 OF 23          ENQUIRY PAGE : 29 OF 30
FILE CURRENCY : 07JAN 2025
SEARCH  : BD  : UPPER CANADA GROWERS LTD.
```

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00 FILE NUMBER : 797108067    EXPIRY DATE : 12SEP 2030 STATUS :
01 CAUTION FILING :          PAGE : 02 OF 003    MV SCHEDULE ATTACHED :
    REG NUM : 20230912 1703 1462 1482 REG TYP: P  PPSA    REG PERIOD: 7
02 IND DOB :                  IND NAME:
03 BUS NAME:

```

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04 ADDRESS :
   CITY    :
05 IND DOB :          IND NAME:
06 BUS NAME:

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07 ADDRESS :
   CITY      :                PROV:          POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :
```

09	ADDRESS :									
	CITY :					PROV:	POSTAL CODE:			
	CONS.					MV	DATE OF		OR	NO FIXED
	GOODS	INVTRY.	EQUIP	ACCTS	OTHER	INCL	AMOUNT	MATURITY		MAT DATE
10	YEAR MAKE					MODEL	V.I.N.			

11
12

GENERAL COLLATERAL DESCRIPTION

13 WITH ANY PROCEEDS THEREOF AND THEREFROM INCLUDING, WITHOUT
14 LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF TITLE,
15 CHATTEL PAPER AND INTANGIBLES (AS DEFINED IN THE PERSONAL PROPERTY
16 AGENT: PPSA CANADA INC. - (8154)
17 ADDRESS : 110 SHEPPARD AVE EAST, SUITE 303
CITY : TORONTO PROV: ON POSTAL CODE: M2N6Y8

17 ADDRESS : 110 SHEPPARD AVE EAST, SUITE 303
CITY : TORONTO PROV: ON POSTAL CODE: M2N6Y8

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/08/2025 165
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 16:38:37
ACCOUNT : 009233-0001 FAMILY : 23 OF 23 ENQUIRY PAGE : 30 OF 30
FILE CURRENCY : 07JAN 2025
SEARCH : BD : UPPER CANADA GROWERS LTD.

00 FILE NUMBER : 797108067 EXPIRY DATE : 12SEP 2030 STATUS :
01 CAUTION FILING : PAGE : 03 OF 003 MV SCHEDULE ATTACHED :
 REG NUM : 20230912 1703 1462 1482 REG TYP: P PPSA REG PERIOD: 7
02 IND DOB : IND NAME:
03 BUS NAME:

OCN :

04 ADDRESS :
 CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10
 YEAR MAKE MODEL V.I.N.

11
12
GENERAL COLLATERAL DESCRIPTION
13 SECURITY ACT)

14
15
16 AGENT: PPSA CANADA INC. - (8154)
17 ADDRESS : 110 SHEPPARD AVE EAST, SUITE 303
 CITY : TORONTO PROV: ON POSTAL CODE: M2N6Y8

END OF REPORT

Schedule A
Ontario PPSA Summary for UPPER CANADA GROWERS LTD. dated 07JAN 2025

File No.	Registration	Debtors	Secured Parties	Collateral Classes	General Collateral Description
500604255	20231123 1448 1590 9388 Expiry Date: 2028/11/23 Registration (5 years) (Page 1)	UPPER CANADA GROWERS LTD.	THE BANK OF NOVA SCOTIA	ACCOUNTS EQUIPMENT INVENTORY OTHER MOTOR VEHICLE INCLUDED	Motor Vehicles: N/A
502397973	20240201 1004 1462 9046 Expiry Date: 2029/02/01 Registration (5 years) (Page 2)	UPPER CANADA GROWERS LTD	KUBOTA CANADA LTD	EQUIPMENT OTHER MOTOR VEHICLE INCLUDED Amount: CA\$142,273.00	2024 KUBOTA !R640 KBC5Z63CPPZH11623 Motor Vehicles: 2024 KUBOTA !R640 KBC5Z63CPPZH11623
503094186	20240229 1003 1462 0688 Expiry Date: 2029/02/29 Registration (5 years) (Page 3)	UPPER CANADA GROWERS LTD	KUBOTA CANADA LTD	EQUIPMENT OTHER MOTOR VEHICLE INCLUDED Amount: CA\$255,553.00	2024 KUBOTA #M5N-111HDCC24 KBUM6EDCCP8C50927 2024 KUBOTA #M5N-111HDCC24 KBUM6EDCJP8D50928 Motor Vehicles: 2024 KUBOTA #M5N-111HDCC24 KBUM6EDCCP8C50927 2024 KUBOTA #M5N-111HDCC24 KBUM6EDCJP8D50928
503458983	20240313 0857 1590 4337 Expiry Date: 2029/03/13 Registration (5 years) (Page 4)	UCG LAND INC. UPPER CANADA GROWERS LTD.	THE BANK OF NOVA SCOTIA	ACCOUNTS OTHER	GENERAL ASSIGNMENT OF LEASES AND RENTS Motor Vehicles: N/A
504266301	20240409 1128 1532 2414 Expiry Date: 2028/04/09 Registration	UPPER CANADA GROWERS LTD.	FORD CREDIT CANADA LEASING, DIVISION OF CANADIAN ROAD LEASING COMPANY	EQUIPMENT OTHER MOTOR VEHICLE INCLUDED	Motor Vehicles: 2024 LINCOLN AVIATOR 5LM5J7XC0RGL00369

File No.	Registration	Debtors	Secured Parties	Collateral Classes	General Collateral Description
	(04 years) (Page 5)				
511008822	20241113 1435 1590 5753 Expiry Date: 2034/11/13 Registration (10 years) (Page 6)	UPPER CANADA GROWERS LTD.	OYA SOLAR INC.	ACCOUNTS EQUIPMENT INVENTORY OTHER	PURSUANT TO A PROMISSORY NOTE AND SUPPORTING GENERAL SECURITY AGREEMENT ENTERED INTO BETWEEN DEBTOR AND CREDITOR. Motor Vehicles: N/A
757680048	20191118 1159 6005 5733 Expiry Date: 2025/11/18 Registration (06 years) (Page 7)	UPPER CANADA GROWERS LTD. UPPER CANADA GROWERS	CWB NATIONAL LEASING INC.	EQUIPMENT	AGREEMENT NUMBER 2962676, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM. Motor Vehicles: 2011 HYSTER FORKLIFT HY 60FT L177V07112J
761348727	20200401 1353 5098 7303 Expiry Date: 2025/04/01 Registration (05 years) (Page 8)	UPPER CANADA GROWERS LTD.	FARM CREDIT CANADA	ACCOUNTS EQUIPMENT INVENTORY OTHER MOTOR VEHICLE INCLUDED	Motor Vehicles: N/A
763121394	20200629 0813 1532 4123 Expiry Date: 2027/06/29 Registration (07 years) (Page 9)	MEGAN L HAYNES	FORD CREDIT CANADA COMPANY	CONSUMER_GOODS EQUIPMENT OTHER MOTOR VEHICLE INCLUDED	THE FULL DEBTOR NAME IS MEGAN LINDSAY HAYNES - Motor Vehicles: 2020 FORD EDGE 2FMPK3J93LBA65205
	20220228 0906 1532 2673 Expiry Date: 2027/06/29 Amendment - A AMENDMENT	Reference Debtor: MEGAN L HAYNES Transferees: UPPER CANADA GROWERS LTD.		ACCOUNTS OTHER MOTOR VEHICLE INCLUDED	Motor Vehicles: N/A

File No.	Registration	Debtors	Secured Parties	Collateral Classes	General Collateral Description
	Reason: RELEASING MEGAN LINDSAY HAYNES ADDING UPPER CANADA GROWERS LTD. (Page 10)				
772773912	20210525 1355 1532 5693 Expiry Date: 2027/05/25 Registration (06 years) (Page 11)	UPPER CANADA GROWERS LTD.	FORD CREDIT CANADA COMPANY	EQUIPMENT OTHER MOTOR VEHICLE INCLUDED	Motor Vehicles: 2021 FORD EXPLR 1FM5K8GC7MGB09157
774486252	20210716 1002 1462 7061 Expiry Date: 2025/07/16 Registration (4 years) (Page 12)	UPPER CANADA GROWERS LTD	KUBOTA CANADA LTD	EQUIPMENT OTHER MOTOR VEHICLE INCLUDED Amount: CA\$124,905.00	2021 KUBOTA !KX080-4S2 KBCDZ84CCM3C11642 Motor Vehicles: 2021 KUBOTA !KX080-4S2 KBCDZ84CCM3C11642
777398283	20211018 1512 1532 6425 Expiry Date: 2026/10/18 Registration (05 years) (Page 13)	UPPER CANADA GROWERS LTD.	FORD CREDIT CANADA COMPANY	EQUIPMENT OTHER MOTOR VEHICLE INCLUDED	Motor Vehicles: 2021 FORD F150 1FTFW1E86MFC83228
777762135	20211029 1002 1462 1900 Expiry Date: 2026/10/29 Registration (5 years) (Page 14)	UPPER CANADA GROWERS LTD	KUBOTA CANADA LTD	EQUIPMENT OTHER MOTOR VEHICLE INCLUDED Amount: CA\$96,342.00	2021 KUBOTA #M5N-111HDCC24 KBUM6EDCPM8C50689 Motor Vehicles: 2021 KUBOTA #M5N-111HDCC24 KBUM6EDCPM8C50689
777762279	20211029 1002 1462 1914 Expiry Date: 2026/10/29 Registration	UPPER CANADA GROWERS LTD	KUBOTA CANADA LTD	EQUIPMENT OTHER MOTOR VEHICLE INCLUDED Amount: CA\$96,342.00	2021 KUBOTA #M5N-111HDCC24 KBUM6EDCKL8K50656 Motor Vehicles: 2021 KUBOTA #M5N-111HDCC24 KBUM6EDCKL8K50656

File No.	Registration	Debtors	Secured Parties	Collateral Classes	General Collateral Description
	(5 years) (Page 15)				
781113258	20220315 1002 1462 8738 Expiry Date: 2025/03/15 Registration (3 years) (Page 16)	UPPER CANADA GROWERS LTD	KUBOTA CANADA LTD	EQUIPMENT OTHER MOTOR VEHICLE INCLUDED Amount: CA\$24,187.00	2022 KUBOTA #RTV-X1140 A5KD2GDBKNG049466 Motor Vehicles: 2022 KUBOTA #RTV-X1140 A5KD2GDBKNG049466
789361812	20221216 1003 1462 2988 Expiry Date: 2028/12/16 Registration (6 years) (Page 17)	UPPER CANADA GROWERS LTD	KUBOTA CANADA LTD	EQUIPMENT OTHER MOTOR VEHICLE INCLUDED Amount: CA\$199,068.00	2022 KUBOTA #M7-172D-PS KBTMKHSAHMF11508 Motor Vehicles: 2022 KUBOTA #M7-172D-PS KBTMKHSAHMF11508
790720659	20230213 1554 1532 0965 Expiry Date: 2028/02/13 Registration (05 years) (Page 18)	UPPER CANADA GROWERS LTD.	FORD CREDIT CANADA COMPANY	EQUIPMENT OTHER MOTOR VEHICLE INCLUDED	Motor Vehicles: 2023 FORD T350HD 1FDVU4X81PKA52907
790928721	20230222 1002 1462 9102 Expiry Date: 2026/02/22 Registration (3 years) (Page 19)	UPPER CANADA GROWERS LTD	KUBOTA CANADA LTD	EQUIPMENT OTHER MOTOR VEHICLE INCLUDED Amount: CA\$19,557.00	2022 KUBOTA #RTV-X900G A5KB2FDBPNG075274 Motor Vehicles: 2022 KUBOTA #RTV-X900G A5KB2FDBPNG075274
792160236	20230406 1003 1462 7537 Expiry Date: 2027/04/06 Registration (4 years) (Page 20)	UPPER CANADA GROWERS LTD	KUBOTA CANADA LTD	EQUIPMENT OTHER MOTOR VEHICLE INCLUDED Amount: CA\$212,646.00	2021 KUBOTA #M5N-111HDCC24 KBUM6EDCPM8B50673 2023 KUBOTA *M9100 2071696D 2021 KUBOTA #M5N-111HDCC24 KBUM6EDCJL8K50657 2023 KUBOTA *M9100 42083436A Motor Vehicles: 2021 KUBOTA #M5N-111HDCC24 KBUM6EDCPM8B50673 2023 KUBOTA *M9100 2071696D 2021 KUBOTA #M5N-111HDCC24 KBUM6EDCJL8K50657 2023 KUBOTA *M9100 42083436A

File No.	Registration	Debtors	Secured Parties	Collateral Classes	General Collateral Description
793447398	20230518 1520 1902 1630 Expiry Date: 2029/05/18 Registration (06 years) (Page 22)	UPPER CANADA GROWERS LTD	MERIDIAN ONECAP CREDIT CORP.	EQUIPMENT OTHER	EXCAVATOR(S) TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL Motor Vehicles: 2022 HYUNDAI HX130A LCR HHKHE322PE0000103
796527846	20230824 1039 1902 3789 Expiry Date: 2028/08/24 Registration (05 years) (Page 24)	UPPER CANADA GROWERS LTD. ROBERT B HAYNES MEGAN L HAYNES JASON R HAYNES MANISH NAYAR	AGRICULTURAL CREDIT CORPORATION	ACCOUNTS INVENTORY OTHER	AN ONGOING SECURITY INTEREST ON ALL PRESENT AND FUTURE DECIDUOUS TREE CROPS INCLUDING ALL PROCEEDS THEREOF USED AS COLLATERAL FOR WHICH A CASH ADVANCE PAYMENT WAS ISSUED UNDER THE "ADVANCE PAYMENTS PROGRAM "(APP) PURSUANT TO THE AGRICULTURAL MARKETING PROGRAMS ACT (AMPA) AND ANY SUBSEQUENT PRESENT AND FUTURE AGRICULTURAL PRODUCTS OF THE SAME NATURE PRODUCED BY THE PRODUCER WHETHER OR NOT HARVESTED, AND WHETHER OR NOT ATTACHED BY ROOT TO THE LAND. A CONTINUING SECURITY INTEREST ON ALL PROCEEDS MADE PAYABLE TO THE PRODUCER UNDER THE BUSINESS RISK MANAGEMENT PROGRAM (BRM) Motor Vehicles: N/A
796820364	20230901 1257 1532 0496 Expiry Date: 2028/09/01 Registration (05 years) (Page 27)	UPPER CANADA GROWERS LTD.	FORD CREDIT CANADA COMPANY	EQUIPMENT OTHER MOTOR VEHICLE INCLUDED	Motor Vehicles: 2023 FORD T350HD 1FDVU4X80PKB43568
797108067	20230912 1703 1462 1482 Expiry Date: 2030/09/12 Registration (7 years) (Page 28)	UPPER CANADA GROWERS LTD. UPPER CANADA GROWERS LTD.	TOYOTA INDUSTRIES COMMERCIAL FINANCE CANADA, INC.	EQUIPMENT	MATERIAL HANDLING EQUIPMENT TOGETHER WITH ALL PARTS, ATTACHMENTS, ACCESSORIES, ADDITIONS, BATTERIES, CHARGERS, REPAIR PARTS, AND OTHER EQUIPMENT PLACED ON OR FORMING PART OF THE GOODS DESCRIBED HEREIN WITH ANY PROCEEDS THEREOF AND THEREFROM INCLUDING, WITHOUT LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER AND INTANGIBLES (AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT) Motor Vehicles: N/A

This is Exhibit “S” referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

Your Ref No. 797B3D70-750A-42C4-9
Liens : 4 Pages : 8

Searched : 08JAN2025 04:38 PM
Printed : 08JAN2025 04:38 PM

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/08/2025
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 16:38:03
ACCOUNT : 009233-0001 FAMILY : 1 OF 4 ENQUIRY PAGE : 1 OF 8
FILE CURRENCY : 07JAN 2025
SEARCH : BD : UCG LAND INC.

00 FILE NUMBER : 500604273 EXPIRY DATE : 23NOV 2028 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20231123 1448 1590 9389 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: UCG LAND INC.

OCN :

04 ADDRESS : 144 FRONT STREET WEST, SUITE 700
CITY : TORONTO PROV: ON POSTAL CODE: M5J 2L7
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :

07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
THE BANK OF NOVA SCOTIA

09 ADDRESS : 4715 TAHOE BLVD
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4W 0B4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 X X X X X
YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT: MILLER THOMSON LLP (SW0)

17 ADDRESS : 255 QUEENS AVENUE, SUITE 2010
CITY : LONDON PROV: ON POSTAL CODE: N6A 5R8

00 FILE NUMBER : 500604282 EXPIRY DATE : 23NOV 2028 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20231123 1448 1590 9390 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: UCG LAND INC.

OCN :
04 ADDRESS : 144 FRONT STREET WEST, SUITE 700
CITY : TORONTO PROV: ON POSTAL CODE: M5J 2L7
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :
THE BANK OF NOVA SCOTIA
09 ADDRESS : 4715 TAHOE BLVD
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4W 0B4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X
YEAR MAKE MODEL V.I.N.

11
12
GENERAL COLLATERAL DESCRIPTION
13 GENERAL ASSIGNMENT OF RENTS AND LEASES
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15
16 AGENT: MILLER THOMSON LLP (SWO)
17 ADDRESS : 255 QUEENS AVENUE, SUITE 2010
CITY : LONDON PROV: ON POSTAL CODE: N6A 5R8

FILE NUMBER 500604282

PAGE TOT

REGISTRATION NUM

REG TYPE

01 CAUTION : 001 OF 2 MV SCHED: 20240320 1120 1590 5233

21 REFERENCE FILE NUMBER : 500604282

22 AMEND PAGE: NO PAGE: CHANGE: F PRT DSC REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: UCG LAND INC.

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFeree:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :

CONS. MV DATE OF NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10

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13 PARTIAL RELEASE AND DISCHARGE OF GENERAL ASSIGNMENT OF RENTS AS IT

14 RELATES TO THE PROPERTY LEGALLY DESCRIBED AS PART OF LOT 12 2ND RANGE

15 OF THE GORE, BEING PT 1 ON PL 12R29471, TOWN OF ESSEX AND BEING PART

16 NAME : MILLER THOMSON LLP (TORONTO)

17 ADDRESS : 5800-40 KING ST W

CITY : TORONTO PROV : ON POSTAL CODE : M5H 4A9

PAGE TOT
01 CAUTION : 002 OF 2
21 REFERENCE FILE NUMBER : 500604282
22 AMEND PAGE: NO PAGE: CHANGE:
23 REFERENCE DEBTOR/ IND NAME:
24 TRANSFEROR: BUS NAME:

FILE NUMBER 500604282
REGISTRATION NUM 20240320 1120 1590 5233
REG TYPE
REN YEARS:
CORR PER:

25 OTHER CHANGE:
26 REASON:
27 /DESCR:
28 :
02/05 IND/TRANSFEE:
03/06 BUS NAME/TRFEE:

04/07 ADDRESS:
CITY:
29 ASSIGNOR:

PROV:
POSTAL CODE:

OCN:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :
CITY :
CONS.
GOODS INVTRY EQUIP ACCTS OTHER

PROV :
MV
INCL

POSTAL CODE :
DATE OF
MATURITY OR

NO FIXED
MAT DATE

10
11
12
13 OF PIN 75199-0257(LT) IN LAND REGISTRY OFFICE NO. 12
14
15

16 NAME :
17 ADDRESS :
CITY :

PROV :
POSTAL CODE :



FILE NUMBER 500604282

PAGE TOT

REGISTRATION NUM

REG TYPE

01 CAUTION : 001 OF 2 MV SCHED: 20240930 1612 1590 0289

21 REFERENCE FILE NUMBER : 500604282

22 AMEND PAGE: NO PAGE: CHANGE: F PRT DSC REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: UCG LAND INC.

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :

CONS. MV DATE OF NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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13 PARTIAL RELEASE AND DISCHARGE OF GENERAL ASSIGNMENT OF RENTS AS IT

14 RELATES TO THE PROPERTY LEGALLY DESCRIBED AS PART LOT 12, CONCESSION

15 GORE OR 2ND RANGE COLCHESTER, PARTS 2, 3 AND 4, PLAN 12R-25796, SAVE

16 NAME : MILLER THOMSON LLP (SW0)

17 ADDRESS : 255 QUEENS AVENUE, SUITE 2010

CITY : LONDON PROV : ON POSTAL CODE : N6A 5R8

PAGE TOT
01 CAUTION : 002 OF 2
21 REFERENCE FILE NUMBER : 500604282
22 AMEND PAGE: NO PAGE: CHANGE:
23 REFERENCE DEBTOR/ IND NAME:
24 TRANSFEROR: BUS NAME:

FILE NUMBER 500604282
REGISTRATION NUM 20240930 1612 1590 0289
REG TYPE
REN YEARS:
CORR PER:

25 OTHER CHANGE:
26 REASON:
27 /DESCR:
28 :
02/05 IND/TRANSFEE:
03/06 BUS NAME/TRFEE:

04/07 ADDRESS:
CITY:
29 ASSIGNOR:

PROV:
POSTAL CODE:

OCN:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :
CITY :
CONS.
GOODS INVTRY EQUIP ACCTS OTHER

PROV :
MV
INCL

POSTAL CODE :
DATE OF
MATURITY OR

NO FIXED
MAT DATE

10
11
12
13 AND EXCEPT PART 1, PLAN 12R-29471, TOWN OF ESSEX AND BEING THE WHOLE
14 OF PIN 75199-0322 (LT) IN LAND REGISTRY OFFICE NO. 12
15

16 NAME :
17 ADDRESS :
CITY :

PROV :
POSTAL CODE :

00 FILE NUMBER : 503458983 EXPIRY DATE : 13MAR 2029 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20240313 0857 1590 4337 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: UCG LAND INC.

OCN :
04 ADDRESS : 144 FRONT STREET WEST, SUITE 700
CITY : TORONTO PROV: ON POSTAL CODE: M5J 2L7
05 IND DOB : IND NAME:
06 BUS NAME: UPPER CANADA GROWERS LTD.

OCN :
07 ADDRESS : 921 CONCESSION 2 ROAD
CITY : NIAGARA-ON-THE-LAKE, PROV: ON POSTAL CODE: L0S 1J0
08 SECURED PARTY/LIEN CLAIMANT :
THE BANK OF NOVA SCOTIA

09 ADDRESS : 4715 TAHOE BLVD.
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4W 0B4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X
11 YEAR MAKE MODEL V.I.N.
12

GENERAL COLLATERAL DESCRIPTION
13 GENERAL ASSIGNMENT OF LEASES AND RENTS
14
15

16 AGENT: MILLER THOMSON LLP (TORONTO)
17 ADDRESS : 5800-40 KING ST W
CITY : TORONTO PROV: ON POSTAL CODE: M5H 3S1

00 FILE NUMBER : 511008831

EXPIRY DATE : 13NOV 2034

STATUS :

01 CAUTION FILING :

PAGE : 001 OF 1

MV SCHEDULE ATTACHED :

REG NUM : 20241113 1435 1590 5754

REG TYP: P PPSA

REG PERIOD: 10

02 IND DOB :

IND NAME:

03 BUS NAME: UCG LAND INC.

OCN : 2541660

04 ADDRESS : 149 READ ROAD

CITY : NIAGARA ON THE LAKE

PROV: ON

POSTAL CODE: L0S 1J0

05 IND DOB :

IND NAME:

06 BUS NAME:

OCN :

07 ADDRESS :

CITY :

PROV:

POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

OYA SOLAR INC.

09 ADDRESS : C/O 6889 REXWOOD RD UNIT #5

CITY : MISSISSAUGA

PROV: ON

POSTAL CODE: L4V 1R2

CONS.

MV

DATE OF OR NO FIXED

GOODS INVTRY. EQUIP ACCTS OTHER INCL

AMOUNT

MATURITY MAT DATE

10 X X X X

YEAR MAKE

MODEL

V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13 PURSUANT TO THE SHAREHOLDERS' AGREEMENT OF THE DEBTOR, AS AMENDED AND

14 SUPPLEMENTED FROM TIME TO TIME.

15

16 AGENT: HIMELFARB PROSZANSKI (20240076)

17 ADDRESS : 1401-480 UNIVERSITY AVENUE

CITY : TORONTO

PROV: ON

POSTAL CODE: M5G 1V2

Schedule A
Ontario PPSA Summary for UCG LAND INC. dated 07JAN 2025

File No.	Registration	Debtors	Secured Parties	Collateral Classes	General Collateral Description
500604273	20231123 1448 1590 9389 Expiry Date: 2028/11/23 Registration (5 years) (Page 1)	UCG LAND INC.	THE BANK OF NOVA SCOTIA	ACCOUNTS EQUIPMENT INVENTORY OTHER MOTOR VEHICLE INCLUDED	Motor Vehicles: N/A
500604282	20231123 1448 1590 9390 Expiry Date: 2028/11/23 Registration (5 years) (Page 2)	UCG LAND INC.	THE BANK OF NOVA SCOTIA	ACCOUNTS OTHER	GENERAL ASSIGNMENT OF RENTS AND LEASES Motor Vehicles: N/A
	20240320 1120 1590 5233 Expiry Date: 2028/11/23 Part Disch - F PARTIAL DISCHARGE (Page 3)	Reference Debtor: UCG LAND INC.			Motor Vehicles: N/A
	20240930 1612 1590 0289 Expiry Date: 2028/11/23 Part Disch - F PARTIAL DISCHARGE (Page 5)	Reference Debtor: UCG LAND INC.			PARTIAL RELEASE AND DISCHARGE OF GENERAL ASSIGNMENT OF RENTS AS IT RELATES TO THE PROPERTY LEGALLY DESCRIBED AS PART LOT 12, CONCESSION GORE OR 2ND RANGE COLCHESTER, PARTS 2, 3 AND 4, PLAN 12R-25796, SAVE AND EXCEPT PART 1, PLAN 12R-29471, TOWN OF ESSEX AND BEING THE WHOLE OF PIN 75199-0322 (LT) IN LAND REGISTRY OFFICE NO. 12 Motor Vehicles: N/A
503458983	20240313 0857 1590 4337	UCG LAND INC.	THE BANK OF NOVA SCOTIA	ACCOUNTS OTHER	GENERAL ASSIGNMENT OF LEASES AND RENTS

File No.	Registration	Debtors	Secured Parties	Collateral Classes	General Collateral Description
	Expiry Date: 2029/03/13 Registration (5 years) (Page 7)	UPPER CANADA GROWERS LTD.			Motor Vehicles: N/A
511008831	20241113 1435 1590 5754 Expiry Date: 2034/11/13 Registration (10 years) (Page 8)	UCG LAND INC.	OYA SOLAR INC.	ACCOUNTS EQUIPMENT INVENTORY OTHER	PURSUANT TO THE SHAREHOLDERS' AGREEMENT OF THE DEBTOR, AS AMENDED AND SUPPLEMENTED FROM TIME TO TIME. Motor Vehicles: N/A

This is Exhibit “T” referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

January 22, 2025

TO THE CREDITORS OF UPPER CANADA GROWERS LTD.

Upper Canada Growers Ltd. (“UCG” or the “Company”) has filed a Notice of Intention to Make a Proposal (the “NOI”) under subsection 50.4(1) of the Bankruptcy and Insolvency Act (“BIA”) on January 17, 2024 (the “Effective Date”). BDO Canada Limited (“BDO”) has been appointed as the Licensed Insolvency Trustee (the “Trustee”) under the NOI Filing.

The effect of the NOI is an automatic stay of proceedings against all creditors from commencing any judicial actions against the Company without first obtaining the leave of the Ontario Superior Court of Justice (the “Court”).

These NOI proceedings are meant to provide the Company with the time and “breathing room” from its creditors to seek a way (under the supervision of the Court) to emerge as a successful, going concern business and to position the business as a stronger, more competitive company.

The Company continues to operate during the NOI and to be clear, the Company has not filed an assignment in bankruptcy.

As required by the BIA, we enclose the following documents with respect to these NOI proceedings for your records:

- Notice of Intention to Make a Proposal
- List of Creditors
- Consent of the Trustee to Act
- Certificate of Filing of Notice of Intention to Make a Proposal

UCG has 30 days from the Effective Date to either make a Proposal to its creditors or to seek an extension from the Court. Until a definitive Proposal is filed with the Trustee, creditors need not file Proofs of Claim or concern themselves with voting. The Trustee will provide additional information related to the NOI as it becomes available for review on the following website:

<https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/upper-canada-growers-ltd>

If you have any questions for the Company management, please contact them directly using your existing contact information.

If you have any questions relative to the NOI process, please contact the BDO as follows:

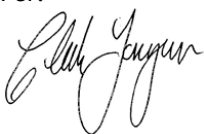
Paul Kouadio, Manager
T: 647 798 1496, pkouadio@bdo.ca
20 Wellington St. East, Suite 500
Toronto, Ontario M5E 1C5
Canada

Yours very truly

BDO CANADA LIMITED

Acting in its capacity as
Licensed Insolvency Trustee under the
Notice of Intention to Make a Proposal of
Upper Canada Growers Ltd. and not in
its personal or corporate capacity

Per:



Clark Lonergan, CA, CPA, CIRP, LIT
Partner/Senior Vice-President

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Upper Canada Growers Ltd.
 of the City of Niagara-on-the-Lake, in the Province of Ontario

Take notice that:

1. I, Upper Canada Growers Ltd., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. BDO Canada Limited / BDO Canada Limitée of 20 Wellington St E, Suite 500, Toronto, ON, M5E 1C5, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Toronto in the Province of Ontario, this 17th day of January 2025.



Upper Canada Growers Ltd.
 Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of:
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Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Upper Canada Growers Ltd.
 of the City of Niagara-on-the-Lake, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
1000923740 Ontario Inc (Som Newest)	5265 White Dove Pkway 3809.85 Niagara Falls ON L2H3M5		3,809.85
2 Way Automotive	109 Queen Street 4064.65 Harrow ON N0R1G0		4,064.65
A.M.A. Horticulture Inc.	2011 Spinks Dr 3208.3 Kingsville ON N9Y 2E5		3,208.30
AgBioResearch Limited	PO BOX 3414 45428.11 Richmond New Zealand		45,428.11
AgInvest	16272		16,272.00
Agricultural Credit Corporation	200 Hanlon Creek Blvd 0 Guelph ON N1C 0A1		250.00
Agris Co-Operative Ltd.	835 Park Ave West 160298.26 Chatham ON N7M0N1		160,298.26
Air Canada	PO BOX 966 105 Winnipeg MN R3C 2V6		250.00
Air Liquide Canada Inc.	66 Firestone Blvd 1078.01 London ON N5W5L4		1,078.01
ALink Computer Solutions Inc.	680 Industrial Road 35595 London ON N5V3P5		35,595.00
Bank of Nova Scotia	40 King Street West 0 Toronto ON M5H 1H1		25,860,972.00

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 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Upper Canada Growers Ltd.

of the City of Niagara-on-the-Lake, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Bartlett Inc	3322.43 Beamsville ON		3,322.43
Bell Mobility Inc.	PO Box 5102 3989.81 Burlington ON L7R4R7		3,989.81
Besseling Group Enterprises Inc.	110 Carr Crescent 3390 Oliver BC V0H1T5		3,390.00
boomkwekkerijen gebr. janssen b.v	Box 2711 6030 AA Neederweert Winnerstraat 2-b 22255.46		22,255.46
C. Frensch Ltd.	4774 Hinan Drive 9339.11 Beamsville ON L3J1C1		9,339.11
Cadman	1250.84		1,250.84
Caisson Labs	836 South 100 East 6149.44 Smithfield UT 84335 USA		6,149.44
Cameron Nursery, LLC	PO BOX 300 70528.24 Eltopia WA 99330 USA		70,528.24
Canada Border Services Agency	Ground Floor, Room 1018333 North River Road, Place Vanier, Tower A 68558.29 Ottawa ON K1A0L8		68,558.29
Canadian Food Inspection Agency	PO Box 61991081, Main Street, 4th floor 9.41 Moncton NB E1C 8R2		250.00
CanAg	5995 Avebury Rd, #706 13714 Mississauga ON L5R3P9		13,714.00

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 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Upper Canada Growers Ltd.

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List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Central Sanitation	1316 Plank Road 6721.6 Sarnia ON N7T7H3		6,721.60
Certified Laboratories	PO BOX 2413T, STN "A" 3752.9 Toronto ON M5W2K6		3,752.90
Cogeco Bankruptcies c/o FCT Default Solutions	PO Box 2514, Stn B London ON N6A 4G9		250.00
Cole International Inc.	3950 Malden Road 551.25 Windsor ON N9C2G4		551.25
Cornell University	395 Pine Tree Road 13527.96 New York NY 14850 USA		13,527.96
Cowan Insurance Group	700-1420 Blair Pl 707.43 Ottawa ON K1J9L8		707.43
Crawford Packaging Inc	3036 Page Street 4094.38 London ON N5V4P2		4,094.38
Delta Power Equipment Ltd.	516 Talbot Street 212.63 Essex ON N8M 2Y3		250.00
Dowler-Karn	Aabco Propane 5475 Dicocco Court 16129.29 Oldcastle ON N0R1L0		16,129.29
E.R. Vollans Ltd	1682 County Rd. 20 West 11464.11 Kingsville ON N9Y2E6		11,464.11
Empire Life Insurance Company	259 King St. East 4446.9 Kingston ON K7L3A8		4,446.90

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 Upper Canada Growers Ltd.

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List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Enbridge Gas	PO Box 644 4103.26 Scarborough ON M1K5H1		4,103.26
Enbridge Gas	PO Box 644 613.18 Scarborough ON M1K5H1		613.18
Enbridge Gas	PO Box 644 124.12 Scarborough ON M1K 5H1		250.00
Enbridge Gas	PO Box 644 114.64 Scarborough ON M1K 5H1		250.00
Enbridge Gas	PO Box 644 211.42 Scarborough ON M1K 5H1		250.00
Enbridge Gas	PO Box 644 111.32 Scarborough ON M1K 5H1		250.00
Enbridge Gas	PO Box 644 103.68 Scarborough ON M1K 5H1		250.00
Enbridge Gas	PO Box 644 23.7 Scarborough ON M1K 5H1		250.00
Enbridge Gas	PO Box 644 116.36 Scarborough ON M1K 5H1		250.00
Enbridge Gas Inc	500 Consumers Road 6662.11 North York ON M2J1P8		6,662.11

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In the Matter of the Proposal of
 Upper Canada Growers Ltd.

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List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Essex Farmland Holdings LP	144 Front St. W 583233.41 Toronto ON M5J2L7		583,233.41
Farm Credit Canada	1800 Hamilton Street Regina SK S4P 4L3		250.00
FIRST Insurance Funding of Canada	20 Toronto St., Suite 700 -2572.91 Toronto ON M5C 2B8		250.00
Fisher Scientific Company	721.09		721.09
Ford Credit Canada Company	Box 1800 RPO Lakeshore West 0 Oakville ON L6K 0J8		250.00
FullScale Electric Ltd	1112 Mersea Rd 2 11044.48 Leamington ON N8H3V7		11,044.48
GFL Environmental Inc	PO Box 150 695.24 Concord ON L4K1B2		695.24
Gripple Canada	Mississauga Ontario Canada 5465.34 Mississauga ON		5,465.34
Heartnut Grove Inc.	21831 Cooks Rd 365254.09 Mt. Brydges ON N0L1W0		365,254.09
Heritage Nursery	48315 NW Narup Rd 37623.39 Banks OR 97106 USA		37,623.39
Hernandez Sanitation Services	1325 Gore Road WBox 871 418.1 Harrow ON N0R1G0		418.10

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In the Matter of the Proposal of
 Upper Canada Growers Ltd.

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List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
High Purity Water Services	1135 North Service Rd E, #1 1903.31 Oakville ON L6H1A7		1,903.31
HUB International Ontario Limited	4512		4,512.00
Hubspot	5151.51		5,151.51
Hydro One	PO Box 4102 Stn A 14692.65 Toronto ON M5W3L3		14,692.65
Hydro One	PO Box 4102 Stn A 427.29 Markham ON L3R1C8		427.29
Hydro One	PO Box 4102 Stn A 645.93 Markham ON L3R1C8		645.93
Hydro One	PO Box 4102 Stn A 47.4 Toronto ON M5W 3L3		250.00
Hydro One	PO Box 4102 Stn A 65.56 Toronto ON M5W 3L3		250.00
Hydro One	PO Box 4102 Stn A 33.64 Toronto ON M5W 3L3		250.00
Hydro One	PO Box 4102 Stn A 210 Toronto ON M5W 3L3		250.00
Hydro One	PO Box 4102 Stn A 194.39 Toronto ON M5W 3L3		250.00

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In the Matter of the Proposal of
 Upper Canada Growers Ltd.

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List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Hydro One	PO Box 4102 Stn A 291.02 Toronto ON M5W 3L3		291.02
Jamaican Liaison Services	230 Sheppard Avenue West #200 19587.89 North York ON M2N1N1		19,587.89
Jason Haynes	1110 Ridge Rd 2110.88 Harrow ON N0R1G0		2,110.88
Kai Wiens Family Farm Ltd	905 Concession 2, RR#6 2316.5 Niagara-on-the-Lake ON L0S1J0		2,316.50
Kaltire	56 Oak Street East 795.47 Leamington ON N8H2C2		795.47
KPMG LLP	Suite 4600 - 333 Bay Street 28250 Toronto ON M5H 2S5		28,250.00
Kubota Canada Ltd	1155 Kubota Dr Pickering ON L1X 0H4		250.00
LaGasse Machine & Fabrication	5 Old Route 31 104444.94 Lyons NY 14489 USA		104,444.94
Limited Construction	34 Rd 9 West 206344.23 Essex ON N8M2X5		206,344.23
LODDER UNTERLAGEN GmbH	Elvert 5 Dulmen (OT Hiddingsel) 48249 DE 278227.37		278,227.37
Mandel Scientific Company Inc.	2 Admiral Place 7524.22 Guelph ON N1G4N4		7,524.22
Mary Quintigliani	1412.5		1,412.50

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In the Matter of the Proposal of
 Upper Canada Growers Ltd.
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List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Megan Haynes	13331.2		13,331.20
Michael's Heating & Cooling Service	36560.51		36,560.51
Microsoft Office	96.05		250.00
Midwest Apple Improvement Association	PO BOX 88 139.62 Oberlin OH 44074 USA		250.00
Minister of Finance	170184.43		170,184.43
Minister of Finance (EHT)	33 King St W, PO Box 620 0 Oshawa ON L1H8E9		250.00
Nova Scotia Fruit Growers' Association	Blair House, Agricultural Centre32 Main Street 2919.75 Kentville NS B4N1J5		2,919.75
Ontario Apple Growers	PO Box 100 4359.54 Vineland-Station ON L0R2E0		4,359.54
Ontario Tender Fruit Growers	PO Box 100 226 Vineland-Station ON L0R 2E0		250.00
Peralta Engineering	45 Division St N 2504.08 Kingsville ON N9Y1E1		2,504.08
Phytotech Labs	Po Box 122055 5751.27 Shawnee-Mission KS 66282 USA		5,751.27
Plant Cell Technology	10055.09		10,055.09
Plant Products Inc.	50 Hazelton St Box 33 67697.04 Leamington ON N8H3W1		67,697.04

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In the Matter of the Proposal of
 Upper Canada Growers Ltd.

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List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Princeton Wood Preservers Ltd	7013.63 Princeton BC		7,013.63
Priva Horticulture B.V.	Zijlweg 3 2678 LC De Lier The Netherlands 969		969.00
Provide Agro	4825 Union Rd. 88625.24 Beamsville ON L3J0V6		88,625.24
Purdue Research Foundation	1281 Win Hentschel Blvd. W 12762.29 Lafayette 47906 USA		12,762.29
Quality Seeds	Vaughan Ontario 14254.95 Vaughan ON		14,254.95
Reg Clark Trucking Ltd.	742 County Rd Harrow ON N0R 1G0		3,004.71
Reliance Home Comfort Legal Department	2 Lansing Sq, 11th Flr North York ON M2J 4P8		250.00
Rhonda Clarke	1838.75		1,838.75
Robert Haynes.	94486.06		94,486.06
Root Bissonette Walker LLP	200 Hwy. 20 E #203 3165 Fonthill ON L0S 1E6		3,165.00
Royal Brinkman Canada Inc.	Unit 2 -32 Airpark Place 913.04 Guelph ON N1L1B2		913.04
Sammour Holdings Inc.	2225 Cousineau Rd 3800 LaSalle ON N9H2M1		3,800.00

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In the Matter of the Proposal of
 Upper Canada Growers Ltd.

of the City of Niagara-on-the-Lake, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Sapling Financial Consultants Inc.	100 Sheppard Avenue East Suite 860 35415.33 Toronto ON M2N6N5		35,415.33
Sharp Direct	PO BOX 4094 Station A 582.87 Toronto ON M5W3T1		582.87
Sherrard Kuzz LLP	250 Yonge Street, Suite 3300 1325.49 Toronto ON M5B2L7		1,325.49
Shortreed Paper Inc	95 Watson Road South 562.57 Guelph ON N1L1E4		562.57
Sierra Gold Nurseries	5320 Garden Highway 3208.98 Yuba City CA 95991-9499 USA		3,208.98
Som Phetchampa	47588 Cetre Mill 4380.17 Hamilton ON L8H7S7		4,380.17
Southern Irrigation	44160 Yale Road West 111462.65 Chilliwack BC L8H7S8		111,462.65
Southpoint Equipment	330 South Talbot Road North 15983.53 Essex ON N8M2X6		15,983.53
Summerland Varieties Corp.	105 - 13677 Rosedale Ave. 4977.31 Summerland BC V0H1Z5		4,977.31
Sun Parlour Grower Supply Ltd.	20000.79		20,000.79
Sunbelt Rentals	PO Box 99257 Station Terminal 228.42 Vancouver BC V6B 0N5		250.00

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 Upper Canada Growers Ltd.

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List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Switzer-Carty Transportation Services Inc.	10 Seaciff Dr E 10132.81 Leamington ON N8H2L2		10,132.81
Tecuya Tree and Vine	1701 Westwind Dr. 189898.43 Bakersfield CA 93301 USA		189,898.43
The Grower	355 Elmira Rd #105 1695 Guelph ON N1K1S5		1,695.00
The Little Roll Company 1997 Limited	97 Campbell Road 7257.07 Auckland ON N1K1S6 New Zealand		7,257.07
The Regents of the University of California	1111 Franklin Street 11th Floor 2029.19 Oakland CA 94607-5200 USA		2,029.19
The Shield	Leamington ON N8H 3W1 Canada 644.1 Leamington ON N8H3W1		644.10
Torkin Manes LLP	35067.61		35,067.61
Town of Essex	PO Box 22083 1649.73 London ON N6A6H8		1,649.73
Town of Essex	33 Talbot Street South -3426.44 Essex ON N8M 1A8		250.00
Town of Essex	33 Talbot Street South 155.24 Essex ON N8M 1A8		250.00
Town of Essex	33 Talbot Street South 147.52 Essex ON N8M 1A8		250.00

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In the Matter of the Proposal of
 Upper Canada Growers Ltd.

of the City of Niagara-on-the-Lake, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Town of Essex	33 Talbot Street South 211.54 Essex ON N8M 1A8		250.00
Town of Essex	33 Talbot Street South 383.76 Essex ON N8M1A8		383.76
Town of Essex	33 Talbot Street South 7650.44 Essex ON N8M1A8		7,650.44
Town of Essex	33 Talbot Street South 67459.71 Essex ON N8M1A8		67,459.71
Town of Essex	33 Talbot Street South 4974.97 Essex ON N8M1A8		4,974.97
Town of Essex	33 Talbot Street South 784.74 Essex ON N8M1A8		784.74
Town of Essex	33 Talbot Street South 1266.61 Essex ON N8M1A8		1,266.61
Town of Essex	33 Talbot Street South 3719.37 Essex ON N8M1A8		3,719.37
UniFirst Canada Ltd	203 Keil Drive 1278.52 Chatham ON N7M6J5		1,278.52
University of Minnesota	NW5960PO BOX 1450 253521.08 Minneapolis MN 55485-5960 USA		253,521.08

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Upper Canada Growers Ltd.

of the City of Niagara-on-the-Lake, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Varieties International, LLC	11109 Ne Worden Hill Rd 6925.1 Dundee OR 97115 USA		6,925.10
Various Employees	921 Concession 2 Rd 250 Niagara On the Lake ON L0S 1L0		250.00
Vineland Research and Innovation Centre	4890 Victoria Ave NBox 4000 19454.65 Vineland-Station ON L0R2E0		19,454.65
Viscon Group NA Ltd	1587B County Rd 34 PO Box 59 332.66 Ruthven ON N0P2G0		332.66
Viticulture A&M Inc.	520, Rg de la Montagne 5318.91 St-Paul D'Abbotsford QC J0E1A0		5,318.91
ViViTec B.V.	Mijlweg 18 's-Gravendeel South Holland 3295 KH The Netherlands 309.08		309.08
Wajax	M9082C/UCP Box 11790 6391.97 Montreal QC H3C0C4		6,391.97
Willamette Nurseries	PO Box 3, 25571 S Barlow Rd 55802.36 Canby OR 97013 USA		55,802.36
Willow Drive Nursery	3560 Road 5 31126.84 Northwest-Ephrata WA 98823-9743 USA		31,126.84
Windsor Pure & Clean H2O To Go!	25 Amy Croft Dr. #28 1639.55 Tecumseh ON N9K1C7		1,639.55

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Upper Canada Growers Ltd.
 of the City of Niagara-on-the-Lake, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Workplace Safety and Insurance Board Eric Kupka	200 Front St W, 22nd Floor Toronto ON M5V 3J1		250.00
WSP E&I Canada Limited	3895.69 Montreal QC		3,895.69
Total			29,560,046.24



Upper Canada Growers Ltd.
 Insolvent Person

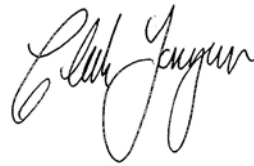
**IN THE MATTER OF THE PROPOSAL OF
UPPER CANADA GROWERS LTD.
OF THE CITY OF HARROW,
IN THE PROVINCE OF ONTARIO.**

CONSENT

WE THE UNDERSIGNED, BDO CANADA LIMITED, a Licensed Insolvency Trustee, hereby consent to act as Trustee under the Notice of Intention to Make a Proposal filed by **Upper Canada Growers Ltd.**

DATED AT Toronto this 17th day of January, 2025.

BDO Canada Limited



Per: _____

Name: Clark Lonergan, CPA, CA, CIRP, LIT

Title: Partner/Senior Vice President



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 07 - Hamilton
Court No. 32-3175820
Estate No. 32-3175820

In the Matter of the Notice of Intention to make a proposal of:

Upper Canada Growers Ltd.

Insolvent Person

BDO CANADA LIMITED / BDO CANADA LIMITÉE

Licensed Insolvency Trustee

Date of the Notice of Intention:

January 17, 2025

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: January 20, 2025, 08:00

E-File/Dépôt Electronique

Official Receiver

Canada

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

January 22, 2025

TO THE CREDITORS OF UCG LAND INC.

UCG Land Inc. (“**LandCo**” or the “**Company**”) has filed a Notice of Intention to Make a Proposal (the “**NOI**”) under subsection 50.4(1) of the Bankruptcy and Insolvency Act (“**BIA**”) on January 17, 2024 (the “**Effective Date**”). BDO Canada Limited (“**BDO**”) has been appointed as the Licensed Insolvency Trustee (the “**Trustee**”) under the NOI Filing.

The effect of the NOI is an automatic stay of proceedings against all creditors from commencing any judicial actions against the Company without first obtaining the leave of the Ontario Superior Court of Justice (the “**Court**”).

These NOI proceedings are meant to provide the Company with the time and “breathing room” from its creditors to seek a way (under the supervision of the Court) to emerge as a successful, going concern business and to position the business as a stronger, more competitive company.

The Company continues to operate during the NOI and to be clear, the Company has not filed an assignment in bankruptcy.

As required by the BIA, we enclose the following documents with respect to these NOI proceedings for your records:

- Notice of Intention to Make a Proposal
- List of Creditors
- Consent of the Trustee to Act
- Certificate of Filing of Notice of Intention to Make a Proposal

LandCo has 30 days from the Effective Date to either make a Proposal to its creditors or to seek an extension from the Court. Until a definitive Proposal is filed with the Trustee, creditors need not file Proofs of Claim or concern themselves with voting. The Trustee will provide additional information related to the NOI as it becomes available for review on the following website:

<https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/upper-canada-growers-ltd>

If you have any questions for the Company management, please contact them directly using your existing contact information.

If you have any questions relative to the NOI process, please contact the BDO as follows:

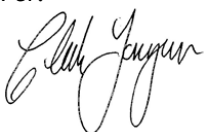
Paul Kouadio, Manager
T: 647 798 1496, pkouadio@bdo.ca
20 Wellington St. East, Suite 500
Toronto, Ontario M5E 1C5
Canada

Yours very truly

BDO CANADA LIMITED

Acting in its capacity as
Licensed Insolvency Trustee under the
Notice of Intention to Make a Proposal of
UCG Land Inc. and not in
its personal or corporate capacity

Per:



Clark Lonergan, CA, CPA, CIRP, LIT
Partner/Senior Vice-President

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 UCG Land Inc.
 of the City of Niagara-on-the-Lake, in the Province of Ontario

Take notice that:

1. I, UCG Land Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. BDO Canada Limited / BDO Canada Limitée of 20 Wellington St E, Suite 500, Toronto, ON, M5E 1C5, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Toronto in the Province of Ontario, this 17th day of January 2025.



UCG Land Inc.
 Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 UCG Land Inc.
 of the City of Niagara-on-the-Lake, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Bank of Nova Scotia	40 King St. W. Toronto ON M5H 1H1		25,860,972.00
CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9		249,688.00
Total			26,110,660.00



UCG Land Inc.
 Insolvent Person

- Proposal Consent -
In the Matter of the Proposal of
UCG Land Inc.
of the City of Niagara-on-the-Lake, in the Province of Ontario

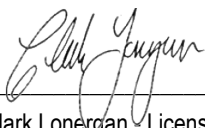
To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of UCG Land Inc..

Dated at the City of Toronto in the Province of Ontario, this 17th day of January 2025.

BDO Canada Limited / BDO Canada Limitée - Licensed Insolvency Trustee

Per:



Clark Lonergan - Licensed Insolvency Trustee

20 Wellington St E, Suite 500

Toronto ON M5E 1C5

Phone: (416) 865-0210 Fax: (416) 865-0904



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 07 - Hamilton
Court No. 32-3175819
Estate No. 32-3175819

In the Matter of the Notice of Intention to make a proposal of:

UCG Land Inc.

Insolvent Person

BDO CANADA LIMITED / BDO CANADA LIMITÉE

Licensed Insolvency Trustee

Date of the Notice of Intention:

January 17, 2025

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: January 20, 2025, 08:04

E-File/Dépôt Electronique

Official Receiver

Canada

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

This is Exhibit “U” referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

333 Bay Street, Suite 2400
P.O. Box 20
Toronto, Ontario M5H 2T6
Canada

T +1 416 366 8381
+1 800 268 8424
F +1 416 364 7813
fasken.com

Stuart Brotman

Direct Line / Fax +1 416 868 3425
sbrotman@fasken.com

November 15, 2024

VIA REGISTERED MAIL AND EMAIL (rob@uppercanadagrowers.ca)

Upper Canada Growers Ltd.
921 Concession 2 Road
Niagara-on-the-Lake, ON
L0S 1L0

UCG Land Inc.
921 Concession 2 Road
Niagara-on-the-Lake, ON
L0S 1L0

Attention: Mr. Robert Haynes

Attention: Mr. Robert Haynes

Dear Mr. Haynes:

Re: Credit Facilities provided by The Bank of Nova Scotia (“BNS”) to Upper Canada Growers Ltd. (“UCG”) and UCG Land Inc. (“UCG Land”)

Demand for Repayment of Indebtedness under the Credit Agreement and the Guarantees

We act as external legal counsel to BNS in respect of the above-noted matter.

UCG and UCG Land are indebted to BNS pursuant to a credit facility agreement dated as of May 13, 2024, accepted by UCG and UCG Land on May 21, 2024, as borrowers and as guarantors, as amended by a default and amendment letter dated as of August 21, 2024 (the **“Default and Amendment Letter”**), accepted by UCG and UCG Land on August 28, 2024, as borrowers and as guarantors (as may be further amended, restated, supplemented, or replaced from time to time, the **“Credit Agreement”**).

Pursuant to the terms of the Credit Agreement, BNS has made available to UCG and UCG Land the following credit facilities (collectively, the **“Credit Facilities”**):

- (a) to UCG, a demand operating facility in the maximum principal amount of CAD \$7,500,000 (the **“Demand Operating Facility”**);
- (b) to UCG, a Scotia Visa Business Card having a limit of CAD \$250,000;
- (c) to UCG, a Scotia Visa Business Card having a limit of USD \$50,000; and



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- (d) to UCG and UCG Land, a revolving term facility in the maximum principal amount of CAD \$20,000,000.

UCG has guaranteed the payment of all debts and liabilities owing or remaining unpaid by UCG Land to BNS, up to an unlimited amount, pursuant to a guarantee agreement dated as of November 29, 2023, and UCG Land has guaranteed the payment of all debts and liabilities owing or remaining unpaid by UCG to BNS, up to an unlimited amount, pursuant to a guarantee agreement dated as of November 29, 2023 (collectively, the “**Guarantees**”). Each of the Guarantees provides that upon any default in payment of any sum owing by UCG or UCG Land, as applicable, to BNS, BNS may treat all guaranteed liabilities as due and payable and may forthwith collect from the applicable guarantor the total amount guaranteed thereunder.

The obligations of UCG and UCG Land to BNS are secured by, *inter alia*, the following:

1. from UCG:
 - (a) a general security agreement dated as of November 29, 2023, granting BNS a security interest in all of UCG’s present and after acquired property and all proceeds thereof;
 - (b) pursuant to section 427 of the *Bank Act* and in favour of BNS:
 - (i) a notice of intention to give security dated as of November 21, 2023;
 - (ii) an agreement as to loans and advances and security therefor dated as of November 29, 2023;
 - (iii) a promise to give security dated as of November 29, 2023;
 - (iv) a security agreement dated as of November 29, 2023; and
 - (c) an assignment of insurance dated as of November 29, 2023 in favour of BNS.
2. from UCG Land:
 - (a) a general security agreement dated as of November 29, 2023, granting BNS a security interest in all of UCG Land’s present and after acquired property and all proceeds thereof;
 - (b) pursuant to section 427 of the *Bank Act* and in favour of BNS:
 - (i) a notice of intention to give security dated as of November 21, 2023;
 - (ii) an agreements as to loans and advances and security therefor dated as of November 29, 2023;

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- (iii) a promise to give security dated as of November 29, 2023; and
- (iv) a security agreement dated as of November 29, 2023;
- (c) a first-ranking charge/mortgage registered on November 30, 2023 as Instrument CE1161676 in the principal amount of \$20,000,000 against the real properties legally described as (collectively, the **“Real Property”**):
 - (i) PART LT 58 CONCESSION 1 OR FRONT COLCHESTER, PART 2 12R5006 SAVE AND EXCEPT PART 1 12R28819, TOWN OF ESSEX, PIN 75198-0187 (LT);
 - (ii) PT LT 16 CON GORE OR 2ND RANGE COLCHESTER PT 1 12R11909, EXCEPT PT 1, 12R14883, ESSEX, PIN 75194-0023 (LT);
 - (iii) PT LT 4 PL 178 COLCHESTER AS IN R843148; ESSEX, PIN 75194-0156 (LT);
 - (iv) PT LT 6-8 PL 178 AS IN R1371764, EXCEPT PT 1 PL 12R15636, PT LTS 48, 49 CON 1 OR FRONT, DESIGNATED AS PT 1 PL 12R21178; ESSEX, PIN 75194-0198 (LT); and
 - (v) PT LT 9 PL 178 COLCHESTER PT 2 & 3, 12R7446; T/W & S/T R613698; ESSEX AMENDED BY LO 2003/01/21, PIN 75187-0007 (LT);
- (d) a general assignment of rents and leases dated as of November 29, 2023 in favour of BNS in respect of the Real Property registered on November 30, 2023 as Instrument CE1161677; and
- (e) an assignment of insurance dated as of November 29, 2023 in favour of BNS.

UCG and UCG Land are each in default of various covenants under the Credit Agreement. Specifically, UCG and UCG Land have each failed to, among other things, abide by certain financial and reporting requirements (collectively, the **“Events of Default”**), including:

- (a) failing to maintain a Fixed Charge Coverage Ratio at all times of 1.00:1 or better, as calculated on a quarterly basis, as set forth in the Credit Agreement;
- (b) failing to provide BNS with a Compliance Certificate for the period ending November 30, 2023, due within 120 days of year-end of fiscal year 2023;
- (c) failing to report the Monthly Borrowing Base Calculation within 45-days of period-end for the periods ending August 31, 2024 and September 30, 2024;



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- (d) the amount outstanding under the Demand Operating Facility exceeded the Borrowing Base by CAD \$363,000 for the reporting period ending July 31, 2024; and,
- (e) the amount outstanding under the Demand Operating Facility has exceeded the authorized aggregate amount since July 31, 2024.

The Events of Default have not been cured and are continuing. As a result of the occurrences of the Events of Default (and irrespective of any Events of Default in the case of the Demand Operating Facility), BNS is entitled to declare immediately due and payable and demand immediate repayment in full of all amounts outstanding under the Credit Facilities, together with accrued interest and costs.

As at November 15, 2024, the total indebtedness owing to BNS under the Credit Facilities is CAD \$26,319,315 and USD \$43,186.46 (collectively, the “**Indebtedness**”), with interest and costs continuing to accrue thereon.

Pursuant to the terms of the Credit Agreement and the Guarantees, BNS hereby demands repayment of the Indebtedness in full from UCG and UCG Land. Enclosed herewith are (a) notices of intention to enforce security provided to you pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC, c B-3; and (b) notices by secured creditors provided to you in accordance with section 21 of the *Farm Debt Mediation Act*, SC 1997, c 21.

Payment can be made by delivering a certified cheque made payable to “Fasken Martineau DuMoulin LLP, in Trust”. In addition, BNS has incurred, and will continue to incur fees, expenses and costs in relation to this matter. BNS reserves its right to claim all fees, expenses and costs that it has incurred and will continue to incur in relation to this matter against UCG and UCG Land.

BNS reserves all of its rights, remedies and claims under the Credit Agreement, the Guarantees, all related documents, its security and at law and equity. Nothing contained in this letter or in any discussions or meetings that may occur between BNS, UCG, UCG Land, or any of them, or any of their respective affiliates or representatives, shall be construed as a waiver of any such rights, remedies or claims.

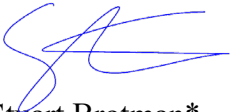
We look forward to your prompt attention to this matter.



FASKEN

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP



Stuart Brotman*

*Practicing through a professional corporation.

cc. Mitch Stephenson (mstephenson@fasken.com), Fasken Martineau DuMoulin LLP
Jennifer Caruso (jcaruso@fasken.com), Fasken Martineau DuMoulin LLP

Encls.

August 21, 2024

Upper Canada Growers Ltd.
921 Concession 2 Road
Niagara-on-the-Lake, ON
L0S 1L0

UCG Land Inc.
921 Concession 2 Road
Niagara-on-the-Lake, ON
L0S 1L0

Attention: Mr. Robert Haynes

Attention: Mr. Robert Haynes

Dear Sir:

IMPORTANT - NOTICE OF DEFAULT

We refer to our Credit Facility Agreement ("CFA") dated May 13, 2024 addressed to Upper Canada Growers Ltd. and UCG Land Inc. (each a "Borrower" and collectively the "Borrowers"), accepted by the Borrowers on May 21, 2024, under which we agreed to make credit available to the Borrowers.

The CFA contains certain financial conditions to have been met by the Borrower, including the following:

- (a) Fixed Charge Coverage Ratio, tested on a consolidated basis of the Borrowers, is to be maintained at all times at 1.00:1 or better, increasing to 1.15:1 or better effective the quarter ending February 28, 2025, calculated quarterly on a rolling four quarter basis.

Based on [the latest] information provided by the Borrower these financial conditions were not met for the latest reporting period ending on May 31, 2024 as:

- (a) Fixed Charge Coverage Ratio was 0.31x:1.

The above being referred to herein as "Default"

Subject to your acceptance of the additional terms set out below under the heading "Additional Terms", we are prepared [at the present time] to agree not to immediately enforce our rights under the CFA and related documents and continue providing credit on the terms and conditions of the CFA

Additional Terms

The Borrower agrees that effective upon the date it signs this letter as stipulated below, the following additional terms shall apply to the CFA:

- No current or future defaults of the terms of the CFA other than as stipulated herein
- No further deterioration of the financial condition of the Borrower

CREDIT NUMBER: 04

Delete:Consent to disposition of real estate assets to Bonnefield:

The Bank shall release its interest in the under noted properties provided not less than \$4,700,000 net cash proceeds are applied to repay outstanding advances under the credit facility.

- i) PT LT 54 CON 1 OR FRONT COLCHESTER DESIGNATED AS PT 1 ON 12R26933; TOWN OF ESSEX (PIN 75194-0245)
- ii) PART LOT CON 1 OR FRONT COLCHESTER AS IN R1275296 (FIRSTLY) EXCEPT PART 1 PLAN 12R26612; TOWN OF ESSEX (PIN 75194-0243)
- iii) PART LOT 56 CON 1 COLCHESTER DESIGNATED AS PART 1 PLAN 12R26612; TOWN OF ESSEX (PIN 75194-0242)
- iv) Legal land description to be provided: representing the severed portion of PT LT 2 PL 178 COLCHESTER AS IN R992829 EXCEPT PARTS 1 & 2 PLAN 12R-27038; S/T C221022; SAVE AND EXCEPT PART 3 ON PLAN 12R-28551; ESSEX; TOWN OF ESSEX; TOGETHER WITH AN EASEMENT OVER PT OF LOT 2 PLAN 127, DESIGNATED AS PART 3 ON PLAN 12R-28551 AS IN CE1000953 (PIN: 75194-0261) purchased by Bonnefield.

Consent to 1340 County Road disposition:

The Bank shall release its interest in the property 1340 County Road 13, Essex, ON (PIN 75199-0257) provided not less than \$1,100,000 of the net cash proceeds are applied to repay outstanding advances under the credit facility.

Bridge Financing (One time advance of \$5,750,000)

The advance is repayable in the minimum amount of \$4,700,000 within 30 days following drawdown with the balance then converted to a farmland advance under the Credit.

The advance shall be availed in Prime Rate only.

Advances are not to exceed 100% of the purchase price, exclusive of the applicable taxes.

Advances are to be supported by an executed Purchase and Sale Agreement with AgInvest, reflecting the revised closing date, satisfactory to the Bank.

Land valuation verification by appraisal/assessment over the lands to be retained by the borrower upon repayment of the \$4,700,000 portion of the Bridge Financing advance, satisfactory to the Bank.

Advances are to be supported by an executed and unconditional Purchase and Sale Agreement with Bonnefield evidencing minimum net proceeds of \$4,700,000, satisfactory to the Bank.

Environmental Risk Checklist on new land, satisfactory to the Bank.

Collateral Mortgage in an amount equal to the purchase price of acquired property (such amount to be determined by the Bank in its sole discretion), providing a first fixed charge over the land financed under this Credit, with

replacement cost fire insurance coverage, loss, if any, payable to the Bank as mortgagee (insurance not applicable to bare lands) over all real property acquired. Real estate to be held as general security for all present and future debts and obligations of the Borrowers and the Guarantors.

Advances will be made, through the Bank's solicitor upon receipt by the Bank of an up-to-date real estate title opinion or title insurance, ensuring continued priority ranking of the Bank's security interests in real estate pledged to the Bank.

GENERAL SECURITY

Delete:

Collateral mortgage in the amount of \$5,850,000 providing a first fixed charge in favour of the Bank, with replacement cost fire insurance coverage, loss, if any, payable to the Bank as mortgagee, over the following properties:

- i) i) PT LT 54 CON 1 OR FRONT COLCHESTER DESIGNATED AS PT 1 ON 12R26933; TOWN OF ESSEX (PIN 75194-0245)
- ii) ii) PART LOT CON 1 OR FRONT COLCHESTER AS IN R1275296 (FIRSTLY) EXCEPT PART 1 PLAN 12R26612; TOWN OF ESSEX (PIN 75194-0243)
- iii) iii) PART LOT 56 CON 1 COLCHESTER DESIGNATED AS PART 1 PLAN 12R26612; TOWN OF ESSEX (PIN 75194-0242)
- iv) iv) PT LT 2 PL 178 COLCHESTER AS IN R992829 EXCEPT PARTS 1 & 2 PLAN 12R-27038; S/T C221022; SAVE AND EXCEPT PART 3 ON PLAN 12R-28551; ESSEX; TOWN OF ESSEX; TOGETHER WITH AN EASEMENT OVER PT OF LOT 2 PLAN 127, DESIGNATED AS PART 3 ON PLAN 12R-28551 AS IN CE1000953 (PIN: 75194-0261)

GENERAL CONDITIONS

Delete:

Capital Expenditures are not to exceed 125% of the planned annual capital expenditure budget previously signed and delivered to the Bank.

Add:

No Capital Expenditures are permitted.

General Borrower Reporting Conditions

Delete:

Quarterly Borrowing Base Calculation, including aged listings of accounts receivable, accounts payable and cost details on inventory net of deposits, within 45-days of period-end.

Add:

Monthly Borrowing Base Calculation, including aged listings of accounts receivable, accounts payable and cost details on inventory net of deposits, within 45-days of period-end.

Except as set out above, all of the terms and conditions of the CFA continue to be applicable and are in full force and effect.

A default fee of \$1,500 shall be fully earned upon the execution of this letter and the Bank is authorized to collect it by debiting the Operating Credit Number: 01 or any deposit account held by the Borrower with the Bank.

We require the Borrower [and all Guarantors] to acknowledge and agree to the foregoing by signing and returning a copy of this letter to us by August 31, 2024. Should we fail to receive a signed copy of this letter as required, we reserve all our rights, powers, privileges and remedies under the CFA and related documents, applicable law and otherwise, to take any action we consider appropriate.

Yours very truly,

THE BANK OF NOVA SCOTIA

Steven Cosby
Steven Cosby
Director

Jeremy Lee
Jeremy Lee
Associate Director

Accepted by:

BORROWERSUpper Canada Growers Ltd.By: Robert Haynes
Title: President / CEO.Date: 2024-08-28By: Megan Haynes
Title: Vice PresidentDate: 2024-08-28UCG Land Inc.By: Robert Haynes
Title: Vice PresidentDate: 2024-08-28By: Megan Haynes
Title: SecretaryDate: 2024-08-28**GUARANTORS:**Upper Canada Growers Ltd. (as to the obligations of UCG Land Inc.)By: Robert Haynes
Title: ~~the~~ PresidentDate: 2024-08-28By: Megan Haynes
Title: Vice PresidentDate: 2024-08-28UCG Land Inc. (as to the obligations of Upper Canada Growers Ltd.)By: Robert Haynes
Title: Vice PresidentDate: 2024-08-28By: Megan Haynes
Title: SecretaryDate: 2024-08-28

FORM 86**NOTICE OF INTENTION TO ENFORCE A SECURITY**

(Subsection 244(1) of the Bankruptcy and Insolvency Act)

TO: Upper Canada Growers Ltd.
921 Concession 2 Road
Niagara-on-the-Lake, ON
L0S 1L0

an insolvent person.

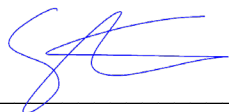
Take notice that:

1. **The Bank of Nova Scotia (“BNS”)**, a secured creditor, intends to enforce its security on the insolvent person’s property described below:
 - (a) All present and after-acquired personal property and fertilizer, pesticide, forestry equipment, forestry implements, and products of the forest, and all proceeds (including insurance proceeds) thereof as more particularly described in the documents listed in paragraph 2 hereof.
2. The security that is to be enforced is in the form of:
 - (a) a general security agreement dated as of November 29, 2023;
 - (b) pursuant to section 427 of the *Bank Act* and in favour of BNS:
 - (i) a notice of intention to give security dated as of November 21, 2023;
 - (ii) an agreement as to loans and advances and security therefor dated as of November 29, 2023;
 - (iii) a promise to give security dated as of November 29, 2023;
 - (iv) a security agreement dated as of November 29, 2023; and
 - (c) an assignment of insurance dated as of November 29, 2023 in favour of BNS.
3. The total amount of indebtedness secured by the security as of November 15, 2024 amounts to the aggregate sum of CAD \$13,798,747.72 and USD \$43,186.46, plus accruing interest and all other fees, expenses, and costs claimable by BNS against the insolvent person.

4. BNS will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Toronto, Ontario, this 15th day of November, 2024.

Per: _____



Stuart Brotman – Barrister & Solicitor
Counsel to The Bank of Nova Scotia

WAIVER

The undersigned hereby waives the 10-day notice period provided for in this Notice of Intention to Enforce a Security under section 244(2) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and consents to the immediate enforcement by BNS of all its above-noted security.

Dated at _____, Ontario, this _____ day of _____, 2024

UPPER CANADA GROWERS LTD.

Per:

I have authority to bind the corporation

FORM 86**NOTICE OF INTENTION TO ENFORCE A SECURITY**

(Subsection 244(1) of the Bankruptcy and Insolvency Act)

TO: UCG Land Inc.
921 Concession 2 Road
Niagara-on-the-Lake, ON
L0S 1L0

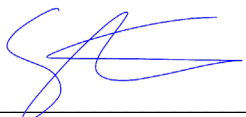
an insolvent person.

Take notice that:

1. **The Bank of Nova Scotia (“BNS”)**, a secured creditor, intends to enforce its security on the insolvent person’s property described below:
 - (a) All present and after-acquired personal property and fertilizer, pesticide, forestry equipment, forestry implements, and products of the forest, and all proceeds (including insurance proceeds) thereof as more particularly described in the documents listed in paragraph 2 hereof;
 - (b) The real properties legally described as follows, and the rents thereof:
 - (i) PART LT 58 CONCESSION 1 OR FRONT COLCHESTER, PART 2 12R5006 SAVE AND EXCEPT PART 1 12R28819, TOWN OF ESSEX, PIN 75198-0187 (LT);
 - (ii) PT LT 16 CON GORE OR 2ND RANGE COLCHESTER PT 1 12R11909, EXCEPT PT 1, 12R14883, ESSEX, PIN 75194-0023 (LT);
 - (iii) PT LT 4 PL 178 COLCHESTER AS IN R843148; ESSEX, PIN 75194-0156 (LT);
 - (iv) PT LT 6-8 PL 178 AS IN R1371764, EXCEPT PT 1 PL 12R15636, PT LTS 48, 49 CON 1 OR FRONT, DESIGNATED AS PT 1 PL 12R21178; ESSEX, PIN 75194-0198 (LT); and
 - (v) PT LT 9 PL 178 COLCHESTER PT 2 & 3, 12R7446; T/W & S/T R613698; ESSEX AMENDED BY LO 2003/01/21, PIN 75187-0007 (LT);
2. The security that is to be enforced is in the form of:
 - (a) a general security agreement dated as of November 29, 2023;
 - (b) pursuant to section 427 of the *Bank Act* and in favour of BNS:

- (i) a notice of intention to give security dated as of November 21, 2023;
 - (ii) an agreement as to loans and advances and security therefor dated as of November 29, 2023;
 - (iii) a promise to give security dated as of November 29, 2023;
 - (iv) a security agreement dated as of November 29, 2023; and
 - (c) a charge/mortgage registered on November 30, 2023 as Instrument CE1161676 in the principal amount of \$20,000,000, against the real properties legally described as (collectively, the “**Real Property**”):
 - (i) PART LT 58 CONCESSION 1 OR FRONT COLCHESTER, PART 2 12R5006 SAVE AND EXCEPT PART 1 12R28819, TOWN OF ESSEX, PIN 75198-0187 (LT);
 - (ii) PT LT 16 CON GORE OR 2ND RANGE COLCHESTER PT 1 12R11909, EXCEPT PT 1, 12R14883, ESSEX, PIN 75194-0023 (LT);
 - (iii) PT LT 4 PL 178 COLCHESTER AS IN R843148; ESSEX, PIN 75194-0156 (LT);
 - (iv) PT LT 6-8 PL 178 AS IN R1371764, EXCEPT PT 1 PL 12R15636, PT LTS 48, 49 CON 1 OR FRONT, DESIGNATED AS PT 1 PL 12R21178; ESSEX, PIN 75194-0198 (LT); and,
 - (v) PT LT 9 PL 178 COLCHESTER PT 2 & 3, 12R7446; T/W & S/T R613698; ESSEX AMENDED BY LO 2003/01/21, PIN 75187-0007 (LT);
 - (d) a general assignment of rents and leases dated as of November 29, 2023 in favour of BNS in respect of the Real Property, registered on November 30, 2023 as Instrument CE1161677; and
 - (e) an assignment of insurance dated as of November 29, 2023 in favour of BNS.
3. The total amount of indebtedness secured by the security as of November 15, 2024 amounts to the aggregate sum of CAD \$12,520,568, plus accruing interest and all other fees, expenses, and costs claimable by BNS against the insolvent person.
 4. BNS will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Toronto, Ontario, this 15th day of November, 2024.

Per:  _____

Stuart Brotman – Barrister & Solicitor
Counsel to Bank of Nova Scotia

WAIVER

The undersigned hereby waives the 10-day notice period provided for in this Notice of Intention to Enforce a Security under section 244(2) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and consents to the immediate enforcement by BNS of all its above-noted security.

Dated at _____, Ontario, this _____ day of _____, 2024

UCG LAND INC.

Per:

I have authority to bind the corporation



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

UCG Land Inc.

Farmer's address

Unit/Suite/Apt.	Street Number	Number Suffix	Street Name	Street Type
	921		Concession 2	Road
Street direction	PO Box or Route Number	Municipality (City, Town, etc.)	Province	Postal code
		Niagara-on-the-Lake	Ontario	L0S 1L0

The security being (type(s) of security)

on (asset(s))

See Schedule "A" and Schedule "B", attached

See Schedule "A" and Schedule "B", attached

Dated this 15th day of November, 2024 at Toronto

The Bank of Nova Scotia per Fasken Martineau DuMoulin LLP

Name of secured creditor or authorized representative (print)

1 416 865 5419

Signature of secured creditor or authorized representative

Creditor's phone number and ext.

sbrotman@fasken.com

Email address of secured creditor or authorized representative

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

agriculture.canada.ca/fdms

Eastern Canada Office

Tel: 1-866-452-5556

Email: aafc.fdms-smmea.aac@agr.gc.ca

Fax: 1-833-902-8388

Western Canada Office

Tel: 1-866-452-5556

Email: aafc.fdms-smmea.aac@agr.gc.ca

Fax: 1-833-902-8388

SCHEDULE “A”

<i>The security being (type(s) of security)</i>	<i>on (asset(s))</i>
A general security agreement dated as of November 29, 2023	All present and after acquired property and proceeds thereof (including insurance proceeds) as described therein
Pursuant to section 427 of the <i>Bank Act</i>: • a notice of intention to give security dated as of November 21, 2023; • an agreement as to loans and advances and security therefor dated as of November 29, 2023; • a promise to give security dated as of November 29, 2023; and, • a security agreement dated as of November 29, 2023	All fertilizer, pesticide, forestry equipment, forestry implements or products of the forest, and all proceeds thereof (including insurance proceeds) as described therein
Assignment of insurance dated as of November 29, 2023	Rights and benefits of certain insurance policies as described therein
A charge/mortgage registered on November 30, 2023 as Instrument CE1161676 in the principal amount of \$20,000,000	The real properties described in Schedule “B”
A general assignment of rents and leases dated November 29, 2023 registered on November 30, 2023 as Instrument CE1161677	The rents of the real properties described in Schedule “B”

SCHEDULE “B”

The real properties legally described as follows, and the rents thereof:

- (i) PART LT 58 CONCESSION 1 OR FRONT COLCHESTER, PART 2 12R5006 SAVE AND EXCEPT PART 1 12R28819, TOWN OF ESSEX, PIN 75198-0187 (LT);
- (ii) PT LT 16 CON GORE OR 2ND RANGE COLCHESTER PT 1 12R11909, EXCEPT PT 1, 12R14883, ESSEX, PIN 75194-0023 (LT);
- (iii) PT LT 4 PL 178 COLCHESTER AS IN R843148; ESSEX, PIN 75194-0156 (LT);
- (iv) PT LT 6-8 PL 178 AS IN R1371764, EXCEPT PT 1 PL 12R15636, PT LTS 48, 49 CON 1 OR FRONT, DESIGNATED AS PT 1 PL 12R21178; ESSEX, PIN 75194-0198 (LT); and,
- (v) PT LT 9 PL 178 COLCHESTER PT 2 & 3, 12R7446; T/W & S/T R613698; ESSEX AMENDED BY LO 2003/01/21, PIN 75187-0007 (LT)



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

Upper Canada Growers Ltd.

Farmer's address

Unit/Suite/Apt.	Street Number	Number Suffix	Street Name	Street Type
	921		Concession 2	Road
Street direction	PO Box or Route Number	Municipality (City, Town, etc.)	Province	Postal code
		Niagara-on-the-Lake	Ontario	L0S 1L0

The security being (type(s) of security)

on (asset(s))

See Schedule "A", attached

See Schedule "A", attached

Dated this 15th day of November, 2024 at Toronto

The Bank of Nova Scotia per Fasken Martineau DuMoulin LLP

Name of secured creditor or authorized representative (print)

1 416 865 5419

Signature of secured creditor or authorized representative

Creditor's phone number and ext.

sbrotman@fasken.com

Email address of secured creditor or authorized representative

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

agriculture.canada.ca/fdms

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Email: aafc.fdms-smmea.aac@agr.gc.ca

Fax: 1-833-902-8388

Western Canada Office

Tel: 1-866-452-5556

Email: aafc.fdms-smmea.aac@agr.gc.ca

Fax: 1-833-902-8388

SCHEDULE “A”

<i>The security being (type(s) of security)</i>	<i>on (asset(s))</i>
A general security agreement dated as of November 29, 2023	All present and after acquired property and proceeds thereof (including insurance proceeds) as described therein
Pursuant to section 427 of the <i>Bank Act</i>: • a notice of intention to give security dated as of November 21, 2023; • an agreement as to loans and advanced and security therefor dated as of November 29, 2023; • a promise to give security dated as of November 29, 2023; and • a security agreement dated as of November 29, 2023	All fertilizer, pesticide, forestry equipment, forestry implements or products of the forest, and all proceeds thereof (including insurance proceeds) as described therein
An assignment of insurance dated as of November 29, 2023	Rights and benefits of certain insurance policies as described therein

This is Exhibit “V” referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

RESOLUTIONS OF THE BOARD OF DIRECTORS**OF****UPPER CANADA GROWERS LTD.****(the “Corporation”)**

The undersigned, being all of the directors of the Corporation, acting by written resolution in lieu of a meeting under the provisions of the *Business Corporations Act* (Ontario) (the “**Act**”), hereby adopt the following resolutions:

WHEREAS:

- A. The Corporation is insolvent as it is no longer able to meet its obligations as they generally fall due and has liabilities totaling more than the liquidation value of its assets.
- B. All of the directors of the Corporation deem it to be in the best interests of the Corporation to seek protection under the *Bankruptcy and Insolvency Act* (“**BIA**”) by filing a notice of intention to make a proposal (a “**Notice of Intention**”) to all of its creditors pursuant to the provisions of Part III of the BIA.

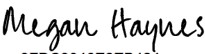
BE IT RESOLVED THAT:

- 1. The Corporation be, and it hereby is, authorized and directed to (i) file a Notice of Intention with the Office of the Superintendent of Bankruptcy, and (ii) retain BDO Canada Limited to act as proposal trustee in connection with the Notice of Intention.
- 2. Any officer or director of the Corporation (each such person, an “**Authorized Officer**”), be, and each of them hereby is, authorized and empowered to execute and deliver all such documents as they shall deem necessary, desirable or appropriate to consummate, effectuate, implement, carry out or further the foregoing, in the name and on behalf of the Corporation, under seal or otherwise, with such additions, deletions or changes therein as the Authorized Officer executing the same shall approve (the execution and delivery thereof by any such Authorized Officer to be conclusive evidence of his or her approval of any such additions, deletions or changes).
- 3. Any and all actions taken prior to the date of these resolutions by any of the officers or directors of the Corporation in connection with the Notice of Intention and any matters leading up to the Notice of Intention are ratified and approved.

These resolutions may be signed in counterparts, each of which shall be deemed an original, and all of which shall be deemed one instrument.

[Signature page follows]

Dated as of January 16, 2025.

Signed by:

9FDC9046E2EB424...
Megan Lindsay Haynes

Signed by:

A18BB50E20C7417...
Manish Nayar

Signed by:

E5BD3E0589AD48C...
Robert Bruce Haynes

Signed by:

F6FE4BB88AB44C2...
Mohit Nayar

RESOLUTIONS OF THE BOARD OF DIRECTORS**OF****UCG LAND INC.****(the “Corporation”)**

The undersigned, being all of the directors of the Corporation, acting by written resolution in lieu of a meeting under the provisions of the *Business Corporations Act* (Ontario) (the “**Act**”), hereby adopt the following resolutions:

WHEREAS:

- A. The Corporation is insolvent as it is no longer able to meet its obligations as they generally fall due and has liabilities totaling more than the liquidation value of its assets.
- B. All of the directors of the Corporation deem it to be in the best interests of the Corporation to seek protection under the *Bankruptcy and Insolvency Act* (“**BIA**”) by filing a notice of intention to make a proposal (a “**Notice of Intention**”) to all of its creditors pursuant to the provisions of Part III of the BIA.

BE IT RESOLVED THAT:

- 1. The Corporation be, and it hereby is, authorized and directed to (i) file a Notice of Intention with the Office of the Superintendent of Bankruptcy, and (ii) retain BDO Canada Limited to act as proposal trustee in connection with the Notice of Intention.
- 2. Any officer or director of the Corporation (each such person, an “**Authorized Officer**”), be, and each of them hereby is, authorized and empowered to execute and deliver all such documents as they shall deem necessary, desirable or appropriate to consummate, effectuate, implement, carry out or further the foregoing, in the name and on behalf of the Corporation, under seal or otherwise, with such additions, deletions or changes therein as the Authorized Officer executing the same shall approve (the execution and delivery thereof by any such Authorized Officer to be conclusive evidence of his or her approval of any such additions, deletions or changes).
- 3. Any and all actions taken prior to the date of these resolutions by any of the officers or directors of the Corporation in connection with the Notice of Intention and any matters leading up to the Notice of Intention are ratified and approved.

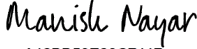
These resolutions may be signed in counterparts, each of which shall be deemed an original, and all of which shall be deemed one instrument.

[Signature page follows]

Dated as of January 16, 2025.

Signed by:

3FD09040E2ED424...
Megan Lindsay Haynes

Signed by:

A18BB50E20C7417...
Manish Nayar

Signed by:

E5BD3F0589AD48C...
Robert Bruce Haynes

Signed by:

F0FE4BB88AB44C2...
Mohit Nayar

This is Exhibit “W” referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

Upper Canada Growers Ltd.
Balance Sheet
As of November 30, 2024

	Nov. 2024
Assets	
Current Assets	
Cash and Cash Equivalent	
1003 Scotia CAD 07662 16	-3,032,421.89
1005 RBC CAD Account #1002666	6,507.91
1007 RBC Building Account	0.00
1010 Payments Clearing	131.32
1013 Scotia USD	-58,417.79
1015 RBC USD Chequing	-0.05
1020 Agri-Invest Account (03392-1001148)	0.00
1080 Petty Cash	1,613.05
1085 Petty Cash - Harrow	1,071.55
1087 Petty Cash - Euro	187.15
1089 Admin Petty Cash	15,170.67
1099 TD Account - #5221980	80,555.56
Scotia Closing clearing account	0.00
1090 Undeposited Funds	86.45
Total Cash and Cash Equivalent	-\$ 2,985,516.07
Accounts Receivable (A/R)	
1105 Accounts Receivable (A/R)	708,479.40
Total Accounts Receivable (A/R)	\$ 708,479.40
1110 Accrued Income	562,500.00
1111 Accrued Interest	227,555.24
Total 1110 Accrued Income	\$ 790,055.24
1190 Employee Receivable	5,082.49
1192 Advances	5,736.37
1194 Reimbursements	0.00
Total 1190 Employee Receivable	\$ 10,818.86
1195 Due to Shareholders	1,394.90
1205 Inventory -- Input Materials	0.00
1205A IMat -- Containers	10,000.00
1205B IMat -- Fertilizers	6,419.27
1205C IMat -- Growing media and supplies	106,127.85
1205D IMat -- Pesticides	-27,770.34
1205E IMat -- Budwood and Root stocks	0.00
1205F IMat -- Trellis, Posts, Hail Netting	14,722.00
1205G IMat -- Irrigation and Drainage	3,607.05
Total 1205 Inventory -- Input Materials	\$ 113,105.83
1210 Inventory -- Production Costs	0.00
1210A ProCosts -- Crop Insurance	0.00
1210B ProCosts -- Electricity	20,179.89
1210C ProCosts -- Freight and trucking	4,137.43
1210D ProCosts -- Heating Fuel	19,212.49
1210E ProCosts -- Property taxes	69,583.32

1210F ProCosts -- Rent-Land	194,574.16
1210G ProCosts -- Salaries and benefits	445,517.30
1210H ProCosts -- Royalties	0.00
1210I ProCosts -- Miscellaneous	-3,082.26
Total 1210 Inventory -- Production Costs	\$ 750,122.33
1213 Inventory -- Work in Progress	2,403,439.53
1215 Inventory -- Finished Goods	10,382,176.07
1305 Prepaid Expenses	0.00
1305A Orchard costs	0.00
1305A-1 PP Expenses -- Labour	5,537,262.19
1305A-2 PP Expenses -- Fertilizers	208,917.01
1305A-3 PP Expenses -- Pesticides	749,014.33
1305A-4 PP Expenses -- Irrigation and Drainage	115,492.35
1305A-5 PP Expenses -- Growing Media and Supplies	84,539.16
1305A-6 PP Expenses -- Rent	1,095,866.44
1305A-7 PP Expenses -- Miscellaneous	203,391.36
Total 1305A Orchard costs	\$ 7,994,482.84
1305B G&A	0.00
1305B-1 Banking fees	30,258.40
1305B-2 Insurance	-804.97
1305B-3 Rents & Leases	645,681.20
1305B-4 Subscriptions	8,709.60
Total 1305B G&A	\$ 683,844.23
Total 1305 Prepaid Expenses	\$ 8,678,327.07
1310 Deposit with suppliers	624,941.76
1395 Uncategorized Asset	0.00
Total Current Assets	\$ 21,477,344.92
Non-current Assets	
Property, plant and equipment	
1400 Annual Additions	3,508.16
Assets Under Capital Lease Additions	0.00
Computer additions	8,026.36
Equipment additions	125,117.36
15 Ton Trailer	0.00
Appliances	788.99
Bandit Super Cub 4 x 4	201,653.28
Greenhouse Pump	1,060.06
Orchard sprayer 2023	0.00
Total Equipment additions	\$ 328,619.69
Furniture and fixture additions	1,160.84
UCG Land Inc Leasehold Additions	0.00
2022 Ferris Farm Purchase	0.00
2023 Arner Farm Purchase	0.00
Bunkhouse addition 2022/2023	0.00
Electric service upgrade & generator	0.00
Grape Farm Expenditures	400.00
Greenhouse additons	0.00
Greenhouse Build No 2	8,180.66
Total Greenhouse additons	\$ 8,180.66

Home Farm CapEx	0.00
Irrigation additions	0.00
Joe's Farm Cap Exp	0.00
Lab addition (3) 2022	0.00
Office/Warehouse 2022/2023	13,667.66
Total UCG Land Inc Leasehold Additions	\$ 22,248.32
Vehicle additons	27,656.48
Total 1400 Annual Additions	\$ 391,219.85
1510 Computer Hardware	37,984.87
1515 Accum Depre - Computer Hardware	-26,405.47
Total 1510 Computer Hardware	\$ 11,579.40
1520 Equipment & Machinery	1,579,857.66
1525 Accum Depre - Equipment & Machinery	-554,054.35
Total 1520 Equipment & Machinery	\$ 1,025,803.31
1530 Furniture and Fixtures	56,274.52
1535 Accum Depre - Furniture & Fixtures	-12,062.16
Total 1530 Furniture and Fixtures	\$ 44,212.36
1540 Greenhouses	61,020.98
1545 Accum Depre - Greenhouses	-23,672.53
Total 1540 Greenhouses	\$ 37,348.45
1550 Irrigation System	162,854.37
1555 Accum Depre - Irrigation System	-82,659.39
Total 1550 Irrigation System	\$ 80,194.98
1560 Leasehold Improvements	20,327.88
1565 Accum Depre - Leasehold Improvements	-9,963.93
Total 1560 Leasehold Improvements	\$ 10,363.95
1570 Vehicles	1,020,820.38
1575 Accum Depre - Vehicles	-675,944.37
Total 1570 Vehicles	\$ 344,876.01
1580 Assets under capital lease	1,360,106.40
1585 Accum Depre - Assets under capital lease	-260,038.45
Total 1580 Assets under capital lease	\$ 1,100,067.95
1590 Pallets	39,318.00
1595 Depreciation	-3,931.80
Total 1590 Pallets	\$ 35,386.20
1700 Productive Biological Assets	244,054.47
Total Property, plant and equipment	\$ 3,325,106.93
Total Non Current Assets	\$ 3,325,106.93
Total Assets	\$ 24,802,451.85
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable (A/P)	
2100 Accounts Payable (A/P)	1,871,598.96
2105 Accounts Payable (A/P) - EUR	300,791.91
2110 Accounts Payable (A/P) - NZD	45,428.11
2115 Accounts Payable (A/P) - USD	611,431.93
Total Accounts Payable (A/P)	\$ 2,829,250.91
Credit Card	

2205 J Haynes RBC Avion VISA (deleted)	0.00	
2210 M Haynes RBC Avion VISA (deleted)	0.00	
2215 R Haynes RBC Avion VISA (deleted)	0.00	
2220 RBC USD Visa (deleted)	0.00	
2225 R Andor RBC Avion VISA (deleted)	0.00	
2230 Scotia Visas CAD	0.00	
2231 Jason Haynes CAD Visa 5047	0.00	
2233 Megan Haynes CAD Visa 0089	0.00	
2235 Richard Andor CAD Visa 4480	-10.45	
2237 Robert Haynes CAD Visa 5054	0.00	
Total 2230 Scotia Visas CAD	-\$ 10.45	
2240 Scotia Visas USD	0.00	
2241 Richard Andor USD Visa 8361	-508.68	
Total 2240 Scotia Visas USD	-\$ 508.68	
Total Credit Card	-\$ 519.13	
2300 Other Current Liabilities	0.00	
2303 Scotia - Line of Credit	7,500,183.67	
2305 RBC - Line of Credit	0.00	
2310 Accrued Accounting	12,000.00	
2313 Accrued Costs	1,039,051.92	
2315 Accrued Interest	0.00	
2320 FCC Input Loan	475,024.98	
2325 Customer Deposits	606,447.63	
2330 Royalties and Fees Payable	0.00	
2335 ACC Loan Payable	0.00	
2337 ACC Interest Free	350,000.00	
2339 ACC @ Prime	650,000.00	
Total 2335 ACC Loan Payable	\$ 1,000,000.00	
2375 GST/HST Payable	-7,826.99	
2380 GST/HST Suspense	17,233.87	
2395 Corporate Tax Payable	-46,517.00	
Total 2300 Other Current Liabilities	\$ 10,595,598.08	\$ 1,620,389.43
2400 Payroll Liabilities	0.00	
2405 Accrued Vacation Pay Payable	76,290.63	
2410 Accrued Wages	86,147.91	
2415 Federal Taxes	0.00	
2420 Gov Jamaica	940.85	
2425 Workplace Insurance Premiums Payable	0.00	
Total 2400 Payroll Liabilities	\$ 163,379.39	
2475 Bankers' Acceptances	0.00	
Closing facility #03	0.00	
Due April 6, 2024	0.00	
Due Feb 5, 2024	0.00	
Due Jul 5, 2024	0.00	
Due Jun 5, 2024	0.00	
Due Mar 6, 2024	0.00	
Due May 6, 2024	0.00	
Facility #04	1,895,197.00	
Facility #05	450,871.00	

Facility #06	0.00
Facility #07	0.00
Facility #08	1,257,791.00
Total 2475 Bankers' Acceptances	\$ 3,603,859.00
Year End Exchange RBW	0.00
Total Current Liabilities	\$ 17,191,568.25
Non-current Liabilities	
2500 Leases Payable	0.00
2501 Lease Payable - Cadman Pump	0.00
2503 Lease Payable - Kubota B2032DTN	0.00
2505 Lease Payable - Kubota Excavator	20,818.20
2507 Lease Payable - Hazelnut Rocker	0.00
2509 Lease Payable - Hyster Forklift	1,493.74
2511 Lease Payable - Kubota B2320DTN	0.00
2513 Lease Payable - Laminar Flow Bench	0.00
2515 Lease Payable - Vista Furnace 2721 County Rd	0.00
2517 Lease Payable - Vista Furnace Lab Building	0.00
2519 Lease Payable - Kubota RTV-X1140 25HP DSL 4WD	3,322.25
2521 Lease Payable - Kubota 2022 M7-172D-PS 168HP Tractor	134,944.51
2523 Lease Payable - Kubota RTV-X900G 2022	4,916.58
2525 Lease Payable - Kubota 105.6HP DSL 4WD 2021 W/ M5N FRONT 3PT	
HITCH (2023)	66,452.28
2527 Lease Payable - Kubota 105.6HP DSL 4WD 2021 W/ M5N FRONT 3PT	
HITCH (2023) (2)	66,452.28
2529 Lease Payable - Hyundai HX130A Excavator	152,244.66
2531 Lease Payable - Kubota 2022 #RTV-X900W	13,916.94
2533 Lease Payable - Toyota 50-8FGU32 Lift Truck	62,061.47
2535 Lease Payable - Kubota M5N 2024 (1)	104,351.02
2537 Lease Payable - Kubota M5N 2024 (2)	112,869.36
2539 Lease Payable - Kubota Wheel loader 2024	122,823.16
Total 2500 Leases Payable	\$ 866,666.45
2700 Loans Payable	0.00
2701 Loan Payable - 2020 Ford Edge	19,425.65
2703 Loan Payable - CEBA (deleted)	0.00
2705 Loan Payable - 2021 Ford Explorer 4WD	32,032.49
2707 Loan Payable - 2021 Ford F-150 XLT VIN#1FTFW1E86MFC83228	27,285.74
2709 Loan Payable - 2021 Kubota M5N - 111HDCC24 (1)	36,931.12
2711 Loan Payable - 2021 Kubota M5N - 111HDCC24 (2)	36,931.12
2715 Loan Payable - Kubota *M36 Loader (deleted)	0.00
2717 Loan Payable - New Holland T5.105 (deleted)	0.00
2719 Loan Payable - 2020 Kubota RTV-X900G (deleted)	0.00
2723 Loan Payable - 2023 Ford Transit Passenger Van	55,241.52
2725 Loan Payable - 2023 (2nd) Ford Transit Passenger Van	62,477.17
Total 2700 Loans Payable	\$ 270,324.81
2900 Due to Related Parties	0.00
2905 Due to Haynes Family	89,691.75
2910 UCG Land Co - Interco Loan	3,769,118.93
2915 Accrued Interest - Burncrest Loan	59,367.22
2920 Burncrest Capital Inc. Loan	202,308.54
2925 Due to Manish Nayar	-9,391.41

Total 2900 Due to Related Parties	\$ 4,111,095.03
Total Non-current Liabilities	\$ 5,248,086.29
Total Liabilities	\$ 22,439,654.54
Equity	
3100 Common Shares	104.61
3200 Opening Balance Equity	0.00
Retained Earnings	4,120,820.54
Profit for the year	-1,758,127.86
Total Equity	\$ 2,362,797.29
Total Liabilities and Equity	\$ 24,802,451.83

Wednesday, Jan. 22, 2025 02:14:26 p.m. GMT-8 - Accrual Basis

UCG Land Inc.
Balance Sheet
As of December 31, 2024

	<u>Dec. 2024</u>
Assets	
Current Assets	
Cash and Cash Equivalent	
Royal Bank Chequing	-0.80
Scotia Chequing	-532,401.85
Scotia Closing Clearing account	0.00
Total Cash and Cash Equivalent	-\$ 532,402.65
Accrued Rental Income	1,039,052.04
Loan to Brownsville Fubar	-25,990.00
Prepaid expenses	0.00
Banking fees	144,840.74
Total Prepaid expenses	\$ 144,840.74
Total Current Assets	\$ 625,500.13
Non-current Assets	
Property, plant and equipment	
Bunkhouse	912,716.38
Depreciation	-73,429.00
Original cost	501,084.41
Total Bunkhouse	\$ 1,340,371.79
Cooler Warehouse	0.00
Depreciation	-163,292.65
Original cost	1,245,003.96
Total Cooler Warehouse	\$ 1,081,711.31
Electrical Upgrades	0.00
Depreciation	-8,102.70
Original cost	405,134.87
Total Electrical Upgrades	\$ 397,032.17
Greehouse 2	0.00
Original cost	1,463,390.49
Total Greehouse 2	\$ 1,463,390.49
Greenhouse	0.00
Depreciation	-141,439.85
Original cost	698,204.50
Total Greenhouse	\$ 556,764.65
Home Farm CapEx	12,600.00
Irrigation Additions	0.00
Depreciation	-5,176.22
Original cost	18,486.48
Total Irrigation Additions	\$ 13,310.26
Laboratory	0.00
Depreciation	-44,398.54
Original cost	746,692.02
Total Laboratory	\$ 702,293.48
Land	0.00

Arner Farm	0.00
Ferris Farm	846,802.30
Front Colchester Land	292,565.67
Joe's Farm	43,006.30
Land-Leno Mori Cty Road 50 E	1,311,730.27
Land-Mori Essex-Ridge and County	665,544.47
North Shore Grape Wine Farm	1,233,455.28
Total Land	\$ 4,393,104.29
Machinery and Equipment	0.00
Depreciation	-107,590.56
Original cost	183,300.00
Total Machinery and Equipment	\$ 75,709.44
Office/Warehouse	0.00
Depreciation	-45,267.54
Original cost	2,263,376.95
Total Office/Warehouse	\$ 2,218,109.41
Pond	0.00
Depreciation	-21,742.02
Original cost	149,945.00
Total Pond	\$ 128,202.98
Total Property, plant and equipment	\$ 12,382,600.27
Total Non Current Assets	\$ 12,382,600.27
Total Assets	\$ 13,008,100.40
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable (A/P)	
Accounts Payable (A/P)	36,383.46
Total Accounts Payable (A/P)	\$ 36,383.46
Accounts Payable	17,734.90
Accrued Expenses	12,000.00
Bankers' Acceptances	0.00
Due April 3, 2024	0.00
Due February 2, 2024	0.00
Due Jul 3, 2024	7,315,200.00
Due Jun 3, 2024	0.00
Due March 4, 2024	0.00
Due May 3, 2024	0.00
Total Bankers' Acceptances	\$ 7,315,200.00
Deposit received on asset sale	1,536,561.07
GST/HST Payable	-4,185.72
GST/HST Suspense	142,700.40
Income Taxes Payable	110,135.59
Total Current Liabilities	\$ 9,166,529.70
Non-current Liabilities	
2403727 Ont Inc	2,181,194.46
Due from/to Essex Farmland Holdings GP Inc	-110,000.00
Due from/to Upper Canada Growers	-3,769,118.93
Due to Manish Nayar	-27,961.60

RBC Mortgages	0.00
Bunkhouse (RBC #2)	347,693.16
Construction Facility 69166693-001 (RBC #8)	0.00
Electrical & Lab Upgrades (RBC #4)	580,143.22
Essex Land (RBC #5)	249,521.12
Northshore Grape Farm (RBC #3)	1,067,338.31
RBC Loan (RBC #1)	2,489,802.42
RBC Loan 69166693-002 (RBC #7)	0.00
Royfarm Mortgage 47089090-006 (RBC #6)	0.00
Total RBC Mortgages	\$ 4,734,498.23
Total Non-current Liabilities	\$ 3,008,612.16
Total Liabilities	\$ 12,175,141.86
Equity	
Class A Shares	1.00
Class D Shares	100.00
Opening Balance Equity	97,579.95
Retained Earnings	512,263.48
Profit for the year	223,014.11
Total Equity	\$ 832,958.54
Total Liabilities and Equity	\$ 13,008,100.40

Wednesday, Jan. 22, 2025 02:12:21 p.m. GMT-8 - Accrual Basis

This is Exhibit "X" referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

**DIP FACILITY LOAN AGREEMENT
DATED AS OF JANUARY 28, 2025**

WHEREAS the DIP Lender (as defined below) is a lender to the Borrowers (as defined below) under certain senior secured financing facilities provided by the DIP Lender to the Borrowers pursuant to the Existing Credit Agreement (as defined below) and the Existing Credit Documents (as defined below);

AND WHEREAS events of default have occurred and are continuing under the Existing Credit Agreement;

AND WHEREAS the Borrowers have requested that the DIP Lender provide financing to fund certain of the Borrowers' cash requirements during the pendency of proceedings in respect of notices of intention to make a proposal (the "**Proposal Proceedings**") filed by the Borrowers on January 17, 2025 (the "**NOI Filing Date**") under Division I of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") before the Ontario Superior Court of Justice (Commercial List) (the "**Court**") in accordance with the terms and conditions set out herein;

AND WHEREAS the DIP Lender has agreed to provide the DIP Facility (as defined below) in connection with the Proposal Proceedings in accordance with the terms and subject to the conditions set out herein;

NOW THEREFORE in consideration of the foregoing and their respective representations, warranties, covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

1. **Defined Terms:** Capitalized terms that are not defined in the body of this Agreement have the meanings ascribed to them in Schedule A.
2. **Borrowers:** Upper Canada Growers Ltd. and UCG Land Inc. (collectively, the "**Borrowers**").
3. **DIP Lender:** The Bank of Nova Scotia (the "**DIP Lender**").
4. **Trustee:** BDO Canada Limited in its capacity as trustee in the Proposal Proceedings (in such capacity, the "**Trustee**") with all its ordinary powers under the BIA and enhanced powers under the Initial Proposal Order in connection with the Borrowers, the Business, and the Collateral.
5. **Currency:** Unless otherwise expressly stated, all monetary amounts set out herein refer to Canadian Dollars.
6. **DIP Facility and Loan Amount:** Subject to the terms and conditions hereof, the DIP Lender agrees to provide to the Borrowers a debtor-in-possession super-priority non-revolving multiple draw credit facility (the "**DIP Facility**") in the maximum aggregate principal amount of \$2,700,000 (the "**Loan Amount**").

The principal amount of any DIP Advance made in accordance with the terms and conditions of this Agreement that is repaid may not be re-borrowed and the available Loan Amount shall, upon such repayment, be permanently and automatically reduced by such repaid amount.

7. **DIP Advances:** The Loan Amount shall be made available to the Borrowers as follows, subject to the terms of this Agreement:
- (a) upon the issuance of the Initial Proposal Order and SISP Order, an amount of up to \$900,000 shall be made available to the Borrowers as needed and as approved by the Trustee (such advance to be the “**Initial Advance**”); and
 - (b) after the Initial Advance, the balance of the Loan Amount shall be made available to the Borrowers as needed and as approved by the Trustee (each a “**Subsequent Advance**”, and, collectively with the Initial Advance, the “**DIP Advances**” and each individually, a “**DIP Advance**”).

Any Initial Advance made pursuant to the terms of this Agreement shall be funded by the DIP Lender as soon as reasonably practicable following the issuance of the Initial Proposal Order and SISP Order.

Any Subsequent Advance made pursuant to the terms of this Agreement shall be funded within three (3) Banking Days following the receipt of a certificate requesting such Subsequent Advance from the Borrowers substantially in the form attached hereto as Schedule B and otherwise in form and substance satisfactory to the DIP Lender (each, a “**Subsequent Advance Request Certificate**”). The DIP Lender shall honour the Subsequent Advance Request Certificate *provided that* (i) the conditions for the requested Subsequent Advance are satisfied to the satisfaction of the DIP Lender; (ii) the Trustee approves of the requested Subsequent Advance; and (iii) the requested Subsequent Advance is in compliance with the DIP Budget and this Agreement.

The obligation of the DIP Lender to make any DIP Advance hereunder, in each case, will not become effective unless each of the conditions precedent listed in section 15 is satisfied and the Borrowers are otherwise in compliance with their obligations under this Agreement. The amount of the DIP Advances and the Loan Amount has been determined in consultation with the Trustee based on the funding needs of the Borrowers as set forth in the DIP Budget and as agreed upon by the DIP Lender and the Borrowers.

DIP Advances shall be funded to a bank account of the Borrowers.

8. **Use of Proceeds:** The proceeds of the DIP Facility shall be used by the Borrowers solely in accordance with, and subject to, the DIP Budget and the Court Orders, (a) to fund the ordinary course working capital and other general corporate needs of the Borrowers, (b) to fund the Proposal Proceedings, including, without limitation to pay the reasonable and documented professional fees and expenses of the Trustee, counsel to the Trustee, and counsel to the Borrowers, (c) to pay the reasonable and documented professional fees of the financial advisor to the Borrowers up to a maximum aggregate amount of \$50,000, (d) to pay Permitted Fees and Expenses as and when incurred, and (e) to pay the invoiced legal

and professional expenses and costs of the DIP Lender, including the fees and expenses of BDO Canada Limited as the pre-filing financial advisor to the DIP Lender, and legal counsel to the DIP Lender pursuant to the Existing Credit Agreement or other Existing Credit Documents (the amount described in this Section 8 being the “**Existing Credit Expenses**”). No proceeds may be used for any other purpose, except with the prior written approval of the DIP Lender (in its sole and absolute discretion). For greater certainty, the Borrowers may not use proceeds of the DIP Facility to pay any pre-filing obligations without the prior written consent of the DIP Lender, unless the payment of such obligations is expressly provided for herein and included in the DIP Budget or is authorized under the Court Orders.

9. **Evidence of Indebtedness:** The DIP Lender shall maintain a register evidencing DIP Advances and repayments under the DIP Facility and all other amounts owing from time to time hereunder. The DIP Lender’s register constitutes, in the absence of manifest error, *prima facie* evidence of the Indebtedness of the Borrowers to the DIP Lender pursuant to the DIP Facility.
10. **Interest:** Amounts outstanding hereunder on account of principal, overdue interest, fees and expenses, shall bear interest at the rate of 10% per annum from the date on which such amount is advanced or becomes owing (as applicable).

All interest hereunder shall be computed on the basis of a year of 365 days and shall accrue and be calculated monthly and payable in cash on the Maturity Date.

For the purposes of the *Interest Act* (Canada) and disclosure thereunder, whenever any interest or fee to be paid under this Agreement is to be calculated on the basis of a period that is less than a calendar year, the yearly rate of interest to which the rate used in such calculation is equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period that is less than a calendar year.

11. **Permitted Fees and Expenses:** The Borrowers shall be responsible for and pay all Existing Credit Expenses and all costs and expenses incurred by the DIP Lender (including all invoiced fees, expenses and disbursements of its legal counsel) (a) in connection with the DIP Facility, including the preparation of this Agreement, the administration of the DIP Facility, the enforcement of any of its rights and remedies available hereunder, (b) under the Existing Credit Agreement and other Existing Credit Documents and (c) otherwise in connection with the Proposal Proceedings (collectively, “**Permitted Fees and Expenses**”).
12. **Commitment Fee:** The Borrowers will pay to the DIP Lender an initial commitment fee (the “**Commitment Fee**”) equal to \$50,000. The Commitment Fee will be non-refundable and will be fully earned and payable as of the date hereof.
13. **Payment of Fees and Expenses:** The Existing Credit Expenses and the Permitted Fees and Expenses outstanding as of the date hereof, together with the Commitment Fee, shall be immediately and permanently deducted by the DIP Lender from the available Loan Amount and paid from the proceeds thereof. All other Existing Credit Expenses and Permitted Fees

and Expenses shall be paid by the Borrowers within five (5) Banking Days of receipt of a summary or redacted invoiced therefor.

14. **DIP Budget:** Attached hereto as Schedule C is a detailed cash flow forecast (the “**DIP Budget**”), which the DIP Lender acknowledges and agrees has been reviewed and approved by the DIP Lender and is in form and substance satisfactory to the DIP Lender. Every second Friday commencing on Friday, February 14, 2025, the Borrowers, with the assistance of the Trustee, shall provide the DIP Lender with (a) an updated cash flow forecast (the “**Updated Cash Flow**”) substantially in the form of the DIP Budget and (b) a variance report (the “**Cash Flow Variance Report**”) certified by a senior officer of the Borrowers (which certification shall acknowledge and agree that the DIP Lender is relying on such certification in determining whether to accept an Updated Cash Flow) showing on a line-by-line basis (i) the cumulative actual receipts and disbursements and (ii) the cumulative variances from the amounts in the DIP Budget for the period from the start of the DIP Budget to the prior Friday and noting therein all variances on a line by line basis from the amounts in the DIP Budget, with reasonably detailed explanations for all material variances.

If within three (3) Banking Days of receipt of an Updated Cash Flow, the DIP Lender provides to the Borrowers a written notice (an “**Updated Cash Flow Acceptance Notice**”) confirming that the Updated Cash Flow has been accepted as satisfactory to the DIP Lender then the DIP Budget shall be substituted by the Updated Cash Flow and the Updated Cash Flow shall thereafter be deemed to be the effective DIP Budget for the purposes hereof. If the DIP Lender does not deliver an Updated Cash Flow Acceptance Notice within three (3) Banking Days of receipt of an Updated Cash Flow then the existing DIP Budget shall remain in effect unless and until the Borrowers have delivered a revised Updated Cash Flow in respect of which the DIP Lender shall have delivered an Updated Cash Flow Acceptance Notice.

15. **Conditions Precedent to Implementation of the DIP Facility and DIP Advances:** The obligation of the DIP Lender to make each DIP Advance hereunder will not become effective unless each of the following conditions precedent listed below is satisfied:
 - (a) No later than 5:00 pm (Toronto time) on February 6, 2025, the Court shall have granted, in the Proposal Proceedings:
 - (i) an order substantially in the form of the draft order attached hereto as Schedule D and otherwise in form and substance satisfactory to the DIP Lender, approving this Agreement, establishing the DIP Charge, approving the Key Employee Retention Plan (as defined in the First Report of the Trustee), and granting to the Trustee enhanced powers (the “**Initial Proposal Order**”); and
 - (ii) an order substantially in the form of the draft order attached hereto as Schedule E and otherwise in form and substance satisfactory to the DIP Lender, approving a sale and investment solicitation process to be administered by the Trustee (the “**SISP Order**”);

- (b) The Borrowers shall have provided to the DIP Lender a draft copy of all material documents to be served and/or filed in connection with its application for the Initial Proposal Order and the SISP Order and any other Court Order at least five (5) Banking Days before the earlier of service and filing thereof to permit review by the DIP Lender and its legal advisors, unless it is not practical in the circumstances to provide a draft copy of such material documents in such timing in which case the Borrowers shall provide the DIP Lender with a draft copy of such material documents as far in advance as the circumstances permit, which materials (including the proposed Initial Proposal Order, the proposed SISP Order, and all other proposed Court Orders) shall be in form and substance acceptable to the DIP Lender;
 - (c) All representations and warranties contained in this Agreement shall be true and correct on the date of such proposed DIP Advance with the same effect as if made on and as of such date;
 - (d) There shall be no Encumbrance upon the Collateral ranking *pari passu* with or in priority to the DIP Charge, other than the Permitted Priority Liens;
 - (e) Unless consented to by the DIP Lender in writing, the Initial Proposal Order and the SISP Order shall not have been amended, restated, modified or varied in a manner adverse to the DIP Lender or vacated, stayed, set aside, or be subject to an appeal or a motion seeking leave to appeal; and
 - (f) No Event of Default shall have occurred or shall occur as a result of the proposed DIP Advance.
16. **DIP Charge:** All obligations of the Borrowers under or in connection with the DIP Facility and this Agreement, including the obligation to pay all principal and interest and the Existing Credit Expenses, Permitted Fees and Expenses, and Commitment Fee (collectively, the “**DIP Obligations**”), shall be secured by a Court-ordered super-priority charge as described in Section 16 below on the Collateral in favour of the DIP Lender (the “**DIP Charge**”).
17. **Priority of DIP Charge:** The DIP Charge shall have priority on the Collateral over any and all other Encumbrances, other than the Permitted Priority Liens (which, for greater certainty, includes the Administration Charge).
18. **Repayment and Maturity Date:** The DIP Facility shall terminate and all DIP Obligations owing to the DIP Lender shall be due and payable on the earliest of the following:
- (a) June 16, 2025;
 - (b) the implementation of a proposal within the Proposal Proceedings (a “**Proposal**”), which has been approved by the DIP Lender and by the requisite majorities of the Borrowers’ creditors and sanctioned by an order entered by the Court (the “**Sanction Order**”);

- (c) conversion of the Proposal Proceedings into a proceeding under the *Companies' Creditors Arrangement Act* (Canada);
- (d) the completion of a sale or sales of all or substantially all of the Collateral, or of all or substantially all of the shares of the Borrowers or of all or substantially all of the Borrowers' Business;
- (e) an Event of Default which has not been waived by the DIP Lender and in respect of which the DIP Lender has elected, in its sole discretion, to accelerate the DIP Obligations; and,
- (f) the date on which the Proposal Proceedings are terminated.

(such earliest date, the "**Maturity Date**").

The Maturity Date may be extended from time to time at the request of the Borrowers and with the prior written consent of the DIP Lender for such period and on such terms and conditions as the Borrowers, the DIP Lender and, in the case of any material amendments to the terms hereof, the Trustee agree and the Court approves.

The DIP Lender's commitment to make DIP Advances under the DIP Facility shall expire on the Maturity Date and all then-outstanding DIP Obligations shall be repayable as at the Maturity Date.

19. **Mandatory Prepayments:** Subject to the terms and conditions herein, and unless otherwise agreed upon with the DIP Lender, the Borrowers, within three (3) Banking Days after the receipt of the proceeds described in Sections 19(a), (b), or (c) below, shall prepay the DIP Obligations with the following amounts received after the date hereof, subject to the prior payment in respect of any amount secured by the Permitted Priority Liens and the establishment of appropriate reserves (in each case as determined by the Trustee and the DIP Lender, or as otherwise ordered by the Court) in respect of any future amount that may become owing by the Borrowers that would be secured by a Permitted Priority Lien or otherwise considered necessary for the completion of the Proposal Proceedings (as determined by the Trustee and the DIP Lender, or as otherwise ordered by the Court):
- (a) insurance proceeds (net of deductibles) or expropriation awards received by the Borrowers or any Person on the Borrowers' behalf, except any insurance proceeds relating to a directors and officers' insurance policy subscribed by the Borrowers on behalf of its directors and officers, if any;
 - (b) the net cash proceeds from: (i) the sale of any equity interests in the Borrowers, (ii) the receipt of capital contributions by the Borrowers, or (iii) the sale of assets of the Borrowers outside of the normal course of business; and
 - (c) the net cash proceeds received from the incurrence by the Borrowers of any Indebtedness (except as permitted hereunder), unless provided in the DIP Budget.

Each such prepayment shall be accompanied by the amount of accrued interest on the amount prepaid. Any mandatory prepayment made hereunder shall permanently reduce the Loan Amount and the commitment of the DIP Lender in respect thereof, and may not be re-borrowed.

20. **Optional Prepayment:** The Borrowers may, without premium or penalty, voluntarily prepay any principal amount of the DIP Obligations, subject to the establishment of appropriate reserves for, *inter alia*, payment of any amount secured by the Permitted Priority Liens, as determined by the Trustee and the DIP Lender, or as otherwise ordered by the Court. The Borrowers shall give written notice to the DIP Lender of each voluntary prepayment not less than three (3) Banking Days prior to such voluntary prepayment. Such notice shall be irrevocable and shall specify:
- (a) the date on which the prepayment is to take place; and
 - (b) the principal amount of the prepayment.

Each such prepayment shall be accompanied by the amount of accrued interest on the amount prepaid. Any voluntary prepayment made hereunder shall permanently reduce the Loan Amount and the commitment of the DIP Lender in respect thereof, and may not be re-borrowed.

21. **Payments:** All payments of principal, interest, and Permitted Fees and Expenses by the Borrowers hereunder shall be made for value in the full amount due in cash at or before 4:00 pm (Toronto time) on the day such amount is due by deposit or transfer thereof to an account designated by the DIP Lender. Payments received after such time shall be deemed to have been made on the next following Banking Day. If any payment is due on a day which is not a Banking Day, such payment shall be due on the next following Banking Day and interest shall accrue until but excluding the actual date of payment.

Each payment to be made by the Borrowers shall be made in full without deduction, set-off or counterclaim of any kind or for any reason. All payments required hereunder shall be made in lawful currency of Canada.

All amounts received in repayment of DIP Obligations shall be applied as follows: (a) first, to outstanding interest payable hereunder; (b) second, to outstanding Permitted Fees and Expenses and Existing Credit Expenses; and (c) third, towards outstanding principal hereunder.

22. **Representations and Warranties:** The Borrowers represent and warrant to the DIP Lender, upon which the DIP Lender relies in entering into this Agreement, that, subject to the granting of the Initial Proposal Order:
- (a) The Borrowers are duly incorporated and validly existing under the laws of their jurisdiction of incorporation and are qualified to carry on business in each jurisdiction in which they own property or assets or carry on business;

- (b) The transactions contemplated by this Agreement have been duly authorized, executed and delivered by or on behalf of the Borrowers, and:
 - (i) are within the powers of the Borrowers;
 - (ii) constitute legal, valid, binding and enforceable obligations of the Borrowers;
 - (iii) do not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) require any consent or approval under, result in a breach or violation of, or conflict with, any of the terms or provisions of the Borrowers' constating documents or by-laws or any contracts or instruments to which it is a party or pursuant to which any of the Borrowers' assets or property may be affected, other than breaches that are stayed by the BIA;
 - (iv) there is no requirement for the Borrowers to make any filing with, give any notice to or obtain any licence, permit, certificate, registration, authorization, consent or approval of, any Governmental Authority as a condition to the lawful consummation of the transactions contemplated by this Agreement;
- (c) The Business has been and will continue to be conducted in material compliance with the applicable Law of each jurisdiction in which the Business has been or is being carried on, subject to the provisions of each Court Order made in the Proposal Proceedings;
- (d) The Borrowers have obtained all Authorizations for the operation of the Business, which Authorizations remain, and after entering into this Agreement will remain, in full force and effect, and no proceedings have been commenced to revoke or amend any such Authorizations;
- (e) No material pending litigation or proceeding exists against the Borrowers or the Collateral that has not been disclosed to the DIP Lender or that will not be stayed by the BIA;
- (f) The DIP Budget, any Updated Cash Flow and any forward-looking statements, estimates, and pro forma financial information contained in this Agreement or any DIP Credit Document, certificate, document or statement furnished to the DIP Lender pursuant to this Agreement or any DIP Credit Document are based on good faith estimates and assumptions believed by the Borrowers to be reasonable at the time made, as certified by a senior officer of the Borrowers;
- (g) The Borrowers have in full force and effect policies of insurance with sound and reputable insurance companies in such amounts, with such deductibles and risks as are customarily carried by companies engaged in similar businesses;

- (h) No Event of Default has occurred and is continuing and has not been waived by the DIP Lender;
 - (i) The Borrowers have filed in a timely fashion all required tax returns and reports (except in respect of any prior fiscal period for which the due date for filing the applicable tax return has not yet occurred) and paid all required taxes and remittances, including all employee source deductions (including income taxes, employment insurance and Canada pension plans), sales taxes (both federal and provincial), payroll taxes and workers compensation payments, and any taxes that are not yet due and payable or which are in dispute in which case appropriate reserves have been made; and,
 - (j) No Event of Default has occurred and is continuing.
23. **Affirmative Covenants:** The Borrowers agree and covenant to perform and do each of the following until all DIP Obligations and all Indebtedness of the Borrowers pursuant to the Existing Credit Agreement and other Existing Credit Documents are permanently and indefeasibly repaid in full in cash and the DIP Facility is cancelled, except as otherwise agreed in writing by the DIP Lender:
- (a) Comply with the provisions of all Court Orders made in the Proposal Proceedings;
 - (b) Provide to the DIP Lender a draft copy of all material documents to be served and/or filed in connection with any application or motion brought by the Borrowers for a Court Order (including the Initial Proposal Order and the SISP Order) at least five (5) Banking Days before the earlier of service and filing thereof to permit review by the DIP Lender and its legal and financial advisors, unless it is not practical in the circumstances to provide a draft copy of such material documents in such timing in which case the Borrowers shall provide the DIP Lender with a draft copy of such material documents as far in advance as the circumstances permit, which material documents (including the proposed Court Orders) shall be in form and substance acceptable to the DIP Lender;
 - (c) The Court Orders that are being sought by the Borrowers, to the extent that any such Court Order affects the rights and interests of the DIP Lender, will be submitted to the Court in a form confirmed in advance to be satisfactory to the DIP Lender, subject to any amendments that are required by the Court or the Borrowers that are, to the extent that such amendments affect the rights and interests of the DIP Lender, acceptable to the DIP Lender;
 - (d) Without limiting the generality of (a), strictly comply with all milestones and deadlines set forth in the SISP Order, including the attachments thereto;
 - (e) Except to the extent contemporaneously served upon the DIP Lender, provide to the DIP Lender, promptly upon receipt, a copy of any materials filed by third parties in connection with any application or motion to the Court or another court in respect of the Proposal Proceedings;

- (f) Comply in all material respect with the provisions of applicable Law, subject to the provisions of the Court Orders, including, without limitation, the Initial Proposal Order and the SISP Order;
- (g) Provide copies to the DIP Lender, in a timely fashion, of all expressions of interest and offers received by the Trustee or the Borrowers in connection with the SISP and otherwise provide updates to the DIP Lender in respect of the progress of the SISP;
- (h) Comply at all times with the DIP Budget, provided the Borrowers shall be permitted the Permitted Variance;
- (i) Deliver to the DIP Lender Cash Flow Variance Reports and Updated Cash Flows in accordance with Section 14 and such other information from time to time as is reasonably requested by the DIP Lender, including but not limited to weekly cash balance reports, reports of amounts of cash held by the Borrowers, and rolling 13-week cash flow forecasts, unless such information is deemed privileged or confidential by the Borrowers with the concurrence of the Trustee;
- (j) Subject to disclosure restrictions set forth in a Court Order or pursuant to applicable Law, keep the DIP Lender apprised on a timely basis and as reasonably requested by the DIP Lender of all material developments with respect to the Proposal Proceedings, the SISP, the Collateral and the Business and affairs of the Borrowers;
- (k) Notify the DIP Lender forthwith of any Event of Default, Material Adverse Change, or any occurrence of any event or circumstances which may constitute or, with the passage of time or the giving of notice or both, may in the future constitute an Event of Default or Material Adverse Change;
- (l) Preserve, renew, maintain and keep in full force and effect the Borrowers' corporate existence and the Borrowers' Authorizations required in respect of the Business or any of the Collateral;
- (m) To the extent reasonably commercially possible, maintain in full force all policies and contracts of insurance that are now in effect (or renewals thereof) under which the Borrowers, the Business or any of the Collateral is insured;
- (n) Pay when due all applicable Taxes and other amounts that are Priority Payables, permitting and licences fees and other amounts necessary to preserve the Collateral and/or to avoid any Encumbrance thereon;
- (o) Pay when due all principal, interest, Permitted Fees and Expenses and Existing Credit Expenses payable by the Borrowers under this Agreement;
- (p) Use commercially reasonable efforts to maintain or cause to be maintained in good repair, working order and condition (ordinary wear and tear excepted) all properties used or useful in the Business and make or cause to be made all appropriate repairs, renewals and replacements thereof;

- (q) Preserve, renew and keep in full force the Borrowers' corporate existence, and their contracts and permits that are material to the ongoing Business of the Borrowers;
 - (r) Promptly, upon becoming aware thereof, provide details of the following to the DIP Lender:
 - (i) any breach of covenant or other obligation of the Borrowers under or in connection with this Agreement or any DIP Credit Document;
 - (ii) any pending (or threatened in writing) litigation, actions, suits, arbitrations, other proceedings or notices received in respect of same, against the Borrowers, by or before any court, tribunal, Governmental Authority or regulatory body, which may result in a Material Adverse Change;
 - (iii) any change in the operations or financial condition or prospects of the Borrowers that may have a Material Adverse Change; and
 - (iv) any material existing (or threatened in writing) default or dispute with respect to any contract or permit that is material to the ongoing Business of the Borrowers.
24. **Negative Covenants:** Except as may be reasonably necessary or required under the Proposal Proceedings, by Court Order or by Law, the Borrowers covenant and agree not to do the following, other than with the prior written consent of the DIP Lender:
- (a) Seek, obtain or support any Court Order that may adversely impact the DIP Lender;
 - (b) Use any DIP Advance other than in accordance with the permitted uses hereunder (including, without limitation, under the DIP Budget) and the Court Orders;
 - (c) Except as contemplated by this Agreement or any Court Order, and except as otherwise required by Law, make any payment of any Indebtedness or obligations existing as at the NOI Filing Date (the "**Pre-Existing Debt**"), other than in accordance with this Agreement and the DIP Budget;
 - (d) Create, incur or permit to exist any Indebtedness, other than: (i) in accordance with the DIP Budget; (ii) Pre-Existing Debt, and (iii) accounts payable in the ordinary course of Business;
 - (e) Except for Permitted Encumbrances, create or permit to exist any Encumbrance or provide or seek or support a motion by another Person to provide any Encumbrance, upon any of the Collateral;
 - (f) Present for acceptance by any creditors or approval by the Court any plan of compromise or arrangement or take any other action which contemplates or may result in a compromise or other impairment of the obligations to the DIP Lender under the Existing Credit Agreement or other Existing Credit Documents or the DIP Obligations, or the rights of the DIP Lender under or in respect thereof;

- (g) Enter into or present for approval by the Court any sale or other transaction involving the Collateral, the Business or the shares of the Borrowers (or either of them), which does not provide for the indefeasible payment in full in cash upon closing of all DIP Obligations and all Indebtedness of the Borrowers pursuant to the Existing Credit Agreement and other Existing Credit Documents;
- (h) Change the Borrowers' jurisdiction of incorporation, chief executive office or registered office;
- (i) Enter into, or amend, any transaction or series of related transactions with any Affiliate, unless in connection with a Court-approved sale or other transaction, which does not provide for the indefeasible payment in full in cash upon closing of all DIP Obligations and all Indebtedness of the Borrowers pursuant to the Existing Credit Agreement and other Existing Credit Documents;
- (j) Other than the SISP, engage in any sale or investment solicitation process in respect of the Borrowers, the Business or any part thereof, or the Collateral or any part thereof;
- (k) Change the Borrowers' names, fiscal year end or accounting policies or amalgamate, consolidate with, merge into, dissolve or enter into any similar transaction with any other Person or permit a change of control of the Borrowers, unless required in connection with a Court-approved sale or other transaction made in accordance with this Agreement;
- (l) Enter into any restrictive covenants or agreements which might affect the value or liquidity of any Collateral;
- (m) Except in the ordinary course of business, move any of the Collateral outside of the Province of Ontario, or, sell, assign, lease, convey or otherwise dispose of any of the Collateral;
- (n) Create or acquire any new subsidiary, unless in connection with a Court-approved sale or other transaction made in accordance with this Agreement;
- (o) Purchase or redeem the Borrowers' shares or units or otherwise reduce their capital;
- (p) Disclaim, terminate or amend any contract or permit that is material to the realizable value of any Collateral or the Business of the Borrowers;
- (q) Transfer, sell, lease, assign or otherwise dispose of any of the Collateral except for:
 - (i) the sale of assets in the ordinary course of business, or
 - (ii) in accordance with the DIP Budget and this Agreement;
- (r) Make any investments or acquisitions of any kind, direct or indirect, in any business or otherwise;

- (s) Cease (or threaten in writing to cease) to carry on the Business of the Borrowers as currently being conducted or modify or alter in any material manner the nature and type of their operations, the Business or the manner in which such Business is conducted, except as contemplated in the DIP Budget;
 - (t) Unless such payments are first approved by the DIP Lender, increase compensation or other benefits or pay any bonuses, other than under employment arrangements or agreements governing the payment of compensation or bonuses consistent with past practice to directors, senior officers, or senior management;
 - (u) Declare or pay any dividends, or distributions to shareholders, or repay any shareholders' loans, interest thereon or share capital of the Borrowers; and
 - (v) Seek or consent to the appointment of a receiver, receiver and manager, interim receiver, liquidator, trustee in bankruptcy, or similar official or the making of a bankruptcy order against the Borrowers or in respect of the Collateral.
25. **Events of Default:** The occurrence of any one or more of the following events shall constitute an event of default under this Agreement (each such event, an “**Event of Default**”):
- (a) Failure of the Borrowers to obtain the Initial Proposal Order or the SISP Order in accordance with Section 15(a)(i) and 15(a)(ii), respectively;
 - (b) Failure of the Borrowers to pay any amounts to the DIP Lender when such amounts become due and owing hereunder;
 - (c) Failure of the Borrowers to perform or comply with any term or covenant of this Agreement;
 - (d) Failure of the Borrowers to pay or remit any amounts that constitute Priority Payables as they become due from time to time;
 - (e) Failure by the Borrowers to comply with the DIP Budget, subject to the Permitted Variance;
 - (f) The Initial Proposal Order or the SISP Order is amended, restated or otherwise varied in a manner adverse to the DIP Lender without the consent of the DIP Lender or any Court Order is issued, dismissed, stayed, reversed, vacated, amended or restated and such issuance, dismissal, stay, reversal, vacation, amendment or restatement adversely affects or would reasonably be expected to adversely affect the interests of the DIP Lender under this Agreement, as determined by the DIP Lender, including any Court Order:
 - (i) terminating, lifting, limiting, or amending the stay imposed by the BIA or otherwise in the Proposal Proceedings;
 - (ii) issuing a bankruptcy order against the Borrowers;

- (iii) granting leave to appeal or an appeal of the Initial Proposal Order or the SISP Order;
 - (iv) granting or declaring that any other claim or Encumbrance ranks equal or in priority status to the DIP Charge, other than Permitted Priority Liens (which, for greater certainty, includes the Administration Charge); or
 - (v) staying, reversing, vacating or otherwise modifying this Agreement, the DIP Charge or materially prejudicially affecting the DIP Lender or the Collateral;
- (g) The appointment of a receiver, receiver and manager, interim receiver, liquidator, trustee in bankruptcy, or similar official or the making of a bankruptcy order against the Borrowers or in respect of the Collateral, or any process of any court becomes enforceable against the Borrowers or any of the Collateral, any of the Collateral is seized or levied upon, or a creditor takes possession of any Collateral, other than if consented to by the DIP Lender in advance in writing;
- (h) Any violation or breach of any Court Order by the Borrowers;
- (i) Subject to the Initial Proposal Order, the SISP Order, and any other Court Order, or the prior written consent of the DIP Lender, the Borrowers cease (or threaten to cease) to carry on or maintain their Business or their assets in the ordinary course of the Business;
- (j) Any representation or warranty made or given hereunder by the Borrowers is incorrect or misleading in any material respect;
- (k) Any proceeding, motion or application is commenced or filed by the Borrowers, or if commenced by another Person, supported, consented to or not opposed by the Borrowers, seeking the invalidation, subordination or other challenge of the terms of the DIP Facility, the DIP Charge, this Agreement, the Existing Credit Agreement, or the other Existing Credit Documents;
- (l) Unless the transaction provides for the indefeasible payment in full in cash of all DIP Obligations and all Indebtedness of the Borrowers pursuant to the Existing Credit Agreement or other Existing Credit Documents, any proceeding, motion or application commenced or filed by the Borrowers, or if commenced by another Person, supported, consented to or not opposed by the Borrowers, seeking the approval of any sale transaction or Proposal that does not have the prior written consent of the DIP Lender;
- (m) If any Court Order contravenes or is inconsistent with this Agreement or the DIP Credit Documents which materially and adversely affects the interests of the DIP Lender, as determined by the DIP Lender, or which is not in form and substance acceptable to the DIP Lender;

- (n) Except as stayed by the BIA or otherwise, a default under, termination, or revocation or cancellation of, any material contract or permit that, in the opinion of the DIP Lender, acting reasonably, is material to the Business or the realizable value of the Collateral;
 - (o) Any violation or breach by the Borrowers of the SISP, including with respect to the implementation thereof and the deadlines and milestones set forth in the SISP Order, including all attachments thereto; and
 - (p) A court order is made, a liability arises or an event occurs, including any change in the Business, Collateral, Cash Flow Variance Report, Updated Cash Flow, or conditions, financial or otherwise, of the Borrowers, that will, in the DIP Lender's judgment, materially further impair the Borrowers' financial condition, operations or ability to comply with their obligations under this Agreement, any DIP Credit Document, Court Order, the DIP Budget, or ability to carry out a Proposal or sale reasonably acceptable to the DIP Lender (each, a "**Material Adverse Change**").
26. **Remedies:** Upon the occurrence of an Event of Default, the DIP Lender may, in its sole discretion, upon prior written notice to the Borrowers and the Trustee, elect to terminate the DIP Lender's commitment to make further DIP Advances to the Borrowers and set-off, consolidate or accelerate all amounts outstanding under the DIP Facility and declare such amounts to be immediately due and payable without any applicable periods of grace. Upon the occurrence of an Event of Default, the DIP Lender may, subject to the Initial Proposal Order, upon five (5) days' prior written notice to the Borrowers and the Trustee:
- (a) apply to the Court for the appointment of a receiver, an interim receiver or a receiver and manager over the Collateral;
 - (b) apply for a Court Order, on terms satisfactory to the Trustee and the DIP Lender, providing the Trustee with the power, in the name of and on behalf of the Borrowers, to take all necessary steps to realize on the Collateral;
 - (c) apply to the Court to exercise any other powers and rights of a secured creditor under the *Personal Property Security Act* (Ontario); and/or
 - (d) exercise all such other rights and remedies available to the DIP Lender under this Agreement, the Court Orders and applicable Law.
27. **Further Assurances:** The Borrowers shall, at their own expense, from time to time do, execute and deliver, or cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits and reports) as the DIP Lender may reasonably request for the purpose of giving effect to this Agreement.
28. **Withholdings and Tax Indemnity:**
- (a) Any and all payments by or on account of any obligation of the Borrowers hereunder or under any other DIP Credit Document shall be made free and clear of

and without deduction or withholding for any Taxes, except where required by applicable Law. If the Borrowers are required by applicable Law to deduct or withhold any Taxes from such payments, then:

- (i) if such tax is an Indemnified Tax, the amount payable by the Borrowers shall be increased so that after making all required deductions or withholdings (including deductions or withholdings applicable to additional amounts payable under this Section), the DIP Lender receives an amount equal to the amount it would have received had no such deductions or withholdings been made; and
 - (ii) the Borrowers shall make such deductions and timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable Law.
- (b) In addition, the Borrowers shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Law.
- (c) Promptly after any payment of Indemnified Taxes or Other Taxes by the Borrowers to a Governmental Authority (but in any event within thirty (30) days after the date of such payment), the Borrowers shall deliver to the DIP Lender the original or certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the relevant return reporting such payment or other evidence of such payment reasonably satisfactory to the DIP Lender.
- (d) The Borrowers shall indemnify the DIP Lender and reimburse, within ten days after demand therefor, the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed on or attributable to amounts payable hereunder) levied, imposed or assessed (and whether or not paid directly by) against the DIP Lender together with any penalties, interest and expenses arising in connection therewith and with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate from the DIP Lender as to the amount of such payment or liability delivered to the Borrowers shall be conclusive absent manifest error.
- (e) If the Borrowers fail to pay to the relevant Governmental Authority when due any Taxes that they were required to deduct, withhold or pay under Section 28 in respect of any payment to or for the benefit of the DIP Lender under this Agreement or any other DIP Credit Document, or fail to promptly furnish the DIP Lender with the documentation referred to in Section 28(c) of this Agreement, the Borrowers shall forthwith on demand indemnify the DIP Lender on a full indemnity after-Taxes basis from and against the full amount of any Taxes, losses and expenses which the DIP Lender may suffer or incur as a result of such failure.
- (f) If the DIP Lender determines, in its absolute discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrowers

or with respect to which the Borrowers have paid additional amounts pursuant to this Section, it shall, following repayment in full of the DIP Obligations, pay over such refund to the Borrowers (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrowers under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the DIP Lender, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Borrowers, upon the request of the DIP Lender, agree to repay the amount paid over to the Borrowers (plus any interest, penalties or other charges imposed by the relevant Governmental Authority) to the DIP Lender in the event the DIP Lender is required to repay such refund to such Governmental Authority. Notwithstanding the foregoing, the DIP Lender shall not be under any obligation to arrange its tax affairs in any particular manner or be required to make available its tax returns or any other information relating to its taxes that it deems confidential to the Borrowers or any other Person.

- (g) The Borrowers' obligations under this Section 28 shall survive, without limitation, the termination of this Agreement and the permanent repayment of the outstanding credit and all other amounts payable hereunder.
29. **Indemnity:** The Borrowers agree to indemnify and hold harmless the DIP Lender and each of its Affiliates and the directors, officers, employees, partners, agents, trustees, administrators, managers, advisors and representatives of it and its Affiliates (each, an "**Indemnified Party**") from and against any and all actions, suits, proceedings, claims, losses, damages, liabilities (including the reasonable fees, disbursements and other charges of counsel of any Indemnified Party, incurred in connection with the financing contemplated hereby or the use of proceeds of the DIP Facility and, upon demand, to pay and reimburse for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding or claim, except to the extent they result from an Indemnified Party's bad faith, gross negligence or willful misconduct as determined by a court of competent jurisdiction. The Indemnities granted under this Agreement shall survive any termination of the DIP Facility.
30. **Entire Agreement:** This Agreement and the DIP Credit Documents constitute the entire agreement between the parties related to the subject matter hereof and, as the definitive documents, supersede all prior correspondence, agreements, negotiations, discussions and understandings with respect to the subject matter hereof. To the extent that there is any inconsistency between this Agreement and the DIP Credit Documents, this Agreement shall prevail.
31. **Amendments and Waivers:** No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder or under any other DIP Credit Document shall operate as a waiver hereof or thereof unless made in writing and delivered in accordance with the terms of this Agreement. A waiver, amendment, release or modification of this Agreement or any other DIP Credit Document shall not be established by conduct, custom or course of dealing and shall occur, if applicable, solely by an instrument in writing duly executed

by the DIP Lender, in the case of a waiver or release, and the parties hereto, in the case of an amendment or other modification.

32. **Severability:** Any provision in this Agreement or any other DIP Credit Document which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof or effecting the validity of enforceability of such provision in any other jurisdiction.
33. **No Third Party Beneficiary:** No Person, other than the Borrowers and the DIP Lender, are entitled to rely upon this Agreement, and the parties expressly agree that this Agreement does not confer any rights upon any Person not a signatory hereto.
34. **Counterparts:** This Agreement may be executed in any number of counterparts and delivered by e-mail, including in PDF format, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.
35. **Notices:** Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to the attention of the Person set forth below:

In the case of the DIP Lender:

The Bank of Nova Scotia

Attention: Justin Mitges / James Cook

E-mail: justinl.mitges@scotiabank.com / james.cook@scotiabank.com

With a copy to:

Fasken Martineau DuMoulin LLP

Attention: Stuart Brotman / Mitch Stephenson

Email: sbrotman@fasken.com / mstephenson@fasken.com

In the case of the Borrowers:

Upper Canada Growers Ltd/ / UCG Land Inc.

Attention: Robert Haynes

Email: rob@uppercanadagrowers.ca

With a copy to:

Dickinson Wright LLP

Attention: John D. Leslie

Email: JLeslie@dickinson-wright.com

In either case, with a copy to the Trustee :

BDO Canada Limited

Attention: Clark Lonergan / Michael Basso

Email: clonergan@bdo.ca / mbasso@bdo.ca

With a copy to:

Aird & Berlis LLP

Attention: Ian Aversa / Miranda Spence

Email: iaversa@airdberlis.com / mspence@airdberlis.com

Any such notice shall be deemed to be given and received, when received, unless received after 5:00 pm (Toronto time) or on a day other than a Banking Day, in which case the notice shall be deemed to be received the next Banking Day.

36. **English Language:** The parties hereto confirm that this Agreement and all related documents have been drawn up in the English language at their request. *Les parties aux présentes confirment que le présent acte et tous les documents y relatifs furent rédigés en anglais à leur demande.*
37. **Assignments:** The Borrowers shall not be permitted to assign any rights or obligations hereunder or under the DIP Credit Documents without the prior written consent of the DIP Lender. Following the issuance of the Initial Proposal Order, the DIP Lender may assign or otherwise grant participations in the DIP Facility and its rights and obligations under this Agreement and the DIP Credit Documents, in whole or in part, provided that any assignment of the entire obligation of the DIP Lender under this Agreement without recourse to the DIP Lender shall be subject to the DIP Lender providing the Trustee with evidence in form and substance satisfactory to the Trustee, acting reasonably, that the assignee has the financial capacity to fulfil its obligations hereunder.
38. **Interpretation:** In this Agreement, words signifying the singular include the plural and vice versa, and words signifying gender include all genders. Every use of the word “including” in this Agreement is to be construed as meaning “including, without limitation”. The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. References in this Agreement to a Section or Schedule are to be construed as references to a Section or Schedule of or to this Agreement unless the context requires otherwise. Subject to any limitations set forth herein, references to contracts, agreements or instruments are deemed to include all amendments, supplements, restatements or replacements to or of such contracts, agreements or instruments. References to a Person includes that Person’s successors and permitted assigns.

39. **Rule of Construction:** This Agreement has been negotiated by each party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not apply to the construction or interpretation of this Agreement.
40. **Time of Essence:** Time is of the essence in all respects of this Agreement.
41. **Governing Law and Jurisdiction:** This Agreement shall be governed by, and construed in accordance with, the Laws of the Province of Ontario and the federal Laws of Canada applicable therein. The parties hereby attorn and submit to the non-exclusive jurisdiction of the Court.

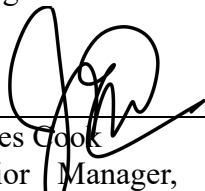
[remainder of page left intentionally blank; signature pages follow]

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

THE DIP LENDER:

THE BANK OF NOVA SCOTIA

Per: 
Name: Rocco Fabiano
Title: Vice President, Special Accounts
Management

Per: 
Name: James Cook
Title: Senior Manager, Special Accounts
Management

THE BORROWERS:**UPPER CANADA GROWERS LTD.**

Per: Robert Hayes
Name: Robert HAYNES
Title: President/CEO

I have authority to bind the
Corporation.

UCG LAND INC.

Per: Robert Hayes
Name: Robert HAYNES
Title: Vice President

I have authority to bind the
Corporation.

SCHEDULE A DEFINITIONS

“Administration Charge” means the super-priority charge to be granted by the Court in the Proposal Proceedings in an amount not exceeding \$500,000, ranking in priority to all Encumbrances, including the DIP Charge, securing the reasonable fees and disbursements of the Trustee, the Trustee’s legal counsel and the Borrowers’ legal counsel;

“Affiliate” of any Person means, at the time such determination is made, any other Person controlling, controlled by or under common control with such first Person, where “control” means the possession, directly or indirectly, of the power to direct the management and policies of such Person, whether through the ownership of voting securities or otherwise;

“Agreement” means this DIP Facility Loan Agreement, including all Schedules, as it may be modified, amended, revised, restated, replaced, supplemented or otherwise changed from time to time and at any time hereafter;

“Authorization” means, with respect to any Person, any order, permit, approval, consent, waiver, licence (including, without limitation, any of the foregoing relating to the Business) or similar authorization of any Governmental Authority related to the Borrowers, the Collateral or the Business;

“Banking Day” means any day, other than Saturday and Sunday, on which banks generally are open for business in Toronto, Ontario;

“BIA” has the meaning given to that term in the recitals;

“Borrowers” has the meaning given to that term in Section 2;

“Business” means the business, operations, properties, assets, prospects or condition (financial or otherwise) of the Borrowers taken as a whole;

“Cash Flow Variance Report” has the meaning given to that term in Section 14;

“Collateral” means all present and after-acquired assets, property and undertakings of the Borrowers, including all real and personal property (whether tangible or intangible) and all proceeds therefrom;

“Commitment Fee” has the meaning given to that term in Section 12;

“Court” has the meaning given to that term in the recitals;

“Court Order” means an order of the Court granted in the context of the Proposal Proceedings, including the Initial Proposal Order and the SISP Order;

“DIP Advance” has the meaning given to that term in Section 7;

“DIP Budget” has the meaning given to that term in Section 14;

“DIP Credit Documents” means this Agreement and any other documents executed or entered into by the DIP Lender and the Borrowers in connection with the DIP Facility;

“DIP Charge” has the meaning given to that term in Section 16;

“DIP Facility” has the meaning given to that term in Section 6;

“DIP Lender” has the meaning given to that term in Section 3;

“DIP Obligations” has the meaning given to that term in Section 16;

“Directors’ Charge” means a Court-ordered priority charge securing an indemnity in favour of the directors and officers of the Borrowers, which (a) shall be in an amount not to exceed \$150,000 pursuant to the Initial Proposal Order and (b) shall rank behind the Administration Charge and the DIP Charge;

“Encumbrance” means any encumbrance, lien, trust (including any deemed, statutory or constructive trust), charge, hypothec, pledge, mortgage, title retention agreement, or security interest of any nature, adverse claim, exception, reservation, easement, encroachment, servitude, restriction on use, right of occupation, any matter capable of registration against title, option, right of first offer or refusal or similar right, restriction on voting (in the case of any voting or equity interest), right of pre-emption or privilege, statutory preference of every kind and nature whatsoever (including any construction trust or lien arising pursuant to the Construction Act, R.S.O 1990 c. C. 30 or similar legislation of any provision or territory) or otherwise, in each case whether contractual, statutory or otherwise, and including any contract to create any of the foregoing;

“Event of Default” has the meaning given to that term in Section 25;

“Excluded Taxes” means with respect to the DIP Lender or any other recipient of any payment to be made by or on account of any DIP Obligations, (a) Taxes imposed on income, net profits, and franchise taxes imposed (i) by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or conducts business, in which its principal office is located or in which its applicable lending office is located or (ii) that are Other Connection Taxes, (b) any branch profits taxes or any similar tax imposed by a jurisdiction described in (a), (c) Taxes imposed on amounts paid or credited to the DIP Lender as a result of the DIP Lender (i) not dealing at arm’s length (within the meaning of the Income Tax Act (Canada)) with the Borrowers, or (ii) being a “specified shareholder” (as defined in subsection 18(5) of the Income Tax Act (Canada) of the Borrowers or not dealing at arm’s length with such a specified shareholder for purposes of the *Income Tax Act* (Canada), except, in the case of clause (i) or (ii) above, where the non-arm’s length relationship arose, or the DIP Lender was a specified shareholder or was not dealing at arm’s length with a specified shareholder, solely as a result of the DIP Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under or enforced this Agreement or any DIP Credit Document;

“Existing Credit Expenses” has the meaning given to that term in Section 8;

“Existing Credit Agreement” means the credit facility agreement dated as of May 13, 2024, accepted by the Borrowers on May 21, 2024, as borrowers and as guarantors, as amended by a default and amendment letter dated as of August 21, 2024, accepted by the Borrowers on August 28, 2024, as borrowers and as guarantors, as amended to the date hereof in accordance with the terms thereof;

“Existing Credit Documents” means the Existing Credit Agreement and all instruments, agreements, and documents executed and delivered by the Borrowers in favour of the DIP Lender from time to time in connection with the Existing Credit Agreement or any other Existing Credit Document;

“Governmental Authority” means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, body, board, tribunal or dispute settlement panel or other law or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

“Indebtedness” of any Person means, at any date, without duplication, (a) all obligations of such Person for borrowed money, including by way of overdraft and drafts or orders accepted as representing extensions of credit, (b) all obligations of such Person evidenced by bonds, debentures, the face amount of all bankers’ acceptances, letters of credit, letters of guarantee and similar instruments, notes, letters of credit or other similar instruments, including obligations under any arrangement providing for the leasing of any property, which property has been or is to be sold or transferred in contemplation of such leasing, (c) all obligations of such Person to pay the deferred purchase price of property or services, (d) all obligations of such Person as lessee which are capitalized in accordance with generally accepted accounting principles (or other applicable accounting standards) consistently applied in Canada and/or the United States, (e) all indebtedness, liabilities and obligations secured by an Encumbrance on any asset of such Person, whether or not the same is otherwise indebtedness, liabilities or obligations of such Person, which, for greater certainty will not include rent paid or payable by such Person in the ordinary course, (f) all indebtedness, liabilities and obligations of others which is, directly or indirectly, guaranteed by such Person or which such Person has agreed (contingently or otherwise) to purchase or otherwise acquire, (g) all indebtedness, liabilities and obligations in respect of financial instruments which are classified as a liability on the balance sheet of such Person, (h) all obligations of such Person to otherwise assure a creditor against loss, (i) all hedging obligations and (j) all obligations of such Person for trade accounts and contracts;

“Indemnified Party” has the meaning given to that term in Section 29;

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrowers under this Agreement or any DIP Credit Document and (b) to the extent not otherwise described in (a), Other Taxes;

“Initial Advance” has the meaning given to that term in Section 7;

“Initial Proposal Order” has the meaning given to that term in Section 15(a)(i);

“Law” means any federal, provincial, county, territorial, district, municipal, local, foreign, supranational or international, law, statute, ordinance, regulation, by-law, rule, code, treaty or rule of common law or otherwise of, or any order, judgment, injunction, decree or similar authority enacted, issued, promulgated, enforced or entered by, any Governmental Authority;

“Loan Amount” has the meaning given to that term in Section 6;

“Material Adverse Change” has the meaning given to that term in Section 25(p);

“Maturity Date” has the meaning given to that term in Section 18;

“NOI Filing Date” has the meaning given to that term in the recitals;

“Other Connection Taxes” means, with respect to the DIP Lender and any other recipient of any payment to be made by or on account of any DIP Obligations, Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing the Tax (other than a connection arising from the execution, delivery, enforcement of, or performance under, receipt of payments under, or perfected a security interest under this Agreement;

“Other Taxes” means any and all present or future stamp, recording, filing, documentary or similar taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other DIP Credit Document or from the execution, delivery or enforcement of, or performance under or otherwise with respect to this Agreement (other than Excluded Taxes and Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 37);

“Permitted Encumbrance” means (a) Permitted Priority Liens, (b) the DIP Charge, (c) the Directors’ Charge, (d) the Encumbrances in favour of the DIP Lender in respect of the Existing Credit Agreement in effect as of the date hereof, (e) validly perfected Encumbrances existing prior to the date hereof as in effect on the date hereof; and (f) inchoate statutory Encumbrances arising before, on, or after the date of the Initial Proposal Order, subject to the obligation to pay all such amounts as and when due;

“Permitted Fees and Expenses” has the meaning given to that term in Section 11;

“Permitted Priority Liens” means (a) the Administration Charge, and (b) any amounts payable by the Borrowers for wages, vacation pay, employee deductions, sales tax, excise tax, tax payable pursuant to Part IX of the *Excise Tax Act* (Canada) (net of input credits), income tax and workers compensation claims, in the case of this item, solely to the extent such amounts are given priority by Law and only to the extent that the priority of such amounts have not been subordinated to the DIP Charge granted by the Court;

“Permitted Variance” means: a cumulative aggregate negative variance from the DIP Budget of up to fifteen percent (15%) in respect of cumulative net cashflow (excluding the fees and expenses of the DIP Lender and the Existing Credit Expenses). For certainty, such variance shall be calculated as the difference, expressed as a percentage, between (A) the actual cumulative net cashflow of the Borrowers (excluding the fees and expenses of the DIP Lender and the Existing Credit Expenses) and (B) the budgeted cumulative net cashflow (excluding the fees and expenses

of the DIP Lender and the Existing Credit Expenses) during the period from the start of the DIP Budget;

“Person” means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority, and where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;

“Pre-Existing Debt” has the meaning given to that term in Section 24(c);

“Priority Payables” means any amounts owing for harmonized sales tax, sales tax and any amount payable or accrued by the Borrowers which is secured by an Encumbrance (other than the Administration Charge) which ranks or is capable of ranking prior to or *pari passu* with the DIP Charge, including amounts accrued or owing for wages, vacation pay, termination pay (only where it is a priority payable), employee deductions, Taxes, or employer pension contributions, and other statutory or other claims that, in each case, have or may have priority over, or rank *pari passu* with, the DIP Charge;

“Proposal” has the meaning given to that term in Section 18(b);

“Proposal Proceedings” has the meaning given to that term in the recitals;

“Trustee” has the meaning given to that term in Section 4;

“Sanction Order” has the meaning given to that term in Section 18(b);

“SISP” means the sale and investment solicitation process approved by the Court pursuant to the SISP Order;

“SISP Order” has the meaning given to that term in Section 15(a)(ii);

“Subsequent Advance” has the meaning given to that term in Section 7;

“Subsequent Advance Request Certificate” has the meaning given to that term in Section 7;

“Tax” and **“Taxes”** means any taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind, including all interest, penalties, fines, additions to tax or other additional amounts in respect thereof, imposed, levied, collected, withheld, or assessed by any Governmental Authority, and whether disputed or not;

“Updated Cash Flow” has the meaning given to that term in Section 14; and,

“Updated Cash Flow Acceptance Notice” has the meaning given to that term in Section 14.

SCHEDULE B
FORM OF SUBSEQUENT ADVANCE REQUEST CERTIFICATE

SUBSEQUENT ADVANCE REQUEST CERTIFICATE

TO: THE BANK OF NOVA SCOTIA (the “DIP Lender”)

AND TO: BDO CANADA LIMITED (the “Trustee”)

FROM: UPPER CANADA GROWERS LTD. and UCG LAND INC. (the “Borrowers”)

This Subsequent Advance Request Certificate is delivered to you in accordance with Section 7 of the DIP Facility Loan Agreement made as of January 28, 2025 (the “**DIP Loan Agreement**”) between the DIP Lender and Borrowers. Capitalized terms that are not defined herein shall have the meanings ascribed to them in the DIP Loan Agreement.

The Borrowers hereby request a Subsequent Advance as follows:

- (a) date of Subsequent Advance _____
- (b) amount of Subsequent Advance _____

The Borrowers hereby certify that as of the date of this Subsequent Advance Request Certificate:

1. the representations and warranties contained in the DIP Loan Agreement are true and correct and that all covenants have been fully complied with in all respects; and
2. no Event of Default that has not been waived or cured has occurred or is expected to occur after giving effect to the Subsequent Advance;

The Borrowers hereby certify that the Subsequent Advance shall be used in accordance with the DIP Loan Agreement (including Section 8 thereof), the DIP Budget and the Court Orders.

[remainder of page left intentionally blank; signature page follows]

DATED the _____ day of _____, 2025.

UPPER CANADA GROWERS LTD.

By: _____
Name:
Title:

I have authority to bind the Corporation.

UCG LAND INC.

By: _____
Name:
Title:

I have authority to bind the Corporation.

**SCHEDULE C
DIP BUDGET**

See attached

Upper Canada Growers Ltd.
13-Week Cashflow
in \$CAD (\$000's)

Week Number		1	2	3	4	5	6	7	8	9	10	11	12	13	
Week Ending	Notes	18-Jan-25	25-Jan-25	01-Feb-25	08-Feb-25	15-Feb-25	22-Feb-25	01-Mar-25	08-Mar-25	15-Mar-25	22-Mar-25	29-Mar-25	05-Apr-25	12-Apr-25	Total
Receipts															
Apple Revenue	1	-	-	-	-	-	-	-	-	-	-	-	-	141	141
Nursery Revenue	2	-	35	79	59	10	10	10	74	25	25	25	238	238	826
HST Receipts	3	-	-	-	-	-	-	45	-	-	-	83	-	-	128
Other Receipts	4	-	-	-	-	-	-	-	-	35	-	-	-	-	35
Total Receipts		-	35	79	59	10	10	55	74	60	25	108	238	378	1,130
Operating Disbursements															
Payroll	5	-	103	-	97	-	97	-	97	-	97	-	97	-	587
Benefits	5	-	-	-	4	-	-	-	4	-	-	-	4	-	13
Contractors	6	-	-	-	22	-	-	-	22	-	-	-	22	-	65
Payroll - Seasonal Workers	7	-	-	-	-	8	-	8	-	49	-	49	-	73	185
Rent	8	-	-	6	12	-	-	-	12	-	-	-	12	-	44
Equipment loans	8	-	-	12	23	-	-	-	23	-	-	-	23	-	82
DIP Fees & Interest	9	-	-	50	-	-	-	-	-	-	-	-	-	-	50
Utilities	8	-	-	23	22	22	22	22	27	27	27	27	16	16	249
Farm Costs	10	-	-	4	7	7	7	7	13	13	13	13	12	12	109
Lab Supplies	10	-	-	3	4	4	4	4	10	10	10	10	6	6	73
Overhead Costs	10	-	-	-	6	4	13	-	6	4	13	-	6	4	55
Other operating disbursements	10	-	82	20	20	20	20	20	20	20	20	20	20	20	302
Total Operating Disbursements		-	185	118	218	64	163	61	235	122	180	119	219	131	1,813
Restructuring Disbursements															
Vendor Deposits	11	-	-	200	80	-	-	-	-	-	-	-	-	-	280
KERP	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proposal Trustee	13	-	-	-	-	-	-	215	-	-	-	-	274	-	489
Proposal Trustee Counsel	13	-	-	-	-	-	-	113	-	-	-	-	90	-	203
Company Counsel/Advisor	13	-	-	68	-	-	-	181	-	-	-	-	45	-	294
DIP Lenders Legal & Prof. Fees	13	-	-	291	-	-	-	28	-	-	-	-	-	-	319
Total Restructuring Disbursements		-	-	559	80	-	-	537	-	-	-	-	409	-	1,584
Total Disbursements		-	185	676	298	64	163	597	235	122	180	119	628	131	3,397
Net Cashflow		-	(150)	(597)	(239)	(54)	(153)	(542)	(161)	(62)	(155)	(11)	(390)	247	(2,267)
Beginning Revolver Balance	14	(9,532)	(9,532)	(9,682)	(9,682)	(9,682)	(9,682)	(9,682)	(9,682)	(9,682)	(9,682)	(9,682)	(9,682)	(9,682)	(9,532)
Net cashflow		-	(150)	-	-	-	-	-	-	-	-	-	-	-	(150)
Ending Revolver Balance		(9,532)	(9,682)	(9,682)	(9,682)	(9,682)	(9,682)	(9,682)	(9,682)	(9,682)	(9,682)	(9,682)	(9,682)	(9,682)	(9,682)
Beginning DIP	14	-	-	-	(597)	(836)	(891)	(1,043)	(1,585)	(1,746)	(1,809)	(1,964)	(1,974)	(2,365)	-
Net cashflow		-	-	(597)	(239)	(54)	(153)	(542)	(161)	(62)	(155)	(11)	(390)	247	(2,117)
Ending DIP Balance		-	-	(597)	(836)	(891)	(1,043)	(1,585)	(1,746)	(1,809)	(1,964)	(1,974)	(2,365)	(2,117)	(2,117)

Upper Canada Growers Ltd.**13-Week Cashflow***in \$CAD (\$000's)***Notes**

- 1 - Relates to receipts expected from a customer sale that was completed prior year.
- 2 - Based on prior year's sales.
- 3 - See HST Roll for further details.
- 4 - Represents legal fees expected to be received back from Hydro One (\$35k).
- 5 - Represents expected payroll run-rate, assuming lab stays operational with 15 employees.
- 6 - Represents payroll for contractors.
- 7 - Represents payroll for seasonal/temporary workers.
- 8 - Based on historical trending and current run-rate.
- 9 - Represents interest and fees paid to the DIP Lender (interest being paid on Maturity);
- 10 - For operational costs which includes fuel, transportation, fertilizers, farm expenses, lab expenses. Expenses are based on historical trending with the exception of fuel which is increased by 20% due to a colder season expected. Please see Assumptions tab for breakdown.
- 11- Represents deposits with critical vendors.
- 12 - KERP of approximately \$170,000 is payable in June and is subject to Court approval.
- 13 - Timing and quantum of professional fees are an estimate.
- 14 - Operations are funded in weeks 1 and 2 using the existing BNS Operating Line (balance is net of GIC collateral). Starting week 3 the business is funded by the DIP (subject to Court approval).

SCHEDULE D
FORM OF INITIAL PROPOSAL ORDER

See attached

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE

)

[●], THE [●]TH

JUSTICE [●]

)

)

DAY OF FEBRUARY, 2025

Court File No. 32-3175819

Estate No. 32-3175819

**IN THE MATTER OF THE NOTICE OF INTENTION TO
 MAKE A PROPOSAL OF UCG LAND INC., IN THE CITY OF
 HAMILTON, IN THE PROVINCE OF ONTARIO**

Court File No. 32-3175820

Estate No. 32-3175820

**IN THE MATTER OF THE NOTICE OF INTENTION TO
 MAKE A PROPOSAL OF UPPER CANADA GROWERS
 LTD., IN THE CITY OF HAMILTON, IN THE PROVINCE OF
 ONTARIO**

ORDER
(INITIAL PROPOSAL ORDER)

THIS MOTION, made by Upper Canada Growers Ltd. (“UCG”) and UCG Land Inc. (“LandCo”, and together with UCG, the “Companies”) pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 (the “BIA”), for an order, among other things: (a) administratively consolidating the estates of the Companies on a *nunc pro tunc* basis; (b) extending the time for the Companies to file a proposal under section 50.4(9) of the BIA until April 1, 2025; (c) approving the First Report of the Proposal Trustee (each as defined herein); (d) enhancing certain powers of the Proposal Trustee; (e) approving the DIP Term Sheet and authorizing the Companies to access the DIP Facility (each as defined herein); (f) establishing the Charges (as

defined herein); and (g) approving a KERP (as defined herein), was heard this day by [videoconference].

ON READING the affidavit of Robert Haynes sworn on [●], 2025 (the “**Haynes Affidavit**”), the First Report (the “**First Report**”) of BDO Canada Limited in its capacity as proposal trustee of the Companies (the “**Proposal Trustee**”) dated January [●], 2025, and on being advised that the Companies each filed a Notice of Intention to Make a Proposal (each, an “**NOI Proceeding**” and together, the “**NOI Proceedings**”) pursuant to section 50.4(1) of the BIA on January 17, 2025 (the “**NOI Filing Date**”), and on hearing the submissions of the respective counsel for the Companies, the Proposal Trustee, the DIP Lender (as defined herein) and such other counsel and parties as are listed on the Participant Information Form, no one else appearing although duly served as appears from the Affidavit of Service of [●], sworn January [●], 2025, filed:

SERVICE AND INTERPRETATION

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, Motion Record and First Report are hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used but not defined in this Order shall have the meanings given to them in the First Report and the Haynes Affidavit, as applicable.
3. **THIS COURT ORDERS** that all references to currency herein shall be in Canadian dollars.

ADMINISTRATIVE CONSOLIDATION

4. **THIS COURT ORDERS** that the NOI Proceeding of UCG and the NOI Proceeding of LandCo hereby administratively consolidated and authorized and directed to continue under the following title of proceedings:

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

Court File No. 32-3175819
Estate No. 32-3175819

**IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF UCG LAND INC., IN THE CITY OF
HAMILTON, IN THE PROVINCE OF ONTARIO**

Court File No. 32-3175820
Estate No. 32-3175820

**IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF UPPER CANADA GROWERS
LTD., IN THE CITY OF HAMILTON, IN THE PROVINCE
OF ONTARIO**

5. **THIS COURT ORDERS** that the Companies shall file a copy of this Order in the court file for each of the NOI Proceedings but that all other materials in the NOI Proceedings shall be filed only in the NOI Proceeding of UCG (Court File No. 32-3175820 and Estate No. 32-3175820), and hereby dispenses with further filing thereof in the NOI Proceeding of LandCo (Court File No. 32-3175819 and Estate No. 32-3175819).

6. **THIS COURT ORDERS** that the Proposal Trustee is authorized and directed to administer the NOI Proceedings, on a consolidated basis, in carrying out its duties and responsibilities as proposal trustee under the BIA and in accordance with this Order, including, without limitation:

- (a) sending notices to creditors of the Companies pursuant to one consolidated notice;
- (b) calling and conducting any meetings of creditors of the Companies pursuant to one combined advertisement;
- (c) issuing consolidated reports in respect of the estates of the Companies;
- (d) preparing, filing, advertising and distributing any and all filings or notices relating to the administration of the estates of the Companies;
- (e) taxing its fees and those of its counsel; and,

(f) seeking any relief before this Court.

7. **THIS COURT ORDERS** that the administrative consolidation of the NOI Proceedings shall not:

- (a) affect the separate legal status and corporate structures of the Companies;
- (b) cause either of the Companies to be liable to any claim for which it is otherwise not liable; or,
- (c) affect the Proposal Trustee's or any creditor's right to seek to disallow any claim, including on the basis that it is duplicative.

8. **THIS COURT ORDERS** paragraphs 4 to 7 (inclusive) of this Order shall apply *nunc pro tunc* to (a) this Motion and all materials filed in respect thereof, and (b) the Motion filed herewith seeking, among other things, the approval of the SISP (as defined in the First Report) and all materials filed in respect thereof.

EXTENSION OF TIME TO FILE A PROPOSAL

9. **THIS COURT ORDERS** that pursuant to section 50.4(9) of the BIA, the time for the Companies to file a proposal is hereby extended up to and including April 1, 2025.

APPROVAL OF FIRST REPORT

10. **THIS COURT ORDERS** that the First Report, as well as the actions, conduct and activities of the Proposal Trustee as described therein, be and are hereby approved; provided, however, that only the Proposal Trustee, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

POSSESSION OF PROPERTY

11. **THIS COURT ORDERS** that the Companies shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**"). Subject to further Order of

this Court, the Companies shall continue to carry on business in a manner consistent with the preservation of their respective businesses (collectively, the “**Business**”) and Property.

12. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Companies are and shall be entitled but not required to pay all reasonable expenses incurred in carrying on the Business in the ordinary course after the NOI Filing Date, subject to the terms of the DIP Term Sheet. Without limiting the foregoing, subject to the terms of the DIP Term Sheet, the Companies shall be entitled, but not required, to pay the following expenses, whether incurred prior to or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, and expenses payable on or after the date of this Order, incurred in the ordinary course of the Business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants (as defined herein) retained or employed by the Companies, at their standard rate and charges; and
- (c) with the consent of the Proposal Trustee and the DIP Lender, amounts owing for goods or services supplied to the Companies prior to the NOI Filing Date up to the maximum aggregate amount of \$100,000, if, in the opinion of the Companies and the Proposal Trustee, those goods and services are critical to the Business.

PROPOSAL TRUSTEE

13. **THIS COURT ORDERS** that the Proposal Trustee continues to be and is hereby authorized to take all steps required to fulfill its duties under the BIA or as an officer of this Court, including to perform such duties as are required to give effect to the terms of this Order and such other orders as may be made by this Court from time to time.

14. **THIS COURT ORDERS** that, without limiting the duties and powers of the Proposal Trustee under the BIA, the Proposal Trustee is authorized, but not obliged, to do any of the following in the name of and on behalf of the Companies, where the Proposal Trustee considers it

necessary or desirable, provided that such exercise of power is consistent with the terms of the DIP Term Sheet:

- (a) to exercise any rights and powers that may be exercised by one or more directors or officers of the Companies in their capacity as director or officer, including, without limitation, to:
 - (i) perform any functions or duties, and enter into such agreements or incur such obligations as the Proposal Trustee considers necessary or desirable in order to facilitate or assist the Proposal Trustee in fulfilling its obligations under this or any other orders of this Court or pursuant to the BIA, including but not limited to the solicitation, negotiation and completion of one or more sales of or investments in the Companies, the Property or the Business, the taking of other steps to realize upon any of the Property, and the distribution of the net proceeds of any of the foregoing;
 - (ii) engage, retain or terminate the services of any officers, employees, consultants, agents, representatives, advisors, or other persons or entities (collectively, “**Assistants**”), from time to time as the Proposal Trustee deems necessary or appropriate to assist with the exercise of the duties of the Proposal Trustee herein and as set forth under the BIA, with liberty to retain such further Assistants as the Proposal Trustee deems reasonably necessary or desirable in the ordinary course of Business or for the carrying out of the terms of this Order or any other Order of this Court;
 - (iii) initiate, prosecute and/or continue the prosecution of any and all proceedings and defend all proceedings now pending or hereafter instituted with respect to the Companies or the Property, and, subject to further Order of this Court, to settle or compromise any such proceedings;
 - (iv) engage, deal, communicate, negotiate and, with further Order of this Court, settle with any creditor or other stakeholder of the Companies, including any governmental authority;
 - (v) deal with any taxing or regulatory authority, including to execute any appointment or authorization form on behalf of the Companies that any taxing or regulatory authority may require;
 - (vi) claim any and all insurance refunds or tax refunds to which the Companies are entitled, on behalf of the Companies; and,
 - (vii) file or take such actions necessary for the preparation and filing of, on behalf of and in the name of the Companies (i) any tax returns and (ii) the Companies’ employee-related remittances, T4 statements and records of employment for the Companies’ former employees;

- (b) monitor the Companies' receipts and disbursements;
- (c) review all disbursements of the Companies in the amount of \$25,000 or greater and, if the Proposal Trustee deems the disbursement necessary or appropriate to maintain or facilitate the Business, to approve such disbursement;
- (d) report to this Court at such times and intervals as the Proposal Trustee may deem appropriate with respect to the Property, the Business and other such matters as may be relevant to these NOI Proceedings;
- (e) assist the Companies, to the extent required, in their dissemination to the DIP Lender and its counsel on a bi-weekly basis of financial and other information as set out in the DIP Term Sheet and as may otherwise be agreed upon by the Companies and the DIP Lender;
- (f) advise the Companies in the preparation of the Companies' cash flow statements and other financial reporting reasonably required by the DIP Lender, which information shall be reviewed with the Proposal Trustee and delivered to the DIP Lender and its legal counsel on a periodic basis but not less than bi-weekly or as otherwise agreed to by the DIP Lender;
- (g) have full and complete access to the Property, including but not limited to the premises, books, records, data, including data in electronic form, and other financial records of the Companies, to the extent necessary to perform its duties and obligations set out herein and under the BIA;
- (h) engage independent legal counsel or such other persons as the Proposal Trustee deems necessary or advisable;
- (i) perform such other duties as are required by this Order or any other Order of this Court; and,
- (j) take any steps reasonably incidental to the exercise of the powers hereby granted or the performance of any statutory obligations,

and, in each case, where the Proposal Trustee takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of the directors and officers of the Companies, and without interference.

15. **THIS COURT ORDERS** that the Proposal Trustee shall not take possession of the Property or the Business and shall not, in fulfilling its obligations hereunder or pursuant to the BIA, be deemed to have taken possession or control of the Property or the Business, or any part thereof.

16. **THIS COURT ORDERS** that the Proposal Trustee shall incur no liability or obligation as a result of its appointment or the carrying out of its duties under the BIA or the provisions of this Order or any other Orders which may be made by this Court, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded to the Proposal Trustee by the BIA or any other applicable legislation.

DIP FINANCING

17. **THIS COURT ORDERS** that the Companies are hereby authorized and empowered to obtain and borrow under a credit facility (the “**DIP Facility**”) from The Bank of Nova Scotia (in such capacity, the “**DIP Lender**”) in order to finance the Companies’ working capital requirements and other general corporate purposes and capital expenditures, provided that the aggregate borrowings under the DIP Facility shall not exceed the principal amount of \$2,700,000, unless permitted by further Order of the Court.

18. **THIS COURT ORDERS** that the DIP Facility shall be on the terms and subject to the conditions set forth in the DIP Facility Loan Agreement between the Companies and the DIP Lender dated as of January 28, 2025 in the form attached to the Haynes Affidavit with such minor modification and amendments that may be agreed to by the parties thereto and consented to by the Proposal Trustee (the “**DIP Term Sheet**”).

19. **THIS COURT ORDERS** that the Companies are hereby authorized and empowered to execute and deliver such ancillary credit agreements, mortgages, charges, hypothecs and security documents, guarantees, and other definitive documents (collectively, including the DIP Term Sheet, the “**DIP Credit Documents**”) as are contemplated by the DIP Term Sheet or as may be

reasonably required by the DIP Lender pursuant to the terms thereof, and the Companies are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Credit Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

20. **THIS COURT ORDERS** that as security for the payment and performance by the Companies of their obligations under the DIP Term Sheet and any DIP Credit Documents, the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$2,700,000 plus interest, fees and expenses, unless permitted by further Order of the Court, and which shall not secure an obligation that exists before the NOI Filing Date. The DIP Charge shall have the priority set out in paragraph 29 hereof.

21. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Charge or any of the DIP Credit Documents;
- (b) upon the occurrence of an Event of Default (as defined in the DIP Term Sheet) under the DIP Credit Documents, the DIP Lender, subject to the notice requirements under the DIP Credit Documents and any restrictions contained therein, may cease making advances to the Companies and set off and/or consolidate any amounts owing by the DIP Lender to the Companies against the obligations of the Companies to the DIP Lender under the DIP Credit Documents or the DIP Lender Charge, make demand, accelerate payment and give other notices, or, upon two (2) business days’ notice to the Companies and the Proposal Trustee, exercise any and all other rights and remedies against the Companies or the Property under or pursuant to the DIP Credit Documents and the DIP Charge, including, without limitation, to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Companies and for the appointment of a trustee in bankruptcy of any of the Companies; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Companies or the Property.

22. **THIS COURT ORDERS** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Term Sheet, the DIP Credit Documents, or the DIP Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a “**Variation**”), such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), the DIP Term Sheet, the DIP Credit Documents or the DIP Charge with respect to any advances made or obligations incurred prior to the DIP Lender receiving notice of the Variation, and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Charge) for all advances so made and other obligations set out in the DIP Term Sheet or the DIP Credit Documents.

23. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any proposal filed by the Companies under the BIA, with respect to any advances made under the DIP Credit Documents.

ADMINISTRATION CHARGE

24. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee, and counsel to the Companies shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the NOI Filing Date, by the Companies as part of the costs of these proceedings. The Companies are hereby authorized and directed to pay the accounts of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Companies on a weekly basis, or as they may otherwise agree.

25. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Companies shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which Administration Charge shall not exceed an aggregate amount of \$500,000, as security for payment of their respective professional fees and disbursements incurred at their standard rates and charges, both before and after the making of this

Order, in respect of this proceeding. The Administration Charge shall have the priority set out in paragraph 29 hereof.

DIRECTORS' AND OFFICERS' INDEMNIFICATIONS AND CHARGE

26. **THIS COURT ORDERS** that the Companies shall indemnify their directors and officers against obligations and liabilities that they may incur as a director or officer of the Companies after the NOI Filing Date, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

27. **THIS COURT ORDERS** that the directors and officers of the Companies shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$150,000, as security for the indemnity provided in paragraph 26 of this Order. The Directors' Charge shall have the priority set out in paragraph 29 herein.

28. **THIS COURT ORDERS** that notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the directors and officers of the Companies shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 26 of this Order.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

29. **THIS COURT ORDERS** that the priorities of the Administration Charge, the DIP Charge, and the Directors' Charge (collectively, the "**Charges**"), as among them, with respect to the Property shall be as follows:

First – the Administration Charge (to the maximum amount of \$500,000);

Second – the DIP Charge (to the maximum amount of \$2,700,000 plus interest, fees and expenses); and,

Third – the Directors' Charge (to the maximum amount of \$150,000).

30. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

31. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts (including any statutory, deemed or constructive trust), liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person.

32. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Companies shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Companies also obtains the prior written consent of the Proposal Trustee and the beneficiaries of the Charges (collectively, the “**Chargees**”), or further Order of this Court.

33. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) or receivership order(s) issued pursuant to the BIA or otherwise, or any bankruptcy order or receivership order subsequently made; (c) the filing of any, or the deemed occurrence of any, assignments for the general benefit of creditors made pursuant to the BIA; (d) the filing of any applications under the *Companies’ Creditors Arrangement Act* (Canada); (e) the provisions of any federal or provincial statutes; or (f) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease or other agreement (collectively, an “**Agreement**”) which binds the Companies, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Credit Documents shall create or be deemed to constitute a breach by the Companies of any Agreement to which they are a party;

- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Companies entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the DIP Credit Documents; and
- (c) the payments made by the Companies pursuant to this Order, the DIP Credit Documents and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

KEY EMPLOYEE RETENTION PLAN

34. **THIS COURT ORDERS** that the Key Employee Retention Plan (the “**KERP**”), as described in the First Report, is hereby approved and given full force and effect in accordance with its terms and the Companies are hereby directed to make when due the payments provided for thereunder.

SEALING OF CONFIDENTIAL EXHIBIT

35. **THIS COURT ORDERS** that Confidential Exhibit “A” appended to the Haynes Affidavit is hereby sealed, shall not form part of the public record, and shall only be unsealed upon further Order of the Court.

SERVICE OF DOCUMENTS

36. **THIS COURT ORDERS** that the Guide Concerning Commercial List E-Service (the “**Guide**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* (the “**Rules**”), this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the

following URL: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/upper-canada-growers-ltd>.

37. **THIS COURT ORDERS** that the Companies, the Proposal Trustee and their respective counsel are at liberty to serve or distribute this Order, and other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding copies thereof by electronic message to the Companies' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

38. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Companies and the Proposal Trustee and their respective counsel and agents are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding copies thereof by prepaid ordinary mail, courier, personal delivery, email or facsimile transmission to the Companies' creditors or other interested parties at their respective addresses (including email addresses) as last shown on the records of the Companies and that any such service or distribution shall be deemed to be received on the earlier of (a) the date of transmission thereof, if sent by electronic message on or prior to 5:00 p.m. Eastern Time; (b) the next business day following the date of forwarding or transmission thereof, if sent by courier, personal delivery, facsimile transmission or electronic message sent after 5:00 p.m. Eastern; or (c) on the third business day following the date of forwarding thereof, if sent by ordinary mail.

GENERAL

39. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

40. **THIS COURT ORDERS** that the Companies, the Proposal Trustee, and the DIP Lender may, from time to time, apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

41. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, agency or regulatory or administrative bodies, having jurisdiction in Canada, the United States of America or any other jurisdiction, to give effect to this Order and to assist the Companies, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, agencies and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Companies and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Companies and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

42. **THIS COURT ORDERS** that each of the Companies and the Proposal Trustee be at liberty and are 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 Proposal Trustee 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.

43. **THIS COURT ORDERS** that any interested party, including the Companies, the Proposal Trustee and the DIP Lender, may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Companies, the Proposal Trustee and the DIP Lender, or upon such other notice, if any, as this Court may order.

44. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Time on the date of this Order without the need for entry or filing.

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF UCG LAND INC., IN THE CITY OF HAMILTON, IN THE
PROVINCE OF ONTARIO
IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF UPPER CANADA GROWERS LTD., IN THE CITY OF
HAMILTON, IN THE PROVINCE OF ONTARIO**

Court File No. 32-3175819
Estate No. 32-3175819

Court File No. 32-3175820
Estate No. 32-3175820

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

Proceeding commenced at Hamilton

**ORDER
(INITIAL PROPOSAL ORDER)**

DICKINSON WRIGHT LLP
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Commerce Court West
Toronto ON, M5L 1G4

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Counsel for UCG Land Inc. and Upper Canada Growers Ltd.

SCHEDULE E
FORM OF SISP ORDER

See attached

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE)
 JUSTICE [●])
 [●], THE [●]TH
 DAY OF FEBRUARY, 2025

Court File No. 32-3175819
 Estate No. 32-3175819

**IN THE MATTER OF THE NOTICE OF INTENTION TO
 MAKE A PROPOSAL OF UCG LAND INC., IN THE CITY OF
 HAMILTON, IN THE PROVINCE OF ONTARIO**

Court File No. 32-3175820
 Estate No. 32-3175820

**IN THE MATTER OF THE NOTICE OF INTENTION TO
 MAKE A PROPOSAL OF UPPER CANADA GROWERS
 LTD., IN THE CITY OF HAMILTON, IN THE PROVINCE OF
 ONTARIO**

ORDER
(SISP ORDER)

THIS MOTION, made by Upper Canada Growers Ltd. (“**UCG Opco**”) and UCG Land Inc. (“**UCG Landco**”, and together with UCG Opco, the “**Companies**”), pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 (the “**BIA**”) for an order, among other things, approving a sale and investment solicitation process (the “**SISP**”) in respect of the Companies, was heard this day [by videoconference].

ON READING the affidavit of Robert Haynes sworn [●], 2025 (the “**Haynes Affidavit**”), the First Report (the “**First Report**”) of BDO Canada Limited in its capacity as proposal trustee of the Company (the “**Proposal Trustee**”) dated January 27, 2025, on being advised that the Companies each filed a Notice of Intention to Make a Proposal (each, an “**NOI Proceeding**” and

together, the “**NOI Proceedings**”) pursuant to section 50.4(1) of the BIA on January 17, 2025 and that such NOI Proceedings have been administratively consolidated, and on hearing the submissions of the respective counsel for the Companies, the Proposal Trustee, the DIP Lender (as defined herein) and such other counsel and parties listed on the Participant Information Form, with no one else appearing although duly served as appears from the Affidavit of Service of [●], sworn January [●], 2025:

SERVICE AND INTERPRETATION

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, Motion Record and First Report are hereby abridged and validated so that this Motion is properly returnable today, and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used but not defined in this Order shall have the meanings given to them in the First Report and the Haynes Affidavit, as applicable.
3. **THIS COURT ORDERS** that all references to currency herein shall be in Canadian dollars.

SALE AND INVESTMENT SOLICITATION PROCESS

4. **THIS COURT ORDERS** that the terms of the SISP attached as **Schedule “A”** to this Order (the “**SISP Terms**”) be and are hereby approved.
5. **THIS COURT ORDERS** that the Companies and the Proposal Trustee are hereby authorized, empowered and directed to take any and all actions as may be necessary or desirable to implement and carry out the SISP in accordance with the SISP Terms and the terms of this Order.
6. **THIS COURT ORDERS** that the Companies, the Proposal Trustee, the DIP Lender and their respective affiliates, officers, directors, partners, employees, advisors, counsel and agents (each a “**protected party**”) shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind, to any person in connection with or as a result of participating and performing their duties under the SISP, except to the extent such losses, claims, damages, or liabilities result from the gross negligence or wilful misconduct of the applicable protected party.

7. **THIS COURT ORDERS** that the Companies and the Proposal Trustee may apply to this Court for directions with respect to the SISP at any time during the term thereof.

8. **THIS COURT ORDERS** that pursuant to section 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS), the Companies and the Proposal Trustee are authorized and permitted to send, or cause or permit to be sent, commercial electronic messages to an electronic address of prospective bidders or offerors and to their advisors, but only to the extent required to provide information with respect to the SISP in these proceedings.

9. **THIS COURT ORDERS** that pursuant to paragraph 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Companies, the Proposal Trustee and their respective advisors are hereby authorized and permitted to disclose to prospective bidders or offerors that are party to a non-disclosure agreement (each, a “**SISP Participant**”), the DIP Lender, and their respective advisors, personal information of identifiable individuals (“**Personal Information**”) and records pertaining to the Companies’ past and current employees and information on specific customers, but only to the extent required to negotiate or attempt to complete a transaction pursuant to the SISP. Each SISP Participant to whom any Personal Information is disclosed and the DIP Lender shall maintain and protect the privacy of such Personal Information with security safeguards appropriate to the sensitivity of the Personal Information and as may otherwise be required by applicable federal or provincial legislation. Each SISP Participant to whom any Personal Information is disclosed and the DIP Lender shall limit the use of such Personal Information to its participation in the SISP.

10. **THIS COURT ORDERS** that nothing contained in this Order approves the sale or the vesting of any Property of the Companies pursuant to a Successful Bid (as defined in the SISP Terms) and that this Order is without prejudice to any interested person’s ability to oppose the approval of a Successful Bid.

GENERAL

11. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, agency or regulatory or administrative bodies, having jurisdiction in Canada, the United States of America or any other jurisdiction, to give effect to this Order and to assist the Companies, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, agencies and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Companies and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Company and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

13. **THIS COURT ORDERS** that each of the Companies and the Proposal Trustee be at liberty and are 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 Proposal Trustee 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.

14. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing.

SCHEDULE "A"
SISP TERMS

SALE AND INVESTMENT SOLICITATION PROCESS

INTRODUCTION

1. On January 17, 2025 (the “**Filing Date**”), Upper Canada Growers Ltd. (“**UCG Opco**”) and UCG Land Inc. (“**UCG Landco**” and together with UCG Opco, “**UCG**” or the “**Companies**”) each filed a Notice of Intention to Make a Proposal (the “**NOI(s)**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO Canada Limited (“**BDO**”), a Licensed Insolvency Trustee, was appointed as the proposal trustee (the “**Proposal Trustee**”) in each of the Companies’ NOI proceedings (collectively, the “**Proposal Proceedings**”).
2. To further the Companies restructuring efforts, on or before February 6, 2025, the Companies sought and obtained an order (the “**SISP Order**”) of the Ontario Superior Court of Justice (the “**Court**”), among other things:
 - (a) approving the sale and investment solicitation process (“**SISP**”) as set forth in this document (the “**SISP Terms**”) providing for the marketing of the Companies’ business (the “**Business**”) and assets (the “**Property**”) and the solicitation of (i) offers to acquire the Business and/or Property of the Companies and/or (ii) offers to invest in the Business of the Companies; and
 - (b) empowering the Proposal Trustee to undertake and administer the SISP, subject to these SISP Terms.
3. These SISP Terms set forth the manner in which: (a) binding offers for executable transactions involving the Business, Property, and/or equity of the Companies will be solicited from interested parties; (b) any such offers received will be addressed; (c) any Successful Bid(s) (as defined below) will be selected; and (d) Court approval of any Successful Bid(s) will be sought.
4. The SISP will be conducted by the Proposal Trustee in the manner set forth herein and in accordance with the SISP Order. In the event that there is a disagreement as to the interpretation or application of the SISP, the Court hearing the Proposal Proceedings will have exclusive jurisdiction to hear and resolve such dispute.
5. Any modifications, amendments, variations or supplements to these SISP Terms made in accordance the terms hereof will be posted to the website of the Proposal Trustee. The Proposal Trustee will also directly notify any affected bidders and/or potential bidders of any such modifications, amendments, variations or supplements.

OPPORTUNITY

6. The SISP is intended to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Companies’ Business and/or Property (the “**Opportunity**”). The Opportunity may include one or more of a restructuring, recapitalization or other form of reorganization of the business of the Companies as a going concern or a sale of all, substantially all or one or more components of the Companies’ Property as a going concern or otherwise.
7. The SISP describes the manner in which individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts,

unincorporated organizations, joint ventures, government organizations or other entities (each, a **“Person”**) may gain access to or continue to have access to due diligence materials concerning the Business and the Property, how the offers involving the Business and/or the Property will be submitted to and dealt with by the Proposal Trustee, and how Court approval will be obtained in respect of any Transaction (as defined below).

8. The Proposal Trustee intends to provide all qualified interested parties with an opportunity to participate in the SISP.
9. As described below, the various deadlines set forth herein may be extended by and at the discretion of the Proposal Trust, provided that the Proposal Trustee must obtain the prior written approval of the the debtor-in-possession (**“DIP”**) lender, the Bank of Nova Scotia (the **“DIP Lender”**) in respect of each such extension.
10. The Companies’ management and/or any of the Companies’ equity holders shall not be privy to any of the bid information outlined herein, including the evaluation and selection of offers. The Proposal Trustee may request, at any time, written confirmation from the Companies’ management and any of the Companies’ equity holders as to (a) whether or not they intend to participate in the SISP and (b) disclosure of any interest or involvement any such party may have in or with any other party participating in the SISP.

“AS IS, WHERE IS BASIS”

11. Any transaction involving all or any portion of the Business and/or Property (each a **“Transaction”**) will be completed with Court and DIP Lender approval on an “as is, where is” basis and without surviving representations, warranties, covenants or indemnities of any kind, nature or description by the Companies, the Proposal Trustee, the DIP Lender or any of their respective agents, estates, advisors, professionals or otherwise, except to the extent expressly set forth in the relevant Definitive Transaction Agreement (as defined herein).

TIMELINE

12. The SISP shall commence immediately following the issuance of the SISP Order. The table below sets out subsequent key deadlines in the SISP (each a **“SISP Milestone”**) that interested parties should note (capitalized terms used but not defined in the table are defined in subsequent paragraphs):

SISP Milestones	Deadline
Go to market	Friday February 7, 2025
Expression of Interest Date (“EOI Deadline”)	Friday, March 28, 2025 (5:00 PM Eastern Time) (8-week marketing process)
Select Qualified Bidders	Tuesday, April 1, 2025
Binding Letter of Intent (“LOI Deadline”)	Friday, April 25, 2025 (5:00 PM Eastern Time)
Offer Selection Date	Wednesday, April 30, 2025

Completion of the Definitive Transaction Agreement	Wednesday, May 14, 2025
Hearing of the Sale Approval Motion / Transaction Execution Date	Subject to availability of the Court
Closing the Transaction (" Outside Date ")	No later than Friday, June 13, 2025

Solicitation of Interest: Notice of the SISP

13. As soon as reasonably practicable, but in any event by no later than Friday, February 7, 2025:
 - (a) The Proposal Trustee will prepare a list of potentially interested parties, including (i) parties that have approached the Companies or Proposal Trustee indicating an interest in the Opportunity, and (ii) local and international strategic and financial parties who the Proposal Trustee believes may be interested in purchasing all or part of the Property or investing in the Business pursuant to the SISP (the "**Known Potential Bidders**"); and
 - (b) The Proposal Trustee, will prepare:
 - (i) a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to these SISP Terms; and
 - (ii) a non-disclosure agreement in form and substance satisfactory to the Proposal Trustee and the Companies, and as approved in writing by the DIP Lender (the "**NDA**").
14. The Proposal Trustee will send the Teaser Letter and NDA to all Known Potential Bidders, and to any other party interested in the Opportunity who requests a copy of the Teaser Letter and NDA or who is identified to the Companies or Proposal Trustee as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Potential Bidders and Due Diligence Materials

15. Any party who wishes to participate in the SISP (each, a "**Potential Bidder**") must provide to the Proposal Trustee an executed NDA, and which shall inure to the benefit of any purchaser of the Business and/or Property of the Companies, or any portion thereof, and a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder, full disclosure of the direct and indirect principals of the Potential Bidder, information as to the Potential Bidder's financial wherewithal to close a transaction.
16. The Proposal Trustee, shall in their reasonable business judgment and subject to competitive and other business considerations, afford each Potential Bidder who has signed and delivered an NDA to the Proposal Trustee and provided the foregoing information, such access to due diligence materials and information relating to the Business and Property as the Proposal Trustee deems appropriate.

17. Due diligence shall include access to a virtual data room (“VDR”) containing information about the Companies, including its Property, and may also include management presentations, documents related to on-site inspections, and other materials which a Potential Bidder may reasonably request and as to which the Companies, in their reasonable business judgment and after consulting with the Proposal Trustee, may agree. The Proposal Trustee will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Potential Bidders, who will determine the manner in which such requests must be communicated. A statement of qualification which addresses the financial capabilities, operational capabilities and ownership details of a Potential Bidder may be required to gain access to the VDR. This will be determined by the Proposal Trustee, in consultation with the DIP Lender.
18. Neither the Proposal Trustee nor the Companies will be obligated to furnish any information relating to the Business or Property to any Person other than to Potential Bidders. Furthermore, and for the avoidance of doubt, due diligence materials may be withheld, in whole or in part, from certain Potential Bidders if the Proposal Trustee determines such information to represent proprietary or sensitive competitive information. The Proposal Trustee, the Companies, and the DIP Lender (or any of them) shall have no responsibility for, and will bear no liability with respect to, any information provided to or obtained by any party in connection with the SISP.
19. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property in connection with their participation in the SISP and any Transaction they enter into with the Companies.
20. No later than the EOI Deadline (as defined below), the Proposal Trustee will deposit in the VDR a form of asset purchase agreement (the “**Model APA**”) in connection with the Opportunity, the form and substance of which Model APA shall be prepared by the Proposal Trustee and be acceptable to the DIP Lender.

Non-Binding Expressions of Interest

21. To be considered for inclusion in the next round of the process, Expressions of Interest (“EOI”) should describe in sufficient detail all material matters relating to the proposed Transaction. EOI’s must be received by the Proposal Trustee at the address specified in Schedule “1” hereto (including by e-mail) not later than **5:00 PM (Eastern Time) on Friday, March 28, 2025**, or as may be modified in the bid process letter that may be circulated by the Proposal Trustee to Potential Bidders, with the prior written consent of the DIP Lender (the “**EOI Deadline**”). While EOI’s may be non-binding, at a minimum an EOI should include clear statements with respect to the following information:
 - (a) Identity of the entity or entities involved in the proposed Transaction (if acquiring the Business and/or Property indirectly, through a subsidiary, a limited partnership or other entity, then the identity of any entity that exercises control over such acquiring entity must be disclosed);
 - (b) Cash purchase price (in Canadian dollars) that is to be paid in connection with the Transaction, including an explanation of the methods and key assumptions used to determine the purchase price (the “**Purchase Price**”);

- (c) Indication of deal structure, including but not limited to one or a combination of: an investment in the Companies (an “**Investment Proposal**”) or an acquisition of all, substantially all or a portion of the Property or shares of the Companies (a “**Sale Proposal**”);
 - (d) Proposed financing for the Transaction and, if other than internal funds, the expected sources of such financing, the expected timing for commitment of funds and the steps required to secure such commitment;
 - (e) Nature of additional diligence required before entering into a binding LOI (as defined below) with Companies;
 - (f) Assumptions and intentions with respect to retention of management and employees;
 - (g) Outline of any regulatory, shareholder, lender or other third-party approvals that would be required or potentially required and the estimated timing required to conclude a Transaction;
 - (h) Any conditions to closing or any other terms and conditions that would be required in order to complete the Transaction;
 - (i) Contact information for those Persons who should be contacted with respect to the EOI; and
 - (j) Disclosure of any other matters that may be helpful in the evaluation of the EOI and completion of the Transaction on a timely basis.
22. The Proposal Trustee will inform the DIP Lender in writing as soon as possible of any material development in connection with submission of EOIs and will remit copies of the EOIs received to the DIP Lender.

Evaluation and Selection of EOIs

23. The Proposal Trustee, in consultation with the DIP Lender, will evaluate the EOIs received based upon several factors including, without limitation: (a) the Purchase Price and the net value provided by such bid(s), (b) the identity, circumstances and ability of the Potential Bidder to successfully complete the proposed Transaction(s) on a timely basis, (c) factors affecting the speed, certainty and value of the proposed Transaction(s), (d) the assets included or excluded from the bid(s), (e) any related restructuring costs, and (f) the likelihood and timing of consummating the proposed Transaction(s).
24. The Proposal Trustee, in each case with the prior written approval of the DIP Lender, shall notify in writing each Potential Bidder who submitted an EOI as to whether its EOI was selected to continue in the SISP (the “**Selected EOIs**”) by no later than **Tuesday April 1, 2025**, or at such later time as the Proposal Trustee, with the prior written approval of the DIP Lender, deems appropriate.
25. In the event that there are no Selected EOIs, the Proposal Trustee, with the prior written consent of the DIP Lender, may terminate the SISP. For clarity, the Proposal Trustee shall have no obligation to select any EOI as a Selected EOI.

Binding Letters of Intent

26. Potential Bidders with Selected EOs that wish to make a formal offer to purchase or make an investment in the Companies or its Property (a “**Bidder**”) shall submit a binding Letter of Intent (a “**LOI**”) that complies with all of the following requirements at the Proposal Trustee’s address specified in Schedule “1” hereto (including by e-mail), so as to be received by the Proposal Trustee not later than **5:00 PM (Eastern Time) on Friday April 25, 2025** or as may be modified in the bid process letter that may be circulated by the Proposal Trustee, with the prior written consent of the DIP Lender, to Potential Bidders (the “**LOI Deadline**”):
- (a) the LOI must be either a binding offer to make a Sale Proposal and/or an Investment Proposal.
 - (b) the LOI (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Business of the Companies or its Property or shares and is consistent with these SISP Terms and any necessary terms and conditions established by the Proposal Trustee and communicated to Bidders;
 - (c) the LOI includes a letter stating that the Bidder’s offer is irrevocable until the selection of the Successful Bidder(s) (as defined below), provided that if such Bidder is selected as the Successful Bidder(s), its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder(s);
 - (d) the LOI includes, in the case of a Sale Proposal, a completed purchase agreement with a comparison to the Model APA, and any other transaction documents included in the VDR, which purchase agreement shall include the Purchase Price (by major asset type/legal entity), investment amount and any other key economic terms expressed in Canadian dollars, together with all exhibits and schedules thereto, and, in the case of an Investment Proposal, a comparable definitive transaction agreement;
 - (e) the LOI includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Proposal Trustee, in consultation with the DIP Lender, to make a determination as to the Bidder’s financial and other capabilities to consummate the proposed transaction;
 - (f) the LOI is not conditional on (i) the outcome of unperformed due diligence by the Bidder, or (ii) obtaining financing, or (iii) the Companies receiving the required approvals or amendments relating to any licence agreements required to operate the business;
 - (g) the LOI fully discloses the identity of each entity that will be entering into the Transaction or the financing, or that is otherwise participating or benefiting from such bid;
 - (h) for a Sale Proposal, the LOI includes:
 - (i) the Purchase Price in Canadian dollars (by major asset type/legal entity) and a description of any non-cash consideration, including details of any liabilities to be assumed by the Bidder and key assumptions supporting the proposed valuation;

- (ii) a description of the Property that is expected to be subject to the Transaction(s) and any of the Property expected to be excluded;
 - (iii) a specific indication of the financial capability of the Bidder and the expected structure and financing of the transaction;
 - (iv) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and which such liabilities and obligations it does not intend to assume;
 - (v) information sufficient for the Proposal Trustee, in consultation with the DIP Lender, to determine that the Bidder has sufficient ability to satisfy and perform any liabilities or obligations assumed pursuant to (iv) above;
 - (vi) any other details of the Sale Proposal that the Bidder believes are material to the Transaction(s); and
 - (vii) a commitment by the Bidder to provide a non-refundable deposit, the greater of: an amount of not less than 10% of the Purchase Price offered or \$1,000,000, upon the Bidder being selected as a Successful Bidder.
- (i) for an Investment Proposal, the LOI includes:
- (i) a description of how the Bidder proposes to structure the proposed investment, restructuring, recapitalization, or reorganization, and a description of any non-cash consideration;
 - (ii) the aggregate amount of the equity and/or debt investment to be made in the Business or the Companies in Canadian dollars;
 - (iii) the underlying assumptions regarding the pro forma capital structure;
 - (iv) a description of the specific Property that is to be included in the transaction and any Property expected to be excluded;
 - (v) a specific indication of the sources of capital for the Bidder and the structure and financing of the transaction;
 - (vi) a description of the conditions and approvals required to complete the closing of the transaction;
 - (vii) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and those liabilities and obligations it does not intend to assume;
 - (viii) information sufficient for the Proposal Trustee, in consultation with the DIP Lender, to determine that the Bidder has sufficient ability to satisfy and perform any liabilities or obligations assumed pursuant to (vii) above;
 - (ix) any other details of the Investment Proposal that the Bidder believes are material to the Transaction(s); and
 - (x) a commitment by the Bidder to provide a non-refundable deposit, the greater of: an amount of not less than 10% of the total new investment contemplated or \$1,000,000, upon the Bidder being selected as a Successful Bidder.
- (j) the LOI shall include acknowledgements and representations of the Bidder that the Bidder:

- (i) has had an opportunity to conduct any and all due diligence regarding the Business and Property prior to making its offer;
 - (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and
 - (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether expressed, implied, statutory, or otherwise, regarding the Business of the Companies, or the Property, or the completeness of any information provided in connection therewith, except as expressly stated in the Definitive Transaction Agreement in form and substance satisfactory to the Proposal Trustee and the DIP Lender;
 - (k) the LOI is received by the LOI Deadline; and
 - (l) the LOI contemplates closing the transaction set out therein no later than **Friday June 13, 2025**, subject to obtaining Court approval.
27. The Proposal Trustee will inform the DIP Lender in writing as soon as practicable of any material development in connection with the submission of LOIs and will remit copies of all LOIs received.
28. Following the LOI Deadline, the Proposal Trustee and the DIP Lender will assess the LOIs received. The Proposal Trustee, with the prior written approval of the DIP Lender, will designate the most competitive LOIs that comply with the foregoing requirements to be **“Qualified Bids”**. Only Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).
29. The Proposal Trustee, with the prior written approval of the DIP Lender, shall notify each Bidder in writing as to whether its LOI constitutes a Qualified Bid by no later than **Wednesday April 30, 2025**, or at such later time as the Proposal Trustee deems appropriate, with the prior written approval of the DIP Lender.
30. The Proposal Trustee, with the prior written approval of the DIP Lender, may waive strict compliance with any one or more of the requirements set forth herein and deem a non-compliant LOI to be a Qualified Bid.
31. The Proposal Trustee may, in consultation with the DIP Lender, following receipt of any LOI, either independently or following a request from the DIP Lender, seek clarification with respect to any of the terms or conditions of such LOI and/or request and negotiate one or more amendments to such LOI prior to determining if the LOI is considered a Qualified Bid.
32. The Proposal Trustee may, with the prior written approval of the DIP Lender, aggregate separate Bids from unaffiliated Bidders to create one Qualified Bid.
33. In the event that the Proposal Trustee is not satisfied with the number or terms of the Qualified Bids, the Proposal Trustee may extend the Bid Deadline or seek Court approval for amendments to the SISP, in each case only with the prior written consent of the DIP Lender.

34. In the event that there are no Qualified Bids, the Proposal Trustee, with the prior written consent of the DIP Lender, may terminate the SISP. For clarity, the Proposal Trustee shall have no obligation to select any LOI as a Qualified Bid.

Evaluation of Competing Bids

35. The Proposal Trustee, in consultation with the DIP Lender, will evaluate a Qualified Bid based upon several factors including, without limitation: (a) the Purchase Price and the net value provided by such bid, (b) the identity, circumstances and ability of the Bidder to successfully complete the proposed Transaction(s) on a timely basis, (c) the proposed transaction documents, (d) factors affecting the speed, certainty and value of the proposed Transaction(s), (e) the assets included or excluded from the bid, (f) any related restructuring costs, and (g) the likelihood and timing of consummating the proposed Transaction(s).

Selection of Successful Bid(s)

36. The Proposal Trustee will:
- (a) in consultation with the DIP Lender, review each Qualified Bid with consideration of the following:
 - (i) the amount of consideration being offered, and, if applicable, the proposed form, composition, and allocation of same;
 - (ii) the value of any assumption of liabilities or waiver of liabilities;
 - (iii) the Bidder's ability to close the proposed Transaction(s) by **June 13, 2025** (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability and source of financing and financial wherewithal to meet all commitments and required governmental or other approvals);
 - (iv) the likelihood of the Court's approval of such Qualified Bid(s) if selected as a Successful Bid(s);
 - (v) the net benefit to the Companies and its stakeholders; and
 - (vi) any other factors the Proposal Trustee may, consistent with its fiduciary duties and in consultation with the DIP Lender, reasonably deem relevant.
 - (b) with the prior written approval of the DIP Lender, identify and select the highest or otherwise best Qualified Bid(s) received (the "**Successful Bid(s)**", and the Bidder(s) making such Qualified Bid(s), the "**Successful Bidder(s)**") and to notify the Successful Bidder(s) that its Qualified Bid(s) has been selected as the Successful Bid(s). For clarity, a Qualified Bid may not be selected as a Successful Bid unless the DIP Lender has approved of the proposed Successful Bid in writing.
37. The Proposal Trustee, with the prior written approval of the DIP Lender, can select two or more Qualified Bid(s) as the Successful Bid(s) if the Proposal Trustee determines, acting reasonably, that such selection is appropriate or desirable in the circumstances.

38. The Proposal Trustee shall be under no obligation to select any Qualified Bid as a Successful Bid. In the event that there are no Qualified Bids, the Proposal Trustee, with the prior written consent of the DIP Lender, may terminate the SISP.
39. The Successful Bidder(s) shall be selected by no later than April 30, 2025 and shall complete and execute all agreements, contracts, instruments or other documents (collectively, the “**Definitive Transaction Agreement**”) evidencing and containing the terms and conditions upon which the Successful Bid(s) was made by **Wednesday May 14, 2025** the (“**EOI Deadline**”), unless extended by the Proposal Trustee with the prior written consent from the DIP Lender and in consultation with the Successful Bidder(s).

Sale Approval Motion Hearing

40. The Proposal Trustee shall bring a motion (the “**Sale Approval Motion(s)**”) to the Court seeking one or more orders approving the Successful Bid(s) and granting any necessary related relief required to consummate the Transaction(s) contemplated therein, including the granting of a vesting or reverse vesting order, as applicable, to the extent that such relief is contemplated by the Successful Bid(s) (collectively, the “**Sale Approval Order(s)**”). The Sale Approval Order(s) shall be in form and substance satisfactory to the DIP Lender and Successful Bidder(s). The Proposal Trustee will schedule the Sale Approval Motion(s) on a hearing date, subject to the availability of the Court and in consultation with the Companies, the DIP Lender, and the Successful Bidder(s). With the consent of the DIP Lender and the Successful Bidder(s), the Sale Approval Motion(s) may be adjourned or rescheduled by the Proposal Trustee and the adjourned or rescheduled date shall be publicized by advance notice and served upon the service list in the Proposal Proceedings, or, if such advance notice is not practicable, by announcement at the Sale Approval Motion(s). The Proposal Trustee shall consult with the DIP Lender and the Successful Bidder(s) regarding the application materials to be filed for the Sale Approval Motion(s) and will provide them with a reasonable opportunity to review and comment on such materials.
41. Any Qualified Bid (other than the Successful Bid(s), as the case may be) shall be deemed rejected on and as of the date of the closing of the Successful Bid(s), with no further or continuing obligation of the Proposal Trustee to such unsuccessful Qualified Bidder, except for the return of the applicable Deposit pursuant to paragraph 44(c) below.

Confidentiality and Access to Information

42. All discussions regarding a Sale Proposal, Investment Proposal, or bid in the SISP should be directed through the Proposal Trustee. Under no circumstances should the DIP Lender or Management of the Companies be contacted directly without the prior consent of the Proposal Trustee and the DIP Lender. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP.
43. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Bidders, Qualified Bids, Successful Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Companies, the Proposal Trustee, the DIP Lender and such other bidders or Potential Bidders in connection with the SISP, except to the extent the

Proposal Trustee and the prior written consent of the DIP Lender and the applicable participants, are seeking to combine separate bids from Potential Bidders or Bidders.

Deposit(s)

44. The Deposit(s):
- (a) shall, upon receipt, be retained by the Proposal Trustee and deposited in a non-interest-bearing trust account;
 - (b) received from the Successful Bidder(s), shall:
 - (i) be applied to the Purchase Price or investment to be paid or funded by the applicable Successful Bidder(s) whose Successful Bid(s) is/are the subject of a Sale Approval Order(s), upon closing of the approved Transaction(s); or
 - (ii) shall otherwise be held and refunded in accordance with the terms of the definitive documentation in respect of any Successful Bid(s), provided that all such documentation shall provide that the Deposit shall be retained by the Proposal Trustee in trust and forfeited by the Successful Bidder(s) if the Successful Bid(s) fails to close by the Outside Date, and such failure is attributable to any failure or omission of the Successful Bidder(s) to fulfil its/their obligations under the terms of the Successful Bid(s); and,
 - (c) received from Bidders who are not the Successful Bidder(s), shall be fully refunded to those Bidders as soon as practicable following the closing of the Transaction(s) contemplated by the Successful Bid(s) and in any event no later than by the Outside Date.

Further Orders

45. At any time during the SISP, the Proposal Trustee or the DIP Lender may apply to the Court for advice and directions with respect to any aspect of the SISP, including but not limited to the continuation of the SISP, these SISP Terms, or with respect to their powers, rights, and duties (as applicable) hereunder.

Additional Terms

46. The Proposal Trustee shall conduct the SISP in the manner set out in these SISP Terms, subject to the applicable consultation, consent, and approval requirements as set forth herein, and is entitled to receive all information in relation to the SISP.
47. Any consent, approval or written confirmation to be provided by the Proposal Trustee or the DIP Lender is ineffective unless provided in writing and any approval required pursuant to the terms hereof is in addition to, and not in substitution for, any other approvals required in the Proposal Proceedings or as otherwise required at law in order to implement the Successful Bid(s). For the avoidance of doubt, a consent, approval, or confirmation provided by email shall be deemed to have been provided in writing for the purposes of this paragraph.

48. Prior to seeking the Court's approval for any Transaction(s) or bid(s) contemplated by the SISP, the Proposal Trustee will provide a report to the Court regarding the SISP and the Successful Bid(s), parts of which may be filed under seal, including in respect of any and all bids received.
49. The Proposal Trustee shall at all times prior to the selection of the Successful Bid(s) use commercially reasonable efforts to facilitate a competitive bidding process in the SISP, including, without limitation, by actively soliciting participation by Persons who would be customarily identified as high potential bidders in a process of this kind or who may be reasonably proposed by any of the Companies' stakeholders as a high potential bidder.
50. This SISP does not and will not be interpreted to create any contractual or other legal relationship between the Companies, the Proposal Trustee, and the DIP Lender and any Potential Bidder, any Bidder, or any other party, other than as specifically set forth in a definitive agreement that may be entered into with the Companies and/or Proposal Trustee.
51. Without limiting the preceding paragraph, the Proposal Trustee, the Companies, and the DIP Lender shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Bidder, the Successful Bidder(s), the Companies, or any other creditor or other stakeholder of the Companies, for any act or omission related to the SISP. By submitting a bid, each Bidder shall be deemed to have agreed that it has no claim against the Proposal Trustee, the Companies, or the DIP Lender for any reason whatsoever related to the SISP.
52. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction. For greater certainty, neither the Proposal Trustee, the Companies, or the DIP Lender shall be liable to any Person for any claim for brokerage commission, finder's fee, or like payment in respect of the consummation of any transaction arising out of or in connection with the SISP.
53. Notwithstanding the process and deadlines outlined above with respect to the SISP, with the prior written consent of the DIP Lender, the Proposal Trustee may at any time: (a) pause, terminate, amend or modify the SISP; (b) remove any portion of the Business and/or the Property from the SISP; (c) bring a motion to the Court to seek approval of a sale of, or investment in, all or part of the Property or the business whether or not such sale or investment is in accordance with the terms or timelines set forth herein; and (d) establish further or other procedures for the SISP, provided that the service list in the Proposal Proceedings shall be advised of any substantive modification to the procedures set forth herein.

Schedule "1"

Address of the Proposal Trustee

To the Proposal Trustee:

BDO Canada Limited
20 Wellington East
Suite 500
Toronto, Ontario
M5E 1C5

Attention: Clark Lonergan or Michael Basso

Email: clonergan@bdo.ca

Email: mbasso@bdo.ca

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF UCG LAND INC., IN THE CITY OF HAMILTON, IN THE
PROVINCE OF ONTARIO
IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF UPPER CANADA GROWERS LTD., IN THE CITY OF
HAMILTON, IN THE PROVINCE OF ONTARIO

Court File No. 32-3175819
Estate No. 32-3175819

Court File No. 32-3175820
Estate No. 32-3175820

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

Proceeding commenced at Hamilton

ORDER
(SISP ORDER)

DICKINSON WRIGHT LLP
199 Bay Street, Suite 2200
Commerce Court West
Toronto ON, M5L 1G4

John D. Leslie
Tel: 416-646-3801
Email: JLeslie@dickinson-wright.com

David Z. Seifer
Tel: 416-646-6867
Email: DSeifer@dickinson-wright.com

Counsel for UCG Land Inc. and Upper Canada Growers Ltd.

This is Exhibit “Y” referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

SALE AND INVESTMENT SOLICITATION PROCESS

INTRODUCTION

1. On January 17, 2025 (the “**Filing Date**”), Upper Canada Growers Ltd. (“**UCG Opco**”) and UCG Land Inc. (“**UCG Landco**” and together with UCG Opco, “**UCG**” or the “**Companies**”) each filed a Notice of Intention to Make a Proposal (the “**NOI(s)**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO Canada Limited (“**BDO**”), a Licensed Insolvency Trustee, was appointed as the proposal trustee (the “**Proposal Trustee**”) in each of the Companies’ NOI proceedings (collectively, the “**Proposal Proceedings**”).
2. To further the Companies restructuring efforts, on or before February 6, 2025, the Companies sought and obtained an order (the “**SISP Order**”) of the Ontario Superior Court of Justice (the “**Court**”), among other things:
 - (a) approving the sale and investment solicitation process (“**SISP**”) as set forth in this document (the “**SISP Terms**”) providing for the marketing of the Companies’ business (the “**Business**”) and assets (the “**Property**”) and the solicitation of (i) offers to acquire the Business and/or Property of the Companies and/or (ii) offers to invest in the Business of the Companies; and
 - (b) empowering the Proposal Trustee to undertake and administer the SISP, subject to these SISP Terms.
3. These SISP Terms set forth the manner in which: (a) binding offers for executable transactions involving the Business, Property, and/or equity of the Companies will be solicited from interested parties; (b) any such offers received will be addressed; (c) any Successful Bid(s) (as defined below) will be selected; and (d) Court approval of any Successful Bid(s) will be sought.
4. The SISP will be conducted by the Proposal Trustee in the manner set forth herein and in accordance with the SISP Order. In the event that there is a disagreement as to the interpretation or application of the SISP, the Court hearing the Proposal Proceedings will have exclusive jurisdiction to hear and resolve such dispute.
5. Any modifications, amendments, variations or supplements to these SISP Terms made in accordance the terms hereof will be posted to the website of the Proposal Trustee. The Proposal Trustee will also directly notify any affected bidders and/or potential bidders of any such modifications, amendments, variations or supplements.

OPPORTUNITY

6. The SISP is intended to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Companies’ Business and/or Property (the “**Opportunity**”). The Opportunity may include one or more of a restructuring, recapitalization or other form of reorganization of the business of the Companies as a going concern or a sale of all, substantially all or one or more components of the Companies’ Property as a going concern or otherwise.
7. The SISP describes the manner in which individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts,

unincorporated organizations, joint ventures, government organizations or other entities (each, a **“Person”**) may gain access to or continue to have access to due diligence materials concerning the Business and the Property, how the offers involving the Business and/or the Property will be submitted to and dealt with by the Proposal Trustee, and how Court approval will be obtained in respect of any Transaction (as defined below).

8. The Proposal Trustee intends to provide all qualified interested parties with an opportunity to participate in the SISP.
9. As described below, the various deadlines set forth herein may be extended by and at the discretion of the Proposal Trust, provided that the Proposal Trustee must obtain the prior written approval of the the debtor-in-possession (**“DIP”**) lender, the Bank of Nova Scotia (the **“DIP Lender”**) in respect of each such extension.
10. The Companies’ management and/or any of the Companies’ equity holders shall not be privy to any of the bid information outlined herein, including the evaluation and selection of offers. The Proposal Trustee may request, at any time, written confirmation from the Companies’ management and any of the Companies’ equity holders as to (a) whether or not they intend to participate in the SISP and (b) disclosure of any interest or involvement any such party may have in or with any other party participating in the SISP.

“AS IS, WHERE IS BASIS”

11. Any transaction involving all or any portion of the Business and/or Property (each a **“Transaction”**) will be completed with Court and DIP Lender approval on an “as is, where is” basis and without surviving representations, warranties, covenants or indemnities of any kind, nature or description by the Companies, the Proposal Trustee, the DIP Lender or any of their respective agents, estates, advisors, professionals or otherwise, except to the extent expressly set forth in the relevant Definitive Transaction Agreement (as defined herein).

TIMELINE

12. The SISP shall commence immediately following the issuance of the SISP Order. The table below sets out subsequent key deadlines in the SISP (each a **“SISP Milestone”**) that interested parties should note (capitalized terms used but not defined in the table are defined in subsequent paragraphs):

SISP Milestones	Deadline
Go to market	Friday February 7, 2025
Expression of Interest Date (“EOI Deadline”)	Friday, March 28, 2025 (5:00 PM Eastern Time) (8-week marketing process)
Select Qualified Bidders	Tuesday, April 1, 2025
Binding Letter of Intent (“LOI Deadline”)	Friday, April 25, 2025 (5:00 PM Eastern Time)
Offer Selection Date	Wednesday, April 30, 2025

Completion of the Definitive Transaction Agreement	Wednesday, May 14, 2025
Hearing of the Sale Approval Motion / Transaction Execution Date	Subject to availability of the Court
Closing the Transaction (" Outside Date ")	No later than Friday, June 13, 2025

Solicitation of Interest: Notice of the SISP

13. As soon as reasonably practicable, but in any event by no later than Friday, February 7, 2025:
 - (a) The Proposal Trustee will prepare a list of potentially interested parties, including (i) parties that have approached the Companies or Proposal Trustee indicating an interest in the Opportunity, and (ii) local and international strategic and financial parties who the Proposal Trustee believes may be interested in purchasing all or part of the Property or investing in the Business pursuant to the SISP (the "**Known Potential Bidders**"); and
 - (b) The Proposal Trustee, will prepare:
 - (i) a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to these SISP Terms; and
 - (ii) a non-disclosure agreement in form and substance satisfactory to the Proposal Trustee and the Companies, and as approved in writing by the DIP Lender (the "**NDA**").
14. The Proposal Trustee will send the Teaser Letter and NDA to all Known Potential Bidders, and to any other party interested in the Opportunity who requests a copy of the Teaser Letter and NDA or who is identified to the Companies or Proposal Trustee as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Potential Bidders and Due Diligence Materials

15. Any party who wishes to participate in the SISP (each, a "**Potential Bidder**") must provide to the Proposal Trustee an executed NDA, and which shall inure to the benefit of any purchaser of the Business and/or Property of the Companies, or any portion thereof, and a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder, full disclosure of the direct and indirect principals of the Potential Bidder, information as to the Potential Bidder's financial wherewithal to close a transaction.
16. The Proposal Trustee, shall in their reasonable business judgment and subject to competitive and other business considerations, afford each Potential Bidder who has signed and delivered an NDA to the Proposal Trustee and provided the foregoing information, such access to due diligence materials and information relating to the Business and Property as the Proposal Trustee deems appropriate.

17. Due diligence shall include access to a virtual data room (“VDR”) containing information about the Companies, including its Property, and may also include management presentations, documents related to on-site inspections, and other materials which a Potential Bidder may reasonably request and as to which the Companies, in their reasonable business judgment and after consulting with the Proposal Trustee, may agree. The Proposal Trustee will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Potential Bidders, who will determine the manner in which such requests must be communicated. A statement of qualification which addresses the financial capabilities, operational capabilities and ownership details of a Potential Bidder may be required to gain access to the VDR. This will be determined by the Proposal Trustee, in consultation with the DIP Lender.
18. Neither the Proposal Trustee nor the Companies will be obligated to furnish any information relating to the Business or Property to any Person other than to Potential Bidders. Furthermore, and for the avoidance of doubt, due diligence materials may be withheld, in whole or in part, from certain Potential Bidders if the Proposal Trustee determines such information to represent proprietary or sensitive competitive information. The Proposal Trustee, the Companies, and the DIP Lender (or any of them) shall have no responsibility for, and will bear no liability with respect to, any information provided to or obtained by any party in connection with the SISP.
19. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property in connection with their participation in the SISP and any Transaction they enter into with the Companies.
20. No later than the EOI Deadline (as defined below), the Proposal Trustee will deposit in the VDR a form of asset purchase agreement (the “**Model APA**”) in connection with the Opportunity, the form and substance of which Model APA shall be prepared by the Proposal Trustee and be acceptable to the DIP Lender.

Non-Binding Expressions of Interest

21. To be considered for inclusion in the next round of the process, Expressions of Interest (“EOI”) should describe in sufficient detail all material matters relating to the proposed Transaction. EOI’s must be received by the Proposal Trustee at the address specified in Schedule “1” hereto (including by e-mail) not later than **5:00 PM (Eastern Time) on Friday, March 28, 2025**, or as may be modified in the bid process letter that may be circulated by the Proposal Trustee to Potential Bidders, with the prior written consent of the DIP Lender (the “**EOI Deadline**”). While EOI’s may be non-binding, at a minimum an EOI should include clear statements with respect to the following information:
 - (a) Identity of the entity or entities involved in the proposed Transaction (if acquiring the Business and/or Property indirectly, through a subsidiary, a limited partnership or other entity, then the identity of any entity that exercises control over such acquiring entity must be disclosed);
 - (b) Cash purchase price (in Canadian dollars) that is to be paid in connection with the Transaction, including an explanation of the methods and key assumptions used to determine the purchase price (the “**Purchase Price**”);

- (c) Indication of deal structure, including but not limited to one or a combination of: an investment in the Companies (an “**Investment Proposal**”) or an acquisition of all, substantially all or a portion of the Property or shares of the Companies (a “**Sale Proposal**”);
 - (d) Proposed financing for the Transaction and, if other than internal funds, the expected sources of such financing, the expected timing for commitment of funds and the steps required to secure such commitment;
 - (e) Nature of additional diligence required before entering into a binding LOI (as defined below) with Companies;
 - (f) Assumptions and intentions with respect to retention of management and employees;
 - (g) Outline of any regulatory, shareholder, lender or other third-party approvals that would be required or potentially required and the estimated timing required to conclude a Transaction;
 - (h) Any conditions to closing or any other terms and conditions that would be required in order to complete the Transaction;
 - (i) Contact information for those Persons who should be contacted with respect to the EOI; and
 - (j) Disclosure of any other matters that may be helpful in the evaluation of the EOI and completion of the Transaction on a timely basis.
22. The Proposal Trustee will inform the DIP Lender in writing as soon as possible of any material development in connection with submission of EOIs and will remit copies of the EOIs received to the DIP Lender.

Evaluation and Selection of EOIs

23. The Proposal Trustee, in consultation with the DIP Lender, will evaluate the EOIs received based upon several factors including, without limitation: (a) the Purchase Price and the net value provided by such bid(s), (b) the identity, circumstances and ability of the Potential Bidder to successfully complete the proposed Transaction(s) on a timely basis, (c) factors affecting the speed, certainty and value of the proposed Transaction(s), (d) the assets included or excluded from the bid(s), (e) any related restructuring costs, and (f) the likelihood and timing of consummating the proposed Transaction(s).
24. The Proposal Trustee, in each case with the prior written approval of the DIP Lender, shall notify in writing each Potential Bidder who submitted an EOI as to whether its EOI was selected to continue in the SISP (the “**Selected EOIs**”) by no later than **Tuesday April 1, 2025**, or at such later time as the Proposal Trustee, with the prior written approval of the DIP Lender, deems appropriate.
25. In the event that there are no Selected EOIs, the Proposal Trustee, with the prior written consent of the DIP Lender, may terminate the SISP. For clarity, the Proposal Trustee shall have no obligation to select any EOI as a Selected EOI.

Binding Letters of Intent

26. Potential Bidders with Selected EOs that wish to make a formal offer to purchase or make an investment in the Companies or its Property (a “**Bidder**”) shall submit a binding Letter of Intent (a “**LOI**”) that complies with all of the following requirements at the Proposal Trustee’s address specified in Schedule “1” hereto (including by e-mail), so as to be received by the Proposal Trustee not later than **5:00 PM (Eastern Time) on Friday April 25, 2025** or as may be modified in the bid process letter that may be circulated by the Proposal Trustee, with the prior written consent of the DIP Lender, to Potential Bidders (the “**LOI Deadline**”):
- (a) the LOI must be either a binding offer to make a Sale Proposal and/or an Investment Proposal.
 - (b) the LOI (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Business of the Companies or its Property or shares and is consistent with these SISP Terms and any necessary terms and conditions established by the Proposal Trustee and communicated to Bidders;
 - (c) the LOI includes a letter stating that the Bidder’s offer is irrevocable until the selection of the Successful Bidder(s) (as defined below), provided that if such Bidder is selected as the Successful Bidder(s), its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder(s);
 - (d) the LOI includes, in the case of a Sale Proposal, a completed purchase agreement with a comparison to the Model APA, and any other transaction documents included in the VDR, which purchase agreement shall include the Purchase Price (by major asset type/legal entity), investment amount and any other key economic terms expressed in Canadian dollars, together with all exhibits and schedules thereto, and, in the case of an Investment Proposal, a comparable definitive transaction agreement;
 - (e) the LOI includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Proposal Trustee, in consultation with the DIP Lender, to make a determination as to the Bidder’s financial and other capabilities to consummate the proposed transaction;
 - (f) the LOI is not conditional on (i) the outcome of unperformed due diligence by the Bidder, or (ii) obtaining financing, or (iii) the Companies receiving the required approvals or amendments relating to any licence agreements required to operate the business;
 - (g) the LOI fully discloses the identity of each entity that will be entering into the Transaction or the financing, or that is otherwise participating or benefiting from such bid;
 - (h) for a Sale Proposal, the LOI includes:
 - (i) the Purchase Price in Canadian dollars (by major asset type/legal entity) and a description of any non-cash consideration, including details of any liabilities to be assumed by the Bidder and key assumptions supporting the proposed valuation;

- (ii) a description of the Property that is expected to be subject to the Transaction(s) and any of the Property expected to be excluded;
 - (iii) a specific indication of the financial capability of the Bidder and the expected structure and financing of the transaction;
 - (iv) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and which such liabilities and obligations it does not intend to assume;
 - (v) information sufficient for the Proposal Trustee, in consultation with the DIP Lender, to determine that the Bidder has sufficient ability to satisfy and perform any liabilities or obligations assumed pursuant to (iv) above;
 - (vi) any other details of the Sale Proposal that the Bidder believes are material to the Transaction(s); and
 - (vii) a commitment by the Bidder to provide a non-refundable deposit, the greater of: an amount of not less than 10% of the Purchase Price offered or \$1,000,000, upon the Bidder being selected as a Successful Bidder.
- (i) for an Investment Proposal, the LOI includes:
- (i) a description of how the Bidder proposes to structure the proposed investment, restructuring, recapitalization, or reorganization, and a description of any non-cash consideration;
 - (ii) the aggregate amount of the equity and/or debt investment to be made in the Business or the Companies in Canadian dollars;
 - (iii) the underlying assumptions regarding the pro forma capital structure;
 - (iv) a description of the specific Property that is to be included in the transaction and any Property expected to be excluded;
 - (v) a specific indication of the sources of capital for the Bidder and the structure and financing of the transaction;
 - (vi) a description of the conditions and approvals required to complete the closing of the transaction;
 - (vii) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and those liabilities and obligations it does not intend to assume;
 - (viii) information sufficient for the Proposal Trustee, in consultation with the DIP Lender, to determine that the Bidder has sufficient ability to satisfy and perform any liabilities or obligations assumed pursuant to (vii) above;
 - (ix) any other details of the Investment Proposal that the Bidder believes are material to the Transaction(s); and
 - (x) a commitment by the Bidder to provide a non-refundable deposit, the greater of: an amount of not less than 10% of the total new investment contemplated or \$1,000,000, upon the Bidder being selected as a Successful Bidder.
- (j) the LOI shall include acknowledgements and representations of the Bidder that the Bidder:

- (i) has had an opportunity to conduct any and all due diligence regarding the Business and Property prior to making its offer;
 - (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and
 - (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether expressed, implied, statutory, or otherwise, regarding the Business of the Companies, or the Property, or the completeness of any information provided in connection therewith, except as expressly stated in the Definitive Transaction Agreement in form and substance satisfactory to the Proposal Trustee and the DIP Lender;
 - (k) the LOI is received by the LOI Deadline; and
 - (l) the LOI contemplates closing the transaction set out therein no later than **Friday June 13, 2025**, subject to obtaining Court approval.
27. The Proposal Trustee will inform the DIP Lender in writing as soon as practicable of any material development in connection with the submission of LOIs and will remit copies of all LOIs received.
28. Following the LOI Deadline, the Proposal Trustee and the DIP Lender will assess the LOIs received. The Proposal Trustee, with the prior written approval of the DIP Lender, will designate the most competitive LOIs that comply with the foregoing requirements to be **“Qualified Bids”**. Only Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).
29. The Proposal Trustee, with the prior written approval of the DIP Lender, shall notify each Bidder in writing as to whether its LOI constitutes a Qualified Bid by no later than **Wednesday April 30, 2025**, or at such later time as the Proposal Trustee deems appropriate, with the prior written approval of the DIP Lender.
30. The Proposal Trustee, with the prior written approval of the DIP Lender, may waive strict compliance with any one or more of the requirements set forth herein and deem a non-compliant LOI to be a Qualified Bid.
31. The Proposal Trustee may, in consultation with the DIP Lender, following receipt of any LOI, either independently or following a request from the DIP Lender, seek clarification with respect to any of the terms or conditions of such LOI and/or request and negotiate one or more amendments to such LOI prior to determining if the LOI is considered a Qualified Bid.
32. The Proposal Trustee may, with the prior written approval of the DIP Lender, aggregate separate Bids from unaffiliated Bidders to create one Qualified Bid.
33. In the event that the Proposal Trustee is not satisfied with the number or terms of the Qualified Bids, the Proposal Trustee may extend the Bid Deadline or seek Court approval for amendments to the SISP, in each case only with the prior written consent of the DIP Lender.

34. In the event that there are no Qualified Bids, the Proposal Trustee, with the prior written consent of the DIP Lender, may terminate the SISP. For clarity, the Proposal Trustee shall have no obligation to select any LOI as a Qualified Bid.

Evaluation of Competing Bids

35. The Proposal Trustee, in consultation with the DIP Lender, will evaluate a Qualified Bid based upon several factors including, without limitation: (a) the Purchase Price and the net value provided by such bid, (b) the identity, circumstances and ability of the Bidder to successfully complete the proposed Transaction(s) on a timely basis, (c) the proposed transaction documents, (d) factors affecting the speed, certainty and value of the proposed Transaction(s), (e) the assets included or excluded from the bid, (f) any related restructuring costs, and (g) the likelihood and timing of consummating the proposed Transaction(s).

Selection of Successful Bid(s)

36. The Proposal Trustee will:
- (a) in consultation with the DIP Lender, review each Qualified Bid with consideration of the following:
 - (i) the amount of consideration being offered, and, if applicable, the proposed form, composition, and allocation of same;
 - (ii) the value of any assumption of liabilities or waiver of liabilities;
 - (iii) the Bidder's ability to close the proposed Transaction(s) by **June 13, 2025** (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability and source of financing and financial wherewithal to meet all commitments and required governmental or other approvals);
 - (iv) the likelihood of the Court's approval of such Qualified Bid(s) if selected as a Successful Bid(s);
 - (v) the net benefit to the Companies and its stakeholders; and
 - (vi) any other factors the Proposal Trustee may, consistent with its fiduciary duties and in consultation with the DIP Lender, reasonably deem relevant.
 - (b) with the prior written approval of the DIP Lender, identify and select the highest or otherwise best Qualified Bid(s) received (the "**Successful Bid(s)**"), and the Bidder(s) making such Qualified Bid(s), the "**Successful Bidder(s)**") and to notify the Successful Bidder(s) that its Qualified Bid(s) has been selected as the Successful Bid(s). For clarity, a Qualified Bid may not be selected as a Successful Bid unless the DIP Lender has approved of the proposed Successful Bid in writing.
37. The Proposal Trustee, with the prior written approval of the DIP Lender, can select two or more Qualified Bid(s) as the Successful Bid(s) if the Proposal Trustee determines, acting reasonably, that such selection is appropriate or desirable in the circumstances.

38. The Proposal Trustee shall be under no obligation to select any Qualified Bid as a Successful Bid. In the event that there are no Qualified Bids, the Proposal Trustee, with the prior written consent of the DIP Lender, may terminate the SISP.
39. The Successful Bidder(s) shall be selected by no later than April 30, 2025 and shall complete and execute all agreements, contracts, instruments or other documents (collectively, the “**Definitive Transaction Agreement**”) evidencing and containing the terms and conditions upon which the Successful Bid(s) was made by **Wednesday May 14, 2025** the (“**EOI Deadline**”), unless extended by the Proposal Trustee with the prior written consent from the DIP Lender and in consultation with the Successful Bidder(s).

Sale Approval Motion Hearing

40. The Proposal Trustee shall bring a motion (the “**Sale Approval Motion(s)**”) to the Court seeking one or more orders approving the Successful Bid(s) and granting any necessary related relief required to consummate the Transaction(s) contemplated therein, including the granting of a vesting or reverse vesting order, as applicable, to the extent that such relief is contemplated by the Successful Bid(s) (collectively, the “**Sale Approval Order(s)**”). The Sale Approval Order(s) shall be in form and substance satisfactory to the DIP Lender and Successful Bidder(s). The Proposal Trustee will schedule the Sale Approval Motion(s) on a hearing date, subject to the availability of the Court and in consultation with the Companies, the DIP Lender, and the Successful Bidder(s). With the consent of the DIP Lender and the Successful Bidder(s), the Sale Approval Motion(s) may be adjourned or rescheduled by the Proposal Trustee and the adjourned or rescheduled date shall be publicized by advance notice and served upon the service list in the Proposal Proceedings, or, if such advance notice is not practicable, by announcement at the Sale Approval Motion(s). The Proposal Trustee shall consult with the DIP Lender and the Successful Bidder(s) regarding the application materials to be filed for the Sale Approval Motion(s) and will provide them with a reasonable opportunity to review and comment on such materials.
41. Any Qualified Bid (other than the Successful Bid(s), as the case may be) shall be deemed rejected on and as of the date of the closing of the Successful Bid(s), with no further or continuing obligation of the Proposal Trustee to such unsuccessful Qualified Bidder, except for the return of the applicable Deposit pursuant to paragraph 44(c) below.

Confidentiality and Access to Information

42. All discussions regarding a Sale Proposal, Investment Proposal, or bid in the SISP should be directed through the Proposal Trustee. Under no circumstances should the DIP Lender or Management of the Companies be contacted directly without the prior consent of the Proposal Trustee and the DIP Lender. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP.
43. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Bidders, Qualified Bids, Successful Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Companies, the Proposal Trustee, the DIP Lender and such other bidders or Potential Bidders in connection with the SISP, except to the extent the

Proposal Trustee and the prior written consent of the DIP Lender and the applicable participants, are seeking to combine separate bids from Potential Bidders or Bidders.

Deposit(s)

44. The Deposit(s):
- (a) shall, upon receipt, be retained by the Proposal Trustee and deposited in a non-interest-bearing trust account;
 - (b) received from the Successful Bidder(s), shall:
 - (i) be applied to the Purchase Price or investment to be paid or funded by the applicable Successful Bidder(s) whose Successful Bid(s) is/are the subject of a Sale Approval Order(s), upon closing of the approved Transaction(s); or
 - (ii) shall otherwise be held and refunded in accordance with the terms of the definitive documentation in respect of any Successful Bid(s), provided that all such documentation shall provide that the Deposit shall be retained by the Proposal Trustee in trust and forfeited by the Successful Bidder(s) if the Successful Bid(s) fails to close by the Outside Date, and such failure is attributable to any failure or omission of the Successful Bidder(s) to fulfil its/their obligations under the terms of the Successful Bid(s); and,
 - (c) received from Bidders who are not the Successful Bidder(s), shall be fully refunded to those Bidders as soon as practicable following the closing of the Transaction(s) contemplated by the Successful Bid(s) and in any event no later than by the Outside Date.

Further Orders

45. At any time during the SISP, the Proposal Trustee or the DIP Lender may apply to the Court for advice and directions with respect to any aspect of the SISP, including but not limited to the continuation of the SISP, these SISP Terms, or with respect to their powers, rights, and duties (as applicable) hereunder.

Additional Terms

46. The Proposal Trustee shall conduct the SISP in the manner set out in these SISP Terms, subject to the applicable consultation, consent, and approval requirements as set forth herein, and is entitled to receive all information in relation to the SISP.
47. Any consent, approval or written confirmation to be provided by the Proposal Trustee or the DIP Lender is ineffective unless provided in writing and any approval required pursuant to the terms hereof is in addition to, and not in substitution for, any other approvals required in the Proposal Proceedings or as otherwise required at law in order to implement the Successful Bid(s). For the avoidance of doubt, a consent, approval, or confirmation provided by email shall be deemed to have been provided in writing for the purposes of this paragraph.

48. Prior to seeking the Court's approval for any Transaction(s) or bid(s) contemplated by the SISP, the Proposal Trustee will provide a report to the Court regarding the SISP and the Successful Bid(s), parts of which may be filed under seal, including in respect of any and all bids received.
49. The Proposal Trustee shall at all times prior to the selection of the Successful Bid(s) use commercially reasonable efforts to facilitate a competitive bidding process in the SISP, including, without limitation, by actively soliciting participation by Persons who would be customarily identified as high potential bidders in a process of this kind or who may be reasonably proposed by any of the Companies' stakeholders as a high potential bidder.
50. This SISP does not and will not be interpreted to create any contractual or other legal relationship between the Companies, the Proposal Trustee, and the DIP Lender and any Potential Bidder, any Bidder, or any other party, other than as specifically set forth in a definitive agreement that may be entered into with the Companies and/or Proposal Trustee.
51. Without limiting the preceding paragraph, the Proposal Trustee, the Companies, and the DIP Lender shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Bidder, the Successful Bidder(s), the Companies, or any other creditor or other stakeholder of the Companies, for any act or omission related to the SISP. By submitting a bid, each Bidder shall be deemed to have agreed that it has no claim against the Proposal Trustee, the Companies, or the DIP Lender for any reason whatsoever related to the SISP.
52. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction. For greater certainty, neither the Proposal Trustee, the Companies, or the DIP Lender shall be liable to any Person for any claim for brokerage commission, finder's fee, or like payment in respect of the consummation of any transaction arising out of or in connection with the SISP.
53. Notwithstanding the process and deadlines outlined above with respect to the SISP, with the prior written consent of the DIP Lender, the Proposal Trustee may at any time: (a) pause, terminate, amend or modify the SISP; (b) remove any portion of the Business and/or the Property from the SISP; (c) bring a motion to the Court to seek approval of a sale of, or investment in, all or part of the Property or the business whether or not such sale or investment is in accordance with the terms or timelines set forth herein; and (d) establish further or other procedures for the SISP, provided that the service list in the Proposal Proceedings shall be advised of any substantive modification to the procedures set forth herein.

Schedule "1"

Address of the Proposal Trustee

To the Proposal Trustee:

BDO Canada Limited
20 Wellington East
Suite 500
Toronto, Ontario
M5E 1C5

Attention: Clark Lonergan or Michael Basso

Email: clonergan@bdo.ca

Email: mbasso@bdo.ca

This is Exhibit “Z” referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on January 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

KEY EMPLOYEE RETENTION PLAN

This Key Employee Retention Plan (“**KERP**”) sets out the retention plan proposed for certain employees and independent contractors who are part of the management of Upper Canada Growers Ltd. (the “**Company**”), which filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”, and the proceedings, the “**NOI Proceedings**”) on January 17, 2025. BDO Canada Limited was appointed as proposal trustee (in such capacity, the “**Trustee**”) in the NOI Proceedings and the proposal proceedings of the Company’s affiliate, UCG Land Inc. (“**UCG Land**”).

KERP

The primary objective of the proposed KERP is to incentivize key employees and independent contractors (collectively, the “**Key Employees**”) who are vital to the ongoing operations of the Company to (i) continue in their current roles during these challenging times, (ii) compensate them for their expanded roles during the NOI Proceedings, and (iii) aid in the consummation of a transaction through a sale and investment solicitation process (the “**SISP**”) relating to the Company and UCG Land, subject to the Court’s approval thereof. The proposed KERP recipients are instrumental to the Company’s ongoing stability and marketing efforts both prior to and during the SISP.

Amount of KERP

The KERP shall provide for payments to Key Employees in the maximum aggregate amount of \$168,250 (collectively, the “**KERP Payments**”).

Key Employees

A list of the Key Employees can be found in Appendix “A” to this KERP along with the amount of the KERP Payment (whatever it may be) to which each such Key Employee is entitled (each, a “**Retention Fee**”).

The Key Employees have the skills, knowledge and capabilities to assist the Proposal Trustee in the exercise of its duties and powers in the NOI Proceedings, including, without limitation, in its administration of the SISP. The Key Employees have other employment options available to them. They are not replaceable in the near term due to their specialized skills, knowledge of relevant business operations and the stringent deadlines the Company must comply with in the NOI Proceedings.

The Key Employees collectively:

- (i) lead the day-to-day operations of the Company’s business, including management of the farm, greenhouses and laboratory;
- (ii) manage the internal processes that allow the Company to pay suppliers and employees; and
- (iii) have operational and legacy knowledge required to maintain going-concern stability during the SISP.

The proposed KERP contemplates payment of the Retention Fees based on each Key Employee's position and relative impact and value to the Company's business and the SISP. The Company and the Trustee believe that the proposed KERP properly incentivizes the Key Employees as it demonstrates the Company's ability to reward them financially for their assistance throughout the NOI Proceedings.

Terms of Payment:

Each Retention Fee is to be paid to each Key Employee in accordance with the terms and conditions hereof and immediately after the earlier of: (i) the closing of one or more transactions pursuant to which all or substantially all of the Company and UCG Land, or substantially all of their respective assets are acquired by a purchaser (a "**Transaction**"); and (ii) the date on which the NOI Proceedings are terminated by way of Court order therein (a "**Termination Order**").

The KERP and the Retention Fee are subject to the following terms and conditions:

1. The KERP is conditional upon the Court granting an order in the NOI Proceedings approving the KERP and the associated Retention Fees;
2. Subject to paragraph 3 below, the Key Employee must remain employed in their current position (or as otherwise assigned by the Company) through to the earlier of the closing of a Transaction or the granting of a Termination Order (such date, in either case, is hereafter referred to as the "**Vesting Date**");
3. If a Key Employee is terminated without cause at any time after the KERP is approved by the Court, they shall receive their Retention Fee as if they had been employed up to the Vesting Date, without pro-rating or adjustment;
4. The Key Employee must work a regular schedule and otherwise fulfil the reasonable performance expectations of the Proposal Trustee;
5. Unscheduled absences for any reason for more than three (3) cumulative days in any week in which a Key Employee is regularly scheduled or expected to work prior to the Vesting Date will result in a pro-rata reduction of the Retention Fee for the days that exceed the allowable three (3) days; and
6. If, at any time before the Vesting Date, a Key Employee does not meet the reasonable performance expectations of the Proposal Trustee, voluntarily resigns or retires, or involuntarily separates with the Company for any reason (other than total disability, death or termination without cause), they will not receive any Retention Fee, prorated or otherwise.

Appendix A

Key Employee Name	Title	Salary	Retention Payment
[REDACTED]	President/CEO	[REDACTED]	[REDACTED]
[REDACTED]	Independent Contractor	[REDACTED]	[REDACTED]
[REDACTED]	Farm Manager	[REDACTED]	[REDACTED]
[REDACTED]	Vice-President	[REDACTED]	[REDACTED]
[REDACTED]	Accounting Analyst	[REDACTED]	[REDACTED]
[REDACTED]	Lab Manager	[REDACTED]	[REDACTED]
[REDACTED]	Agronomist	[REDACTED]	[REDACTED]
[REDACTED]	Principal, Business Development	[REDACTED]	[REDACTED]
[REDACTED]	Farm Supervisor	[REDACTED]	[REDACTED]
[REDACTED]	Greenhouse Supervisor	[REDACTED]	[REDACTED]
Total:			\$168,250

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C., 1985, C. B-3, AS AMENDED
IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF UCG LAND INC., IN THE CITY OF HAMILTON, IN THE
PROVINCE OF ONTARIO

Court File No. 32-3175819
Estate No. 32-3175819

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF UPPER CANADA GROWERS LTD., IN THE CITY OF
HAMILTON, IN THE PROVINCE OF ONTARIO

Court File No. 32-3175820
Estate No. 32-3175820

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

PROCEEDING COMMENCED AT
HAMILTON

AFFIDAVIT OF ROBERT HAYNES

DICKINSON WRIGHT LLP

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Lawyers for Upper Canada Growers Ltd. and UCG
Land Inc.

TAB 3

CONFIDENTIAL
APPENDIX 1
SUBJECT TO SEALING ORDER

TAB 4

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE

)

[●], THE [●]TH

JUSTICE [●]

)

)

DAY OF FEBRUARY, 2025

Court File No. 32-3175819

Estate No. 32-3175819

**IN THE MATTER OF THE NOTICE OF INTENTION TO
 MAKE A PROPOSAL OF UCG LAND INC., IN THE CITY OF
 HAMILTON, IN THE PROVINCE OF ONTARIO**

Court File No. 32-3175820

Estate No. 32-3175820

**IN THE MATTER OF THE NOTICE OF INTENTION TO
 MAKE A PROPOSAL OF UPPER CANADA GROWERS
 LTD., IN THE CITY OF HAMILTON, IN THE PROVINCE OF
 ONTARIO**

ORDER
(INITIAL PROPOSAL ORDER)

THIS MOTION, made by Upper Canada Growers Ltd. (“UCG”) and UCG Land Inc. (“LandCo”, and together with UCG, the “Companies”) pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 (the “BIA”), for an order, among other things: (a) administratively consolidating the estates of the Companies on a *nunc pro tunc* basis; (b) extending the time for the Companies to file a proposal under section 50.4(9) of the BIA until April 1, 2025; (c) approving the First Report of the Proposal Trustee (each as defined herein); (d) enhancing certain powers of the Proposal Trustee; (e) approving the DIP Term Sheet and authorizing the Companies to access the DIP Facility (each as defined herein); (f) establishing the Charges (as

defined herein); and (g) approving a KERP (as defined herein), was heard this day by [videoconference].

ON READING the affidavit of Robert Haynes sworn on [●], 2025 (the “**Haynes Affidavit**”), the First Report (the “**First Report**”) of BDO Canada Limited in its capacity as proposal trustee of the Companies (the “**Proposal Trustee**”) dated January [●], 2025, and on being advised that the Companies each filed a Notice of Intention to Make a Proposal (each, an “**NOI Proceeding**” and together, the “**NOI Proceedings**”) pursuant to section 50.4(1) of the BIA on January 17, 2025 (the “**NOI Filing Date**”), and on hearing the submissions of the respective counsel for the Companies, the Proposal Trustee, the DIP Lender (as defined herein) and such other counsel and parties as are listed on the Participant Information Form, no one else appearing although duly served as appears from the Affidavit of Service of [●], sworn January [●], 2025, filed:

SERVICE AND INTERPRETATION

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, Motion Record and First Report are hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used but not defined in this Order shall have the meanings given to them in the First Report and the Haynes Affidavit, as applicable.
3. **THIS COURT ORDERS** that all references to currency herein shall be in Canadian dollars.

ADMINISTRATIVE CONSOLIDATION

4. **THIS COURT ORDERS** that the NOI Proceeding of UCG and the NOI Proceeding of LandCo hereby administratively consolidated and authorized and directed to continue under the following title of proceedings:

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

Court File No. 32-3175819
Estate No. 32-3175819

**IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF UCG LAND INC., IN THE CITY OF
HAMILTON, IN THE PROVINCE OF ONTARIO**

Court File No. 32-3175820
Estate No. 32-3175820

**IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF UPPER CANADA GROWERS
LTD., IN THE CITY OF HAMILTON, IN THE PROVINCE
OF ONTARIO**

5. **THIS COURT ORDERS** that the Companies shall file a copy of this Order in the court file for each of the NOI Proceedings but that all other materials in the NOI Proceedings shall be filed only in the NOI Proceeding of UCG (Court File No. 32-3175820 and Estate No. 32-3175820), and hereby dispenses with further filing thereof in the NOI Proceeding of LandCo (Court File No. 32-3175819 and Estate No. 32-3175819).

6. **THIS COURT ORDERS** that the Proposal Trustee is authorized and directed to administer the NOI Proceedings, on a consolidated basis, in carrying out its duties and responsibilities as proposal trustee under the BIA and in accordance with this Order, including, without limitation:

- (a) sending notices to creditors of the Companies pursuant to one consolidated notice;
- (b) calling and conducting any meetings of creditors of the Companies pursuant to one combined advertisement;
- (c) issuing consolidated reports in respect of the estates of the Companies;
- (d) preparing, filing, advertising and distributing any and all filings or notices relating to the administration of the estates of the Companies;
- (e) taxing its fees and those of its counsel; and,

- (f) seeking any relief before this Court.

7. **THIS COURT ORDERS** that the administrative consolidation of the NOI Proceedings shall not:

- (a) affect the separate legal status and corporate structures of the Companies;
- (b) cause either of the Companies to be liable to any claim for which it is otherwise not liable; or,
- (c) affect the Proposal Trustee's or any creditor's right to seek to disallow any claim, including on the basis that it is duplicative.

8. **THIS COURT ORDERS** paragraphs 4 to 7 (inclusive) of this Order shall apply *nunc pro tunc* to (a) this Motion and all materials filed in respect thereof, and (b) the Motion filed herewith seeking, among other things, the approval of the SISP (as defined in the First Report) and all materials filed in respect thereof.

EXTENSION OF TIME TO FILE A PROPOSAL

9. **THIS COURT ORDERS** that pursuant to section 50.4(9) of the BIA, the time for the Companies to file a proposal is hereby extended up to and including April 1, 2025.

APPROVAL OF FIRST REPORT

10. **THIS COURT ORDERS** that the First Report, as well as the actions, conduct and activities of the Proposal Trustee as described therein, be and are hereby approved; provided, however, that only the Proposal Trustee, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

POSSESSION OF PROPERTY

11. **THIS COURT ORDERS** that the Companies shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**"). Subject to further Order of

this Court, the Companies shall continue to carry on business in a manner consistent with the preservation of their respective businesses (collectively, the “**Business**”) and Property.

12. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Companies are and shall be entitled but not required to pay all reasonable expenses incurred in carrying on the Business in the ordinary course after the NOI Filing Date, subject to the terms of the DIP Term Sheet. Without limiting the foregoing, subject to the terms of the DIP Term Sheet, the Companies shall be entitled, but not required, to pay the following expenses, whether incurred prior to or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, and expenses payable on or after the date of this Order, incurred in the ordinary course of the Business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants (as defined herein) retained or employed by the Companies, at their standard rate and charges; and
- (c) with the consent of the Proposal Trustee and the DIP Lender, amounts owing for goods or services supplied to the Companies prior to the NOI Filing Date up to the maximum aggregate amount of \$100,000, if, in the opinion of the Companies and the Proposal Trustee, those goods and services are critical to the Business.

PROPOSAL TRUSTEE

13. **THIS COURT ORDERS** that the Proposal Trustee continues to be and is hereby authorized to take all steps required to fulfill its duties under the BIA or as an officer of this Court, including to perform such duties as are required to give effect to the terms of this Order and such other orders as may be made by this Court from time to time.

14. **THIS COURT ORDERS** that, without limiting the duties and powers of the Proposal Trustee under the BIA, the Proposal Trustee is authorized, but not obliged, to do any of the following in the name of and on behalf of the Companies, where the Proposal Trustee considers it

necessary or desirable, provided that such exercise of power is consistent with the terms of the DIP Term Sheet:

- (a) to exercise any rights and powers that may be exercised by one or more directors or officers of the Companies in their capacity as director or officer, including, without limitation, to:
 - (i) perform any functions or duties, and enter into such agreements or incur such obligations as the Proposal Trustee considers necessary or desirable in order to facilitate or assist the Proposal Trustee in fulfilling its obligations under this or any other orders of this Court or pursuant to the BIA, including but not limited to the solicitation, negotiation and completion of one or more sales of or investments in the Companies, the Property or the Business, the taking of other steps to realize upon any of the Property, and the distribution of the net proceeds of any of the foregoing;
 - (ii) engage, retain or terminate the services of any officers, employees, consultants, agents, representatives, advisors, or other persons or entities (collectively, “**Assistants**”), from time to time as the Proposal Trustee deems necessary or appropriate to assist with the exercise of the duties of the Proposal Trustee herein and as set forth under the BIA, with liberty to retain such further Assistants as the Proposal Trustee deems reasonably necessary or desirable in the ordinary course of Business or for the carrying out of the terms of this Order or any other Order of this Court;
 - (iii) initiate, prosecute and/or continue the prosecution of any and all proceedings and defend all proceedings now pending or hereafter instituted with respect to the Companies or the Property, and, subject to further Order of this Court, to settle or compromise any such proceedings;
 - (iv) engage, deal, communicate, negotiate and, with further Order of this Court, settle with any creditor or other stakeholder of the Companies, including any governmental authority;
 - (v) deal with any taxing or regulatory authority, including to execute any appointment or authorization form on behalf of the Companies that any taxing or regulatory authority may require;
 - (vi) claim any and all insurance refunds or tax refunds to which the Companies are entitled, on behalf of the Companies; and,
 - (vii) file or take such actions necessary for the preparation and filing of, on behalf of and in the name of the Companies (i) any tax returns and (ii) the Companies’ employee-related remittances, T4 statements and records of employment for the Companies’ former employees;

- (b) monitor the Companies' receipts and disbursements;
- (c) review all disbursements of the Companies in the amount of \$25,000 or greater and, if the Proposal Trustee deems the disbursement necessary or appropriate to maintain or facilitate the Business, to approve such disbursement;
- (d) report to this Court at such times and intervals as the Proposal Trustee may deem appropriate with respect to the Property, the Business and other such matters as may be relevant to these NOI Proceedings;
- (e) assist the Companies, to the extent required, in their dissemination to the DIP Lender and its counsel on a bi-weekly basis of financial and other information as set out in the DIP Term Sheet and as may otherwise be agreed upon by the Companies and the DIP Lender;
- (f) advise the Companies in the preparation of the Companies' cash flow statements and other financial reporting reasonably required by the DIP Lender, which information shall be reviewed with the Proposal Trustee and delivered to the DIP Lender and its legal counsel on a periodic basis but not less than bi-weekly or as otherwise agreed to by the DIP Lender;
- (g) have full and complete access to the Property, including but not limited to the premises, books, records, data, including data in electronic form, and other financial records of the Companies, to the extent necessary to perform its duties and obligations set out herein and under the BIA;
- (h) engage independent legal counsel or such other persons as the Proposal Trustee deems necessary or advisable;
- (i) perform such other duties as are required by this Order or any other Order of this Court; and,
- (j) take any steps reasonably incidental to the exercise of the powers hereby granted or the performance of any statutory obligations,

and, in each case, where the Proposal Trustee takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of the directors and officers of the Companies, and without interference.

15. **THIS COURT ORDERS** that the Proposal Trustee shall not take possession of the Property or the Business and shall not, in fulfilling its obligations hereunder or pursuant to the BIA, be deemed to have taken possession or control of the Property or the Business, or any part thereof.

16. **THIS COURT ORDERS** that the Proposal Trustee shall incur no liability or obligation as a result of its appointment or the carrying out of its duties under the BIA or the provisions of this Order or any other Orders which may be made by this Court, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded to the Proposal Trustee by the BIA or any other applicable legislation.

DIP FINANCING

17. **THIS COURT ORDERS** that the Companies are hereby authorized and empowered to obtain and borrow under a credit facility (the “**DIP Facility**”) from The Bank of Nova Scotia (in such capacity, the “**DIP Lender**”) in order to finance the Companies’ working capital requirements and other general corporate purposes and capital expenditures, provided that the aggregate borrowings under the DIP Facility shall not exceed the principal amount of \$2,700,000, unless permitted by further Order of the Court.

18. **THIS COURT ORDERS** that the DIP Facility shall be on the terms and subject to the conditions set forth in the DIP Facility Loan Agreement between the Companies and the DIP Lender dated as of January 28, 2025 in the form attached to the Haynes Affidavit with such minor modification and amendments that may be agreed to by the parties thereto and consented to by the Proposal Trustee (the “**DIP Term Sheet**”).

19. **THIS COURT ORDERS** that the Companies are hereby authorized and empowered to execute and deliver such ancillary credit agreements, mortgages, charges, hypothecs and security documents, guarantees, and other definitive documents (collectively, including the DIP Term Sheet, the “**DIP Credit Documents**”) as are contemplated by the DIP Term Sheet or as may be

reasonably required by the DIP Lender pursuant to the terms thereof, and the Companies are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Credit Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

20. **THIS COURT ORDERS** that as security for the payment and performance by the Companies of their obligations under the DIP Term Sheet and any DIP Credit Documents, the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$2,700,000 plus interest, fees and expenses, unless permitted by further Order of the Court, and which shall not secure an obligation that exists before the NOI Filing Date. The DIP Charge shall have the priority set out in paragraph 29 hereof.

21. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Charge or any of the DIP Credit Documents;
- (b) upon the occurrence of an Event of Default (as defined in the DIP Term Sheet) under the DIP Credit Documents, the DIP Lender, subject to the notice requirements under the DIP Credit Documents and any restrictions contained therein, may cease making advances to the Companies and set off and/or consolidate any amounts owing by the DIP Lender to the Companies against the obligations of the Companies to the DIP Lender under the DIP Credit Documents or the DIP Lender Charge, make demand, accelerate payment and give other notices, or, upon two (2) business days’ notice to the Companies and the Proposal Trustee, exercise any and all other rights and remedies against the Companies or the Property under or pursuant to the DIP Credit Documents and the DIP Charge, including, without limitation, to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Companies and for the appointment of a trustee in bankruptcy of any of the Companies; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Companies or the Property.

22. **THIS COURT ORDERS** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Term Sheet, the DIP Credit Documents, or the DIP Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a “**Variation**”), such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), the DIP Term Sheet, the DIP Credit Documents or the DIP Charge with respect to any advances made or obligations incurred prior to the DIP Lender receiving notice of the Variation, and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Charge) for all advances so made and other obligations set out in the DIP Term Sheet or the DIP Credit Documents.

23. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any proposal filed by the Companies under the BIA, with respect to any advances made under the DIP Credit Documents.

ADMINISTRATION CHARGE

24. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee, and counsel to the Companies shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the NOI Filing Date, by the Companies as part of the costs of these proceedings. The Companies are hereby authorized and directed to pay the accounts of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Companies on a weekly basis, or as they may otherwise agree.

25. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Companies shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which Administration Charge shall not exceed an aggregate amount of \$500,000, as security for payment of their respective professional fees and disbursements incurred at their standard rates and charges, both before and after the making of this

Order, in respect of this proceeding. The Administration Charge shall have the priority set out in paragraph 29 hereof.

DIRECTORS' AND OFFICERS' INDEMNIFICATIONS AND CHARGE

26. **THIS COURT ORDERS** that the Companies shall indemnify their directors and officers against obligations and liabilities that they may incur as a director or officer of the Companies after the NOI Filing Date, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

27. **THIS COURT ORDERS** that the directors and officers of the Companies shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$150,000, as security for the indemnity provided in paragraph 26 of this Order. The Directors' Charge shall have the priority set out in paragraph 29 herein.

28. **THIS COURT ORDERS** that notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the directors and officers of the Companies shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 26 of this Order.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

29. **THIS COURT ORDERS** that the priorities of the Administration Charge, the DIP Charge, and the Directors' Charge (collectively, the "**Charges**"), as among them, with respect to the Property shall be as follows:

First – the Administration Charge (to the maximum amount of \$500,000);

Second – the DIP Charge (to the maximum amount of \$2,700,000 plus interest, fees and expenses); and,

Third – the Directors' Charge (to the maximum amount of \$150,000).

30. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

31. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts (including any statutory, deemed or constructive trust), liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person.

32. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Companies shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Companies also obtains the prior written consent of the Proposal Trustee and the beneficiaries of the Charges (collectively, the “**Chargees**”), or further Order of this Court.

33. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) or receivership order(s) issued pursuant to the BIA or otherwise, or any bankruptcy order or receivership order subsequently made; (c) the filing of any, or the deemed occurrence of any, assignments for the general benefit of creditors made pursuant to the BIA; (d) the filing of any applications under the *Companies’ Creditors Arrangement Act* (Canada); (e) the provisions of any federal or provincial statutes; or (f) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease or other agreement (collectively, an “**Agreement**”) which binds the Companies, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Credit Documents shall create or be deemed to constitute a breach by the Companies of any Agreement to which they are a party;

- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Companies entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the DIP Credit Documents; and
- (c) the payments made by the Companies pursuant to this Order, the DIP Credit Documents and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

KEY EMPLOYEE RETENTION PLAN

34. **THIS COURT ORDERS** that the Key Employee Retention Plan (the “**KERP**”), as described in the First Report, is hereby approved and given full force and effect in accordance with its terms and the Companies are hereby directed to make when due the payments provided for thereunder.

SEALING OF CONFIDENTIAL EXHIBIT

35. **THIS COURT ORDERS** that Confidential Exhibit “A” appended to the Haynes Affidavit is hereby sealed, shall not form part of the public record, and shall only be unsealed upon further Order of the Court.

SERVICE OF DOCUMENTS

36. **THIS COURT ORDERS** that the Guide Concerning Commercial List E-Service (the “**Guide**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* (the “**Rules**”), this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the

following URL: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/upper-canada-growers-ltd>.

37. **THIS COURT ORDERS** that the Companies, the Proposal Trustee and their respective counsel are at liberty to serve or distribute this Order, and other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding copies thereof by electronic message to the Companies' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

38. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Companies and the Proposal Trustee and their respective counsel and agents are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding copies thereof by prepaid ordinary mail, courier, personal delivery, email or facsimile transmission to the Companies' creditors or other interested parties at their respective addresses (including email addresses) as last shown on the records of the Companies and that any such service or distribution shall be deemed to be received on the earlier of (a) the date of transmission thereof, if sent by electronic message on or prior to 5:00 p.m. Eastern Time; (b) the next business day following the date of forwarding or transmission thereof, if sent by courier, personal delivery, facsimile transmission or electronic message sent after 5:00 p.m. Eastern; or (c) on the third business day following the date of forwarding thereof, if sent by ordinary mail.

GENERAL

39. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

40. **THIS COURT ORDERS** that the Companies, the Proposal Trustee, and the DIP Lender may, from time to time, apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

41. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, agency or regulatory or administrative bodies, having jurisdiction in Canada, the United States of America or any other jurisdiction, to give effect to this Order and to assist the Companies, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, agencies and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Companies and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Companies and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

42. **THIS COURT ORDERS** that each of the Companies and the Proposal Trustee be at liberty and are 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 Proposal Trustee 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.

43. **THIS COURT ORDERS** that any interested party, including the Companies, the Proposal Trustee and the DIP Lender, may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Companies, the Proposal Trustee and the DIP Lender, or upon such other notice, if any, as this Court may order.

44. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Time on the date of this Order without the need for entry or filing.

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF UCG LAND INC., IN THE CITY OF HAMILTON, IN THE
PROVINCE OF ONTARIO
IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF UPPER CANADA GROWERS LTD., IN THE CITY OF
HAMILTON, IN THE PROVINCE OF ONTARIO**

Court File No. 32-3175819
Estate No. 32-3175819

Court File No. 32-3175820
Estate No. 32-3175820

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

Proceeding commenced at Hamilton

**ORDER
(INITIAL PROPOSAL ORDER)**

DICKINSON WRIGHT LLP
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Counsel for UCG Land Inc. and Upper Canada Growers Ltd.

TAB 5

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE

)

[●], THE [●]TH

JUSTICE [●]

)

)

DAY OF FEBRUARY, 2025

Court File No. 32-3175819

Estate No. 32-3175819

**IN THE MATTER OF THE NOTICE OF INTENTION TO
 MAKE A PROPOSAL OF UCG LAND INC., IN THE CITY OF
 HAMILTON, IN THE PROVINCE OF ONTARIO**

Court File No. 32-3175820

Estate No. 32-3175820

**IN THE MATTER OF THE NOTICE OF INTENTION TO
 MAKE A PROPOSAL OF UPPER CANADA GROWERS
 LTD., IN THE CITY OF HAMILTON, IN THE PROVINCE OF
 ONTARIO**

ORDER
 (SISP ORDER)

THIS MOTION, made by Upper Canada Growers Ltd. (“**UCG Opco**”) and UCG Land Inc. (“**UCG Landco**”, and together with UCG Opco, the “**Companies**”), pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 (the “**BIA**”) for an order, among other things, approving a sale and investment solicitation process (the “**SISP**”) in respect of the Companies, was heard this day [by videoconference].

ON READING the affidavit of Robert Haynes sworn [●], 2025 (the “**Haynes Affidavit**”), the First Report (the “**First Report**”) of BDO Canada Limited in its capacity as proposal trustee of the Company (the “**Proposal Trustee**”) dated January 27, 2025, on being advised that the Companies each filed a Notice of Intention to Make a Proposal (each, an “**NOI Proceeding**” and

together, the “**NOI Proceedings**”) pursuant to section 50.4(1) of the BIA on January 17, 2025 and that such NOI Proceedings have been administratively consolidated, and on hearing the submissions of the respective counsel for the Companies, the Proposal Trustee, the DIP Lender (as defined herein) and such other counsel and parties listed on the Participant Information Form, with no one else appearing although duly served as appears from the Affidavit of Service of [●], sworn January [●], 2025:

SERVICE AND INTERPRETATION

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, Motion Record and First Report are hereby abridged and validated so that this Motion is properly returnable today, and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used but not defined in this Order shall have the meanings given to them in the First Report and the Haynes Affidavit, as applicable.
3. **THIS COURT ORDERS** that all references to currency herein shall be in Canadian dollars.

SALE AND INVESTMENT SOLICITATION PROCESS

4. **THIS COURT ORDERS** that the terms of the SISP attached as **Schedule “A”** to this Order (the “**SISP Terms**”) be and are hereby approved.
5. **THIS COURT ORDERS** that the Companies and the Proposal Trustee are hereby authorized, empowered and directed to take any and all actions as may be necessary or desirable to implement and carry out the SISP in accordance with the SISP Terms and the terms of this Order.
6. **THIS COURT ORDERS** that the Companies, the Proposal Trustee, the DIP Lender and their respective affiliates, officers, directors, partners, employees, advisors, counsel and agents (each a “**protected party**”) shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind, to any person in connection with or as a result of participating and performing their duties under the SISP, except to the extent such losses, claims, damages, or liabilities result from the gross negligence or wilful misconduct of the applicable protected party.

7. **THIS COURT ORDERS** that the Companies and the Proposal Trustee may apply to this Court for directions with respect to the SISP at any time during the term thereof.

8. **THIS COURT ORDERS** that pursuant to section 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS), the Companies and the Proposal Trustee are authorized and permitted to send, or cause or permit to be sent, commercial electronic messages to an electronic address of prospective bidders or offerors and to their advisors, but only to the extent required to provide information with respect to the SISP in these proceedings.

9. **THIS COURT ORDERS** that pursuant to paragraph 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Companies, the Proposal Trustee and their respective advisors are hereby authorized and permitted to disclose to prospective bidders or offerors that are party to a non-disclosure agreement (each, a “**SISP Participant**”), the DIP Lender, and their respective advisors, personal information of identifiable individuals (“**Personal Information**”) and records pertaining to the Companies’ past and current employees and information on specific customers, but only to the extent required to negotiate or attempt to complete a transaction pursuant to the SISP. Each SISP Participant to whom any Personal Information is disclosed and the DIP Lender shall maintain and protect the privacy of such Personal Information with security safeguards appropriate to the sensitivity of the Personal Information and as may otherwise be required by applicable federal or provincial legislation. Each SISP Participant to whom any Personal Information is disclosed and the DIP Lender shall limit the use of such Personal Information to its participation in the SISP.

10. **THIS COURT ORDERS** that nothing contained in this Order approves the sale or the vesting of any Property of the Companies pursuant to a Successful Bid (as defined in the SISP Terms) and that this Order is without prejudice to any interested person’s ability to oppose the approval of a Successful Bid.

GENERAL

11. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, agency or regulatory or administrative bodies, having jurisdiction in Canada, the United States of America or any other jurisdiction, to give effect to this Order and to assist the Companies, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, agencies and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Companies and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Company and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

13. **THIS COURT ORDERS** that each of the Companies and the Proposal Trustee be at liberty and are 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 Proposal Trustee 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.

14. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing.

SCHEDULE "A"
SISP TERMS

SALE AND INVESTMENT SOLICITATION PROCESS

INTRODUCTION

1. On January 17, 2025 (the “**Filing Date**”), Upper Canada Growers Ltd. (“**UCG Opco**”) and UCG Land Inc. (“**UCG Landco**” and together with UCG Opco, “**UCG**” or the “**Companies**”) each filed a Notice of Intention to Make a Proposal (the “**NOI(s)**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO Canada Limited (“**BDO**”), a Licensed Insolvency Trustee, was appointed as the proposal trustee (the “**Proposal Trustee**”) in each of the Companies’ NOI proceedings (collectively, the “**Proposal Proceedings**”).
2. To further the Companies restructuring efforts, on or before February 6, 2025, the Companies sought and obtained an order (the “**SISP Order**”) of the Ontario Superior Court of Justice (the “**Court**”), among other things:
 - (a) approving the sale and investment solicitation process (“**SISP**”) as set forth in this document (the “**SISP Terms**”) providing for the marketing of the Companies’ business (the “**Business**”) and assets (the “**Property**”) and the solicitation of (i) offers to acquire the Business and/or Property of the Companies and/or (ii) offers to invest in the Business of the Companies; and
 - (b) empowering the Proposal Trustee to undertake and administer the SISP, subject to these SISP Terms.
3. These SISP Terms set forth the manner in which: (a) binding offers for executable transactions involving the Business, Property, and/or equity of the Companies will be solicited from interested parties; (b) any such offers received will be addressed; (c) any Successful Bid(s) (as defined below) will be selected; and (d) Court approval of any Successful Bid(s) will be sought.
4. The SISP will be conducted by the Proposal Trustee in the manner set forth herein and in accordance with the SISP Order. In the event that there is a disagreement as to the interpretation or application of the SISP, the Court hearing the Proposal Proceedings will have exclusive jurisdiction to hear and resolve such dispute.
5. Any modifications, amendments, variations or supplements to these SISP Terms made in accordance the terms hereof will be posted to the website of the Proposal Trustee. The Proposal Trustee will also directly notify any affected bidders and/or potential bidders of any such modifications, amendments, variations or supplements.

OPPORTUNITY

6. The SISP is intended to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Companies’ Business and/or Property (the “**Opportunity**”). The Opportunity may include one or more of a restructuring, recapitalization or other form of reorganization of the business of the Companies as a going concern or a sale of all, substantially all or one or more components of the Companies’ Property as a going concern or otherwise.
7. The SISP describes the manner in which individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts,

unincorporated organizations, joint ventures, government organizations or other entities (each, a **“Person”**) may gain access to or continue to have access to due diligence materials concerning the Business and the Property, how the offers involving the Business and/or the Property will be submitted to and dealt with by the Proposal Trustee, and how Court approval will be obtained in respect of any Transaction (as defined below).

8. The Proposal Trustee intends to provide all qualified interested parties with an opportunity to participate in the SISP.
9. As described below, the various deadlines set forth herein may be extended by and at the discretion of the Proposal Trust, provided that the Proposal Trustee must obtain the prior written approval of the the debtor-in-possession (**“DIP”**) lender, the Bank of Nova Scotia (the **“DIP Lender”**) in respect of each such extension.
10. The Companies’ management and/or any of the Companies’ equity holders shall not be privy to any of the bid information outlined herein, including the evaluation and selection of offers. The Proposal Trustee may request, at any time, written confirmation from the Companies’ management and any of the Companies’ equity holders as to (a) whether or not they intend to participate in the SISP and (b) disclosure of any interest or involvement any such party may have in or with any other party participating in the SISP.

“AS IS, WHERE IS BASIS”

11. Any transaction involving all or any portion of the Business and/or Property (each a **“Transaction”**) will be completed with Court and DIP Lender approval on an “as is, where is” basis and without surviving representations, warranties, covenants or indemnities of any kind, nature or description by the Companies, the Proposal Trustee, the DIP Lender or any of their respective agents, estates, advisors, professionals or otherwise, except to the extent expressly set forth in the relevant Definitive Transaction Agreement (as defined herein).

TIMELINE

12. The SISP shall commence immediately following the issuance of the SISP Order. The table below sets out subsequent key deadlines in the SISP (each a **“SISP Milestone”**) that interested parties should note (capitalized terms used but not defined in the table are defined in subsequent paragraphs):

SISP Milestones	Deadline
Go to market	Friday February 7, 2025
Expression of Interest Date (“EOI Deadline”)	Friday, March 28, 2025 (5:00 PM Eastern Time) (8-week marketing process)
Select Qualified Bidders	Tuesday, April 1, 2025
Binding Letter of Intent (“LOI Deadline”)	Friday, April 25, 2025 (5:00 PM Eastern Time)
Offer Selection Date	Wednesday, April 30, 2025

Completion of the Definitive Transaction Agreement	Wednesday, May 14, 2025
Hearing of the Sale Approval Motion / Transaction Execution Date	Subject to availability of the Court
Closing the Transaction (“ Outside Date ”)	No later than Friday, June 13, 2025

Solicitation of Interest: Notice of the SISP

13. As soon as reasonably practicable, but in any event by no later than Friday, February 7, 2025:
 - (a) The Proposal Trustee will prepare a list of potentially interested parties, including (i) parties that have approached the Companies or Proposal Trustee indicating an interest in the Opportunity, and (ii) local and international strategic and financial parties who the Proposal Trustee believes may be interested in purchasing all or part of the Property or investing in the Business pursuant to the SISP (the “**Known Potential Bidders**”); and
 - (b) The Proposal Trustee, will prepare:
 - (i) a process summary (the “**Teaser Letter**”) describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to these SISP Terms; and
 - (ii) a non-disclosure agreement in form and substance satisfactory to the Proposal Trustee and the Companies, and as approved in writing by the DIP Lender (the “**NDA**”).
14. The Proposal Trustee will send the Teaser Letter and NDA to all Known Potential Bidders, and to any other party interested in the Opportunity who requests a copy of the Teaser Letter and NDA or who is identified to the Companies or Proposal Trustee as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Potential Bidders and Due Diligence Materials

15. Any party who wishes to participate in the SISP (each, a “**Potential Bidder**”) must provide to the Proposal Trustee an executed NDA, and which shall inure to the benefit of any purchaser of the Business and/or Property of the Companies, or any portion thereof, and a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder, full disclosure of the direct and indirect principals of the Potential Bidder, information as to the Potential Bidder’s financial wherewithal to close a transaction.
16. The Proposal Trustee, shall in their reasonable business judgment and subject to competitive and other business considerations, afford each Potential Bidder who has signed and delivered an NDA to the Proposal Trustee and provided the foregoing information, such access to due diligence materials and information relating to the Business and Property as the Proposal Trustee deems appropriate.

17. Due diligence shall include access to a virtual data room (“VDR”) containing information about the Companies, including its Property, and may also include management presentations, documents related to on-site inspections, and other materials which a Potential Bidder may reasonably request and as to which the Companies, in their reasonable business judgment and after consulting with the Proposal Trustee, may agree. The Proposal Trustee will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Potential Bidders, who will determine the manner in which such requests must be communicated. A statement of qualification which addresses the financial capabilities, operational capabilities and ownership details of a Potential Bidder may be required to gain access to the VDR. This will be determined by the Proposal Trustee, in consultation with the DIP Lender.
18. Neither the Proposal Trustee nor the Companies will be obligated to furnish any information relating to the Business or Property to any Person other than to Potential Bidders. Furthermore, and for the avoidance of doubt, due diligence materials may be withheld, in whole or in part, from certain Potential Bidders if the Proposal Trustee determines such information to represent proprietary or sensitive competitive information. The Proposal Trustee, the Companies, and the DIP Lender (or any of them) shall have no responsibility for, and will bear no liability with respect to, any information provided to or obtained by any party in connection with the SISP.
19. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property in connection with their participation in the SISP and any Transaction they enter into with the Companies.
20. No later than the EOI Deadline (as defined below), the Proposal Trustee will deposit in the VDR a form of asset purchase agreement (the “**Model APA**”) in connection with the Opportunity, the form and substance of which Model APA shall be prepared by the Proposal Trustee and be acceptable to the DIP Lender.

Non-Binding Expressions of Interest

21. To be considered for inclusion in the next round of the process, Expressions of Interest (“EOI”) should describe in sufficient detail all material matters relating to the proposed Transaction. EOI’s must be received by the Proposal Trustee at the address specified in Schedule “1” hereto (including by e-mail) not later than **5:00 PM (Eastern Time) on Friday, March 28, 2025**, or as may be modified in the bid process letter that may be circulated by the Proposal Trustee to Potential Bidders, with the prior written consent of the DIP Lender (the “**EOI Deadline**”). While EOI’s may be non-binding, at a minimum an EOI should include clear statements with respect to the following information:
 - (a) Identity of the entity or entities involved in the proposed Transaction (if acquiring the Business and/or Property indirectly, through a subsidiary, a limited partnership or other entity, then the identity of any entity that exercises control over such acquiring entity must be disclosed);
 - (b) Cash purchase price (in Canadian dollars) that is to be paid in connection with the Transaction, including an explanation of the methods and key assumptions used to determine the purchase price (the “**Purchase Price**”);

- (c) Indication of deal structure, including but not limited to one or a combination of: an investment in the Companies (an “**Investment Proposal**”) or an acquisition of all, substantially all or a portion of the Property or shares of the Companies (a “**Sale Proposal**”);
 - (d) Proposed financing for the Transaction and, if other than internal funds, the expected sources of such financing, the expected timing for commitment of funds and the steps required to secure such commitment;
 - (e) Nature of additional diligence required before entering into a binding LOI (as defined below) with Companies;
 - (f) Assumptions and intentions with respect to retention of management and employees;
 - (g) Outline of any regulatory, shareholder, lender or other third-party approvals that would be required or potentially required and the estimated timing required to conclude a Transaction;
 - (h) Any conditions to closing or any other terms and conditions that would be required in order to complete the Transaction;
 - (i) Contact information for those Persons who should be contacted with respect to the EOI; and
 - (j) Disclosure of any other matters that may be helpful in the evaluation of the EOI and completion of the Transaction on a timely basis.
22. The Proposal Trustee will inform the DIP Lender in writing as soon as possible of any material development in connection with submission of EOIs and will remit copies of the EOIs received to the DIP Lender.

Evaluation and Selection of EOIs

23. The Proposal Trustee, in consultation with the DIP Lender, will evaluate the EOIs received based upon several factors including, without limitation: (a) the Purchase Price and the net value provided by such bid(s), (b) the identity, circumstances and ability of the Potential Bidder to successfully complete the proposed Transaction(s) on a timely basis, (c) factors affecting the speed, certainty and value of the proposed Transaction(s), (d) the assets included or excluded from the bid(s), (e) any related restructuring costs, and (f) the likelihood and timing of consummating the proposed Transaction(s).
24. The Proposal Trustee, in each case with the prior written approval of the DIP Lender, shall notify in writing each Potential Bidder who submitted an EOI as to whether its EOI was selected to continue in the SISP (the “**Selected EOIs**”) by no later than **Tuesday April 1, 2025**, or at such later time as the Proposal Trustee, with the prior written approval of the DIP Lender, deems appropriate.
25. In the event that there are no Selected EOIs, the Proposal Trustee, with the prior written consent of the DIP Lender, may terminate the SISP. For clarity, the Proposal Trustee shall have no obligation to select any EOI as a Selected EOI.

Binding Letters of Intent

26. Potential Bidders with Selected EOs that wish to make a formal offer to purchase or make an investment in the Companies or its Property (a “**Bidder**”) shall submit a binding Letter of Intent (a “**LOI**”) that complies with all of the following requirements at the Proposal Trustee’s address specified in Schedule “1” hereto (including by e-mail), so as to be received by the Proposal Trustee not later than **5:00 PM (Eastern Time) on Friday April 25, 2025** or as may be modified in the bid process letter that may be circulated by the Proposal Trustee, with the prior written consent of the DIP Lender, to Potential Bidders (the “**LOI Deadline**”):
- (a) the LOI must be either a binding offer to make a Sale Proposal and/or an Investment Proposal.
 - (b) the LOI (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Business of the Companies or its Property or shares and is consistent with these SISP Terms and any necessary terms and conditions established by the Proposal Trustee and communicated to Bidders;
 - (c) the LOI includes a letter stating that the Bidder’s offer is irrevocable until the selection of the Successful Bidder(s) (as defined below), provided that if such Bidder is selected as the Successful Bidder(s), its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder(s);
 - (d) the LOI includes, in the case of a Sale Proposal, a completed purchase agreement with a comparison to the Model APA, and any other transaction documents included in the VDR, which purchase agreement shall include the Purchase Price (by major asset type/legal entity), investment amount and any other key economic terms expressed in Canadian dollars, together with all exhibits and schedules thereto, and, in the case of an Investment Proposal, a comparable definitive transaction agreement;
 - (e) the LOI includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Proposal Trustee, in consultation with the DIP Lender, to make a determination as to the Bidder’s financial and other capabilities to consummate the proposed transaction;
 - (f) the LOI is not conditional on (i) the outcome of unperformed due diligence by the Bidder, or (ii) obtaining financing, or (iii) the Companies receiving the required approvals or amendments relating to any licence agreements required to operate the business;
 - (g) the LOI fully discloses the identity of each entity that will be entering into the Transaction or the financing, or that is otherwise participating or benefiting from such bid;
 - (h) for a Sale Proposal, the LOI includes:
 - (i) the Purchase Price in Canadian dollars (by major asset type/legal entity) and a description of any non-cash consideration, including details of any liabilities to be assumed by the Bidder and key assumptions supporting the proposed valuation;

- (ii) a description of the Property that is expected to be subject to the Transaction(s) and any of the Property expected to be excluded;
 - (iii) a specific indication of the financial capability of the Bidder and the expected structure and financing of the transaction;
 - (iv) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and which such liabilities and obligations it does not intend to assume;
 - (v) information sufficient for the Proposal Trustee, in consultation with the DIP Lender, to determine that the Bidder has sufficient ability to satisfy and perform any liabilities or obligations assumed pursuant to (iv) above;
 - (vi) any other details of the Sale Proposal that the Bidder believes are material to the Transaction(s); and
 - (vii) a commitment by the Bidder to provide a non-refundable deposit, the greater of: an amount of not less than 10% of the Purchase Price offered or \$1,000,000, upon the Bidder being selected as a Successful Bidder.
- (i) for an Investment Proposal, the LOI includes:
- (i) a description of how the Bidder proposes to structure the proposed investment, restructuring, recapitalization, or reorganization, and a description of any non-cash consideration;
 - (ii) the aggregate amount of the equity and/or debt investment to be made in the Business or the Companies in Canadian dollars;
 - (iii) the underlying assumptions regarding the pro forma capital structure;
 - (iv) a description of the specific Property that is to be included in the transaction and any Property expected to be excluded;
 - (v) a specific indication of the sources of capital for the Bidder and the structure and financing of the transaction;
 - (vi) a description of the conditions and approvals required to complete the closing of the transaction;
 - (vii) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and those liabilities and obligations it does not intend to assume;
 - (viii) information sufficient for the Proposal Trustee, in consultation with the DIP Lender, to determine that the Bidder has sufficient ability to satisfy and perform any liabilities or obligations assumed pursuant to (vii) above;
 - (ix) any other details of the Investment Proposal that the Bidder believes are material to the Transaction(s); and
 - (x) a commitment by the Bidder to provide a non-refundable deposit, the greater of: an amount of not less than 10% of the total new investment contemplated or \$1,000,000, upon the Bidder being selected as a Successful Bidder.
- (j) the LOI shall include acknowledgements and representations of the Bidder that the Bidder:

- (i) has had an opportunity to conduct any and all due diligence regarding the Business and Property prior to making its offer;
 - (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and
 - (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether expressed, implied, statutory, or otherwise, regarding the Business of the Companies, or the Property, or the completeness of any information provided in connection therewith, except as expressly stated in the Definitive Transaction Agreement in form and substance satisfactory to the Proposal Trustee and the DIP Lender;
 - (k) the LOI is received by the LOI Deadline; and
 - (l) the LOI contemplates closing the transaction set out therein no later than **Friday June 13, 2025**, subject to obtaining Court approval.
27. The Proposal Trustee will inform the DIP Lender in writing as soon as practicable of any material development in connection with the submission of LOIs and will remit copies of all LOIs received.
 28. Following the LOI Deadline, the Proposal Trustee and the DIP Lender will assess the LOIs received. The Proposal Trustee, with the prior written approval of the DIP Lender, will designate the most competitive LOIs that comply with the foregoing requirements to be **"Qualified Bids"**. Only Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).
 29. The Proposal Trustee, with the prior written approval of the DIP Lender, shall notify each Bidder in writing as to whether its LOI constitutes a Qualified Bid by no later than **Wednesday April 30, 2025**, or at such later time as the Proposal Trustee deems appropriate, with the prior written approval of the DIP Lender.
 30. The Proposal Trustee, with the prior written approval of the DIP Lender, may waive strict compliance with any one or more of the requirements set forth herein and deem a non-compliant LOI to be a Qualified Bid.
 31. The Proposal Trustee may, in consultation with the DIP Lender, following receipt of any LOI, either independently or following a request from the DIP Lender, seek clarification with respect to any of the terms or conditions of such LOI and/or request and negotiate one or more amendments to such LOI prior to determining if the LOI is considered a Qualified Bid.
 32. The Proposal Trustee may, with the prior written approval of the DIP Lender, aggregate separate Bids from unaffiliated Bidders to create one Qualified Bid.
 33. In the event that the Proposal Trustee is not satisfied with the number or terms of the Qualified Bids, the Proposal Trustee may extend the Bid Deadline or seek Court approval for amendments to the SISP, in each case only with the prior written consent of the DIP Lender.

34. In the event that there are no Qualified Bids, the Proposal Trustee, with the prior written consent of the DIP Lender, may terminate the SISF. For clarity, the Proposal Trustee shall have no obligation to select any LOI as a Qualified Bid.

Evaluation of Competing Bids

35. The Proposal Trustee, in consultation with the DIP Lender, will evaluate a Qualified Bid based upon several factors including, without limitation: (a) the Purchase Price and the net value provided by such bid, (b) the identity, circumstances and ability of the Bidder to successfully complete the proposed Transaction(s) on a timely basis, (c) the proposed transaction documents, (d) factors affecting the speed, certainty and value of the proposed Transaction(s), (e) the assets included or excluded from the bid, (f) any related restructuring costs, and (g) the likelihood and timing of consummating the proposed Transaction(s).

Selection of Successful Bid(s)

36. The Proposal Trustee will:
- (a) in consultation with the DIP Lender, review each Qualified Bid with consideration of the following:
 - (i) the amount of consideration being offered, and, if applicable, the proposed form, composition, and allocation of same;
 - (ii) the value of any assumption of liabilities or waiver of liabilities;
 - (iii) the Bidder's ability to close the proposed Transaction(s) by **June 13, 2025** (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability and source of financing and financial wherewithal to meet all commitments and required governmental or other approvals);
 - (iv) the likelihood of the Court's approval of such Qualified Bid(s) if selected as a Successful Bid(s);
 - (v) the net benefit to the Companies and its stakeholders; and
 - (vi) any other factors the Proposal Trustee may, consistent with its fiduciary duties and in consultation with the DIP Lender, reasonably deem relevant.
 - (b) with the prior written approval of the DIP Lender, identify and select the highest or otherwise best Qualified Bid(s) received (the "**Successful Bid(s)**"), and the Bidder(s) making such Qualified Bid(s), the "**Successful Bidder(s)**") and to notify the Successful Bidder(s) that its Qualified Bid(s) has been selected as the Successful Bid(s). For clarity, a Qualified Bid may not be selected as a Successful Bid unless the DIP Lender has approved of the proposed Successful Bid in writing.
37. The Proposal Trustee, with the prior written approval of the DIP Lender, can select two or more Qualified Bid(s) as the Successful Bid(s) if the Proposal Trustee determines, acting reasonably, that such selection is appropriate or desirable in the circumstances.

38. The Proposal Trustee shall be under no obligation to select any Qualified Bid as a Successful Bid. In the event that there are no Qualified Bids, the Proposal Trustee, with the prior written consent of the DIP Lender, may terminate the SISP.
39. The Successful Bidder(s) shall be selected by no later than April 30, 2025 and shall complete and execute all agreements, contracts, instruments or other documents (collectively, the **“Definitive Transaction Agreement”**) evidencing and containing the terms and conditions upon which the Successful Bid(s) was made by **Wednesday May 14, 2025** the (**“EOI Deadline”**), unless extended by the Proposal Trustee with the prior written consent from the DIP Lender and in consultation with the Successful Bidder(s).

Sale Approval Motion Hearing

40. The Proposal Trustee shall bring a motion (the **“Sale Approval Motion(s)”**) to the Court seeking one or more orders approving the Successful Bid(s) and granting any necessary related relief required to consummate the Transaction(s) contemplated therein, including the granting of a vesting or reverse vesting order, as applicable, to the extent that such relief is contemplated by the Successful Bid(s) (collectively, the **“Sale Approval Order(s)”**). The Sale Approval Order(s) shall be in form and substance satisfactory to the DIP Lender and Successful Bidder(s). The Proposal Trustee will schedule the Sale Approval Motion(s) on a hearing date, subject to the availability of the Court and in consultation with the Companies, the DIP Lender, and the Successful Bidder(s). With the consent of the DIP Lender and the Successful Bidder(s), the Sale Approval Motion(s) may be adjourned or rescheduled by the Proposal Trustee and the adjourned or rescheduled date shall be publicized by advance notice and served upon the service list in the Proposal Proceedings, or, if such advance notice is not practicable, by announcement at the Sale Approval Motion(s). The Proposal Trustee shall consult with the DIP Lender and the Successful Bidder(s) regarding the application materials to be filed for the Sale Approval Motion(s) and will provide them with a reasonable opportunity to review and comment on such materials.
41. Any Qualified Bid (other than the Successful Bid(s), as the case may be) shall be deemed rejected on and as of the date of the closing of the Successful Bid(s), with no further or continuing obligation of the Proposal Trustee to such unsuccessful Qualified Bidder, except for the return of the applicable Deposit pursuant to paragraph 44(c) below.

Confidentiality and Access to Information

42. All discussions regarding a Sale Proposal, Investment Proposal, or bid in the SISP should be directed through the Proposal Trustee. Under no circumstances should the DIP Lender or Management of the Companies be contacted directly without the prior consent of the Proposal Trustee and the DIP Lender. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP.
43. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Bidders, Qualified Bids, Successful Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Companies, the Proposal Trustee, the DIP Lender and such other bidders or Potential Bidders in connection with the SISP, except to the extent the

Proposal Trustee and the prior written consent of the DIP Lender and the applicable participants, are seeking to combine separate bids from Potential Bidders or Bidders.

Deposit(s)

44. The Deposit(s):

- (a) shall, upon receipt, be retained by the Proposal Trustee and deposited in a non-interest-bearing trust account;
- (b) received from the Successful Bidder(s), shall:
 - (i) be applied to the Purchase Price or investment to be paid or funded by the applicable Successful Bidder(s) whose Successful Bid(s) is/are the subject of a Sale Approval Order(s), upon closing of the approved Transaction(s); or
 - (ii) shall otherwise be held and refunded in accordance with the terms of the definitive documentation in respect of any Successful Bid(s), provided that all such documentation shall provide that the Deposit shall be retained by the Proposal Trustee in trust and forfeited by the Successful Bidder(s) if the Successful Bid(s) fails to close by the Outside Date, and such failure is attributable to any failure or omission of the Successful Bidder(s) to fulfil its/their obligations under the terms of the Successful Bid(s); and,
- (c) received from Bidders who are not the Successful Bidder(s), shall be fully refunded to those Bidders as soon as practicable following the closing of the Transaction(s) contemplated by the Successful Bid(s) and in any event no later than by the Outside Date.

Further Orders

- 45. At any time during the SISP, the Proposal Trustee or the DIP Lender may apply to the Court for advice and directions with respect to any aspect of the SISP, including but not limited to the continuation of the SISP, these SISP Terms, or with respect to their powers, rights, and duties (as applicable) hereunder.

Additional Terms

- 46. The Proposal Trustee shall conduct the SISP in the manner set out in these SISP Terms, subject to the applicable consultation, consent, and approval requirements as set forth herein, and is entitled to receive all information in relation to the SISP.
- 47. Any consent, approval or written confirmation to be provided by the Proposal Trustee or the DIP Lender is ineffective unless provided in writing and any approval required pursuant to the terms hereof is in addition to, and not in substitution for, any other approvals required in the Proposal Proceedings or as otherwise required at law in order to implement the Successful Bid(s). For the avoidance of doubt, a consent, approval, or confirmation provided by email shall be deemed to have been provided in writing for the purposes of this paragraph.

48. Prior to seeking the Court's approval for any Transaction(s) or bid(s) contemplated by the SISP, the Proposal Trustee will provide a report to the Court regarding the SISP and the Successful Bid(s), parts of which may be filed under seal, including in respect of any and all bids received.
49. The Proposal Trustee shall at all times prior to the selection of the Successful Bid(s) use commercially reasonable efforts to facilitate a competitive bidding process in the SISP, including, without limitation, by actively soliciting participation by Persons who would be customarily identified as high potential bidders in a process of this kind or who may be reasonably proposed by any of the Companies' stakeholders as a high potential bidder.
50. This SISP does not and will not be interpreted to create any contractual or other legal relationship between the Companies, the Proposal Trustee, and the DIP Lender and any Potential Bidder, any Bidder, or any other party, other than as specifically set forth in a definitive agreement that may be entered into with the Companies and/or Proposal Trustee.
51. Without limiting the preceding paragraph, the Proposal Trustee, the Companies, and the DIP Lender shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Bidder, the Successful Bidder(s), the Companies, or any other creditor or other stakeholder of the Companies, for any act or omission related to the SISP. By submitting a bid, each Bidder shall be deemed to have agreed that it has no claim against the Proposal Trustee, the Companies, or the DIP Lender for any reason whatsoever related to the SISP.
52. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction. For greater certainty, neither the Proposal Trustee, the Companies, or the DIP Lender shall be liable to any Person for any claim for brokerage commission, finder's fee, or like payment in respect of the consummation of any transaction arising out of or in connection with the SISP.
53. Notwithstanding the process and deadlines outlined above with respect to the SISP, with the prior written consent of the DIP Lender, the Proposal Trustee may at any time: (a) pause, terminate, amend or modify the SISP; (b) remove any portion of the Business and/or the Property from the SISP; (c) bring a motion to the Court to seek approval of a sale of, or investment in, all or part of the Property or the business whether or not such sale or investment is in accordance with the terms or timelines set forth herein; and (d) establish further or other procedures for the SISP, provided that the service list in the Proposal Proceedings shall be advised of any substantive modification to the procedures set forth herein.

Schedule "1"

Address of the Proposal Trustee

To the Proposal Trustee:

BDO Canada Limited
20 Wellington East
Suite 500
Toronto, Ontario
M5E 1C5

Attention: Clark Lonergan or Michael Basso

Email: clonergan@bdo.ca

Email: mbasso@bdo.ca

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF UCG LAND INC., IN THE CITY OF HAMILTON, IN THE
PROVINCE OF ONTARIO
IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF UPPER CANADA GROWERS LTD., IN THE CITY OF
HAMILTON, IN THE PROVINCE OF ONTARIO

Court File No. 32-3175819
Estate No. 32-3175819

Court File No. 32-3175820
Estate No. 32-3175820

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

Proceeding commenced at Hamilton

ORDER
(SISP ORDER)

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Counsel for UCG Land Inc. and Upper Canada Growers Ltd.

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C., 1985, C. B-3, AS AMENDED
IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF UCG LAND INC., IN THE CITY OF HAMILTON, IN THE
PROVINCE OF ONTARIO**

Court File No. 32-3175819
Estate No. 32-3175819

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF UPPER CANADA GROWERS LTD., IN THE CITY OF
HAMILTON, IN THE PROVINCE OF ONTARIO**

Court File No. 32-3175820
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**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

PROCEEDING COMMENCED AT HAMILTON

**MOTION RECORD OF UPPER CANADA GROWERS
LTD. and UCG LAND INC.**

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