

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

THE BANK OF NOVA SCOTIA

Applicant

- and -

UPPER CANADA GROWERS LTD. and UCG LAND INC.

Respondents

**AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of
the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and
section 101 of the *Courts of Justice Act*, R.S.O. 1990, c C.43, as amended**

APPLICATION RECORD

May 6, 2025

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Lawyers for the Applicant

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:



THE BANK OF NOVA SCOTIA

Applicant

- and -

UPPER CANADA GROWERS LTD. and UCG LAND INC.

Respondents

**AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of
the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and
section 101 of the *Courts of Justice Act*, R.S.O. 1990, c C.43, as amended**

NOTICE OF APPLICATION

TO THE RESPONDENTS:

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

THIS APPLICATION will come on for a hearing

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

at the following location

the Ontario Superior Court of Justice at 45 Main Street East, #500, Hamilton, Ontario on
May 15, 2025 at 10:00 a.m.

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

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

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

Date: TUESDAY, MAY 6TH, 2025

Issued by: _____

Local Registrar

Address of Court Office: 45 Main Street East, #500
Hamilton ON L8N 2B7

TO: THE SERVICE LIST

APPLICATION

1. The Applicant, The Bank of Nova Scotia (the “**Bank**”), makes application for:
 - (a) an Order substantially in the form of the draft order included at Tab 3 of the application record served herewith (the “**Receivership Order**”), among other things:
 - (i) abridging the time for service of the notice of application and the application record and validating service thereof;
 - (ii) appointing BDO Canada Limited (“**BDO**”) as receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of the Respondents, Upper Canada Growers Ltd. (“**UCG**”) and UCG Land Inc. (“**UCG Land**” and together with UCG, the “**Companies**”) and all proceeds thereof (collectively, the “**Property**”), including the real property described in Schedule “A” to the Receivership Order, pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”);
 - (iii) granting the Receiver’s Borrowings Charge and the Receiver’s Charge, and continuing the Administration Charge, the DIP Charge, and the Directors’ Charge, each as defined and established pursuant to the initial proposal order dated February 6, 2025 made in the Proposal Proceedings (defined

below), as charges on the Property as modified by and subject to the terms of the Receivership Order;

- (iv) empowering the Receiver upon its appointment to, *inter alia*:
 - (A) take possession and exercise control over the Property;
 - (B) market and sell any or all of the Property;
 - (C) settle, extend, or compromise any indebtedness owing to the Companies;
 - (D) borrow funds on a priority basis under the Receiver's certificates in the form attached at Schedule "B" to the Receivership Order to fund the costs of the receivership;
 - (E) take any steps reasonably incidental to the exercise of the aforementioned powers or the performance of any statutory obligations; and,
- (v) awarding the Bank its costs of this proceeding, including legal fees, disbursements, and HST thereon; and,
- (b) such further and other relief as counsel may advise and this Honourable Court may deem just.

2. **THE GROUNDS FOR THIS APPLICATION ARE:**

Overview

- (a) The Companies are related corporations involved in nursery and orchard operations in Southwestern Ontario. UCG operates a nursery and orchard business, primarily in Harrow, Ontario. UCG Land operates as a real estate holding company for the properties used by UCG in its nursery and orchard business.

- (b) On January 17, 2025, each of the Companies commenced proposal proceedings under the BIA (the “**Proposal Proceedings**”), by filing notices of intention to make a proposal (the “**NOIs**”) which named BDO as the proposal trustee (in such capacity, the “**Proposal Trustee**”).
- (c) The companies subsequently sought extensions of the stay of proceedings in the Proposal Proceedings and the deadline to make a proposal to their creditors, which are set to expire on May 16, 2025.
- (d) As described below, neither the Proposal Trustee nor the Companies intend to seek a further extension of the stay of proceedings.
- (e) In these circumstances, the Bank brings this application for the urgent appointment of the Receiver. This application is being brought and heard together with the motion of the Proposal Trustee seeking certain relief in the Proposal Proceedings.

The Pre-Filing Indebtedness, Defaults, and Demands

- (f) The Companies are indebted to the Bank pursuant to a credit facility agreement dated as of May 13, 2024, accepted by the Companies 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 Companies on August 28, 2024, as borrowers and as guarantors (collectively, the “**Credit Agreement**”).
- (g) The Credit Agreement made available the following credit facilities:

- (i) to UCG, a demand operating facility in the maximum principal amount of \$7,500,000;¹
- (ii) to UCG, a Scotia Visa Business Card having a limit of \$250,000;
- (iii) to UCG, a Scotia Visa Business Card having a limit of US\$50,000; and
- (iv) to UCG and UCG Land, a revolving term facility in the maximum principal amount of \$20,000,000;
- (h) The Companies each executed guarantees dated as of November 29, 2023, under which each of the Companies guaranteed the obligations to the Bank owing by the other.
- (i) As of May 5, 2025, the amount of the indebtedness under the Credit Agreement totalled \$24,894,903.52 and US\$45,436.12, exclusive of enforcement costs (the **“Pre-Filing Indebtedness”**).
- (j) UCG’s obligations to the Bank are secured by:
 - (i) a general security agreement dated as of November 29, 2023 executed by UCG in favour of the Bank, in UCG’s capacity as both principal and surety;
 - (ii) an assignment of insurance proceeds dated as of November 29, 2023, executed by UCG in favour of the Bank;
 - (iii) pursuant to section 427 of the *Bank Act*:

¹ Unless otherwise indicated, all references to “\$” or dollar amounts contained herein are to Canadian dollars.

- (A) a notice of intention to give security dated as of November 21, 2023;
 - (B) a promise to give security dated as of November 29, 2023;
 - (C) a security agreement dated as of November 29, 2023; and,
 - (D) an agreement as to loans and advances and security thereof dated as of November 29, 2023.
- (k) UCG Land's obligations to the Bank are secured by:
- (i) a general security agreement dated as of November 29, 2023 executed by UCG Land in favour of the Bank, in UCG Land's capacity as both principal and surety;
 - (ii) an assignment of insurance proceeds dated as of November 29, 2023 executed by UCG Land in favour of the Bank;
 - (iii) pursuant to section 427 of the *Bank Act*:
 - (A) a notice of intention to give security dated as of November 21, 2023;
 - (B) a promise to give security dated as of November 29, 2023;
 - (C) a security agreement dated as of November 29, 2023; and,
 - (D) an agreement as to loans and advances and security thereof dated as of November 29, 2023;
 - (iv) a first-ranking charge/mortgage in the principal amount of \$20,000,000 (the "**Charge**") governed by the Bank's Set of Standard Charge Terms No. 201809 (the "**Standard Charge Terms**") upon the following real property:
 - (A) PART LT 58 CONCESSION 1 OR FRONT COLCHESTER, PART 2 12R5006 SAVE AND EXCEPT PART 1 12R28819, TOWN OF ESSEX, PIN 75198-0187 (LT);

- (B) PT LT 16 CON GORE OR 2ND RANGE COLCHESTER PT 1 12R11909, EXCEPT PT 1, 12R14883, ESSEX, PIN 75194-0023 (LT);
 - (C) PT LT 4 PL 178 COLCHESTER AS IN R843148; ESSEX, PIN 75194-0156 (LT);
 - (D) 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
 - (E) 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); and
- (v) a general assignment of rents and leases dated as of November 29, 2023 executed by UCG Land in favour of the Bank (the **“UCG Land Rents Assignment”**).
- (l) The Bank’s security interests created by the GSAs are perfected by registration under the *Personal Property Security Act*, R.S.O. 1990, c P.10.
- (m) The Charge and UCG Land Rents Assignment are registered in favour of the Bank on title to the Real Property.
- (n) Prior to the Proposal Proceedings, the Companies had defaulted on their obligations owing to the Bank under the Credit Agreement (the **“Defaults”**).
- (o) On November 15, 2025, the Bank gave the Companies notice of such Defaults, made demand upon the Companies for repayment of the Pre-Filing Indebtedness, and delivered to the Companies (a) notices of intention to enforce a security pursuant to section 244 of the BIA (the **“244 Notices”**) and (b) notices of intent by a secured creditor (the **“FDMA Notices”**) required under section 21 of the *Farm Debt Mediation Act* (Canada) (the **“FDMA”**).

- (p) The notice periods prescribed under the 244 Notices and the FDMA Notices elapsed prior to the Companies commencing the Proposal Proceedings, and therefore, the stay of proceedings in the Proposal Proceedings does not apply to prevent the Bank from bringing this application.

The Proposal Proceedings

- (q) As noted above, the Companies (with the support of the Bank) commenced the Proposal Proceedings on January 17, 2025 by filing NOIs.
- (r) In connection with the Proposal Proceedings, the Companies, as borrowers, and the Bank, as interim lender, entered into a DIP Facility Loan Agreement dated as of January 28, 2025 (the “**DIP Term Sheet**”), pursuant to which the Bank agreed to provide to the Companies a debtor-in-possession super-priority non-revolving multiple draw credit facility in the maximum aggregate amount of \$2,700,000 (the “**DIP Facility**”). As of the date herein, the Companies are indebted to the Bank in the amount of \$2,107,479.45 under the DIP Facility (the “**DIP Indebtedness**”), inclusive of interest and exclusive of costs.
- (s) Among other relief, on February 6, 2025, the Ontario Superior Court of Justice granted a SISP Order, pursuant to which the Proposal Trustee ran a court-approved sale and investment solicitation process (“**SISP**”) to market and solicit interest in a sale or investment in all or substantially all of the property and/or business of the Companies.
- (t) The SISP was a two-phased process, with Binding Letters of Intent (as defined in the SISP Order) due on April 25, 2025 and the selection of the successful offer on

April 30, 2025. The Proposal Trustee did not receive any Binding Letters of Intent by the applicable deadline and therefore no offers could be selected.

- (u) As a result, the Companies have failed to meet certain SISP milestones and will be unable to meet future SISP milestones, including the deadlines for executing definitive transaction documents and closing a transaction.
- (v) The Companies are therefore in default of their obligations under the DIP Term Sheet.
- (w) The Proposal Trustee and the Companies are not seeking an extension of the stay of proceedings, which expires on May 16, 2025 and do not intend to file proposals to the Companies' creditors.
- (x) The Companies will be deemed to have made an assignment in bankruptcy pursuant to section 50.4(8) of the BIA on the expiry of the stay period on May 16, 2025.

Appointment of the Receiver is Just and Convenient

- (y) The Bank is entitled to appoint a receiver under the GSAs, the Standard Charge Terms, and the DIP Term Sheet.
- (z) The Bank is of the view that a receivership is an expedient, appropriate and necessary remedy at this juncture in order to protect and realize upon the value of the Property for the benefit of all stakeholders under the supervision of this Court.
- (aa) The Bank has lost confidence that the Companies are able to adequately and appropriately safeguard their assets and maximize value for stakeholders.

- (bb) The appointment of a Receiver is just and equitable in the circumstances.
- (cc) BDO has consented to act as Receiver in this matter.

Other Grounds

- (dd) The complete factual basis for this application is set forth in the Affidavit of James Cook, sworn May 5, 2025, included at Tab 2 of the application record served herewith;
- (ee) Section 243 of the BIA, and the BIA generally;
- (ff) Sections 11, 96, and 101 of the CJA, and the CJA generally;
- (gg) Rules 1.04, 1.05, 2.01, 2.03, 3.02, 14.05(3)(g), 16, 17.02(a) and (f), 38, 40.01, and 45.01 of the *Rules of Civil Procedure*; and
- (hh) Such further and other grounds as counsel may advise and this Honourable Court may permit.

3. **THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the application:

- (a) The Affidavit of James Cook, sworn May 5, 2025;
- (b) The Third Report of BDO in its capacity as Proposal Trustee in the Proposal Proceedings, to be filed; and,
- (c) Such further and other evidence as counsel may advise and this Honourable Court may permit.

Date: May 5, 2025

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Lawyers for the Applicant

THE BANK OF NOVA SCOTIA

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Applicant

Respondents

Court File No. CV-25-00090131-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at Hamilton**

NOTICE OF APPLICATION

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Lawyers for the Applicant

TAB 2

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

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section 101 of the *Courts of Justice Act*, R.S.O. 1990, c C.43, as amended**

**AFFIDAVIT OF JAMES COOK
(Sworn May 5, 2025)**

I, James Cook, of the City of Toronto, in the Province of Ontario, MAKE OATH AND
SAY:

1. I am a Senior Manager, Special Accounts Management, of the Applicant, The Bank of Nova Scotia (the “**Bank**”). I have been directly involved in matters relating to the borrowings of Upper Canada Growers Ltd. (“**UCG**”) and UCG Land Inc. (“**UCG Land**”, and together with UCG, the “**Companies**”). As such, I have personal knowledge of the matters to which I depose in this affidavit, unless otherwise indicated. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true.

2. I swear this Affidavit in support of the Bank’s application for an order (the “**Receivership Order**”) among other things, appointing BDO Canada Limited (“**BDO**”) as receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings, and properties of the Companies, including the Real Property (defined below).

3. Unless otherwise indicated, all references to “\$” or dollar amounts contained in this Affidavit are to Canadian dollars.

Overview¹

4. The Companies are related corporations involved in nursery orchard operations in Southwestern Ontario. UCG operates a nursery and orchard business in Southwestern Ontario, primarily in Harrow, Ontario. UCG Land operates as a real estate holding company for the properties used by UCG in its nursery and orchard business.

5. As described in greater detail below, the Companies are indebted to the Bank pursuant to the Credit Agreement and the DIP Term Sheet. As of May 5, 2025, the total indebtedness owing to the Bank under the Credit Agreement was \$24,894,903.52 and US\$45,436.12, inclusive of accrued and unpaid interest but exclusive of costs (the “**Pre-Filing Indebtedness**”). As of May 5, 2025, the total indebtedness owing to the Bank under the DIP Term Sheet was \$2,107,479.45, inclusive of accrued and unpaid interest but exclusive of costs (the “**DIP Indebtedness**”, and together with the Pre-Filing Indebtedness, the “**Indebtedness**”). Interest and costs continue to accrue in respect of the Indebtedness.

¹ Capitalized terms used but not defined in this Overview are defined below.

6. The Companies are insolvent. On January 17, 2025, they commenced proposal proceedings (the “**Proposal Proceedings**”) under the *Bankruptcy and Insolvency Act* (Canada) (“**BIA**”) by filing notices of intention to make a proposal (the “**NOIs**”), which named BDO as the proposal trustee (in such capacity, the “**Proposal Trustee**”). The Companies subsequently sought extensions of the stay of proceedings and the deadline to make a proposal to their creditors, which are set to expire on May 16, 2025.

7. In connection with the Proposal Proceedings, the Companies obtained a SISP Order pursuant to which the Proposal Trustee ran a court-approved process to market and solicit interest in a sale or investment in all or substantially all of the Companies’ Property and/or Business. The deadline for final binding offers to purchase and/or invest in the Property and/or Business has passed. No such binding offers were received. In light of this development, neither the Companies nor the Proposal Trustee will be seeking a further extension of the stay of proceedings in the Proposal Proceedings.

8. Prior to the Proposal Proceedings, the Companies had each defaulted on their obligations to the Bank under the Credit Agreement. The Bank has given the Companies proper notice of such defaults, made demand upon the Companies for repayment of the Pre-Filing Indebtedness, and delivered to the Companies (a) notices of intention to enforce a security pursuant to section 244 of the BIA (the “**244 Notices**”), and (b) notices of intent by a secured creditor (the “**FDMA Notices**”) under section 21 of the *Farm Debt Mediation Act* (Canada) (“**FMDA**”). The notice periods prescribed under the 244 Notices and the FDMA Notices elapsed prior to the Companies’ commencing the Proposal Proceedings.

9. The Companies have also defaulted on their obligations under the DIP Term Sheet as a result of, among other reasons, their inability to complete the SISP and adhere to its milestones.

10. The Bank is of the view that the urgent appointment of the Receiver is necessary at this juncture, particularly in light of the impending expiry of the stay and time for filing a proposal in the Proposal Proceedings, and the failure of the Companies to secure any binding offers by the LOI Deadline under the SISP.

11. The Bank is expressly entitled to appoint a receiver pursuant to the terms of the GSA, the Standard Charge Terms, and the DIP Term Sheet, as discussed in further detail below.

12. The Bank believes that the appointment of the Receiver is just and convenient in the circumstances and will preserve the value of the collateral and Real Property and allow for the implementation of an orderly sale or liquidation of same under the supervision of this Court for the benefit of all stakeholders.

The Parties

13. The Bank is a Canadian financial institution under Schedule 1 of the *Bank Act* (Canada) (the “**Bank Act**”).

14. I understand from my review of a corporate profile report (the “**UCG Corporate Profile Report**”) that UCG is a privately-held Ontario corporation. According to the UCG Corporate Profile Report, the directors of UCG are Megan Lindsay Haynes, Robert Bruce Haynes, Manish Nayar, and Mohit Nayar. The registered office address of UCG is 921 Concession 2 Road, Niagara-On-The-Lake, Ontario. A copy of the UCG Corporate Profile Report is attached as **Exhibit “A”**.

15. I understand that the primary business activities of UCG are:

- (a) the acquisition and multiplication of disease-free rootstock for resale to fruit farmers in Canada and the USA, historically accounting for approximately 40% of sales; and
- (b) the development and maintenance of fruit orchards through the resale of UCG's rootstock products and third-party infrastructure for the purpose of harvesting and selling the fruit to the Ontario wholesale market, historically accounting for approximately 60% of sales.

16. I understand from my review of a corporate profile report (the “**UCG Land Corporate Profile Report**”) that UCG Land is a privately-held Ontario corporation. According to the UCG Land Corporate Profile Report, the directors of UCG Land are Megan Lindsay Haynes, Robert Bruce Haynes, Mohit Nayar, and Manish Nayar. The registered office of UCG Land is 144 Front Street West, Suite 700, Toronto, Ontario. A copy of the **UCG Land Corporate Profile Report** is attached as **Exhibit “B”**.

17. UCG Land operates as a real estate holding company for the land and buildings located in Harrow, Ontario, that are used by UCG in its nursery and orchard business. UCG Land is the fee simple owner of the following real property (collectively, the “**Real Property**”):

- (a) PART LT 58 CONCESSION 1 OR FRONT COLCHESTER, PART 2 12R5006 SAVE AND EXCEPT PART 1 12R28819, TOWN OF ESSEX, PIN 75198-0187 (LT). A copy of PIN 75198-0187 (LT) is attached as **Exhibit “C”**;
- (b) PT LT 16 CON GORE OR 2ND RANGE COLCHESTER PT 1 12R11909, EXCEPT PT 1, 12R14883, ESSEX, PIN 75194-0023 (LT). A copy of PIN 75194-0023 (LT) is attached as **Exhibit “D”**;
- (c) PT LT 4 PL 178 COLCHESTER AS IN R843148; ESSEX, PIN 75194-0156 (LT). A copy of PIN 75194-0156 (LT) is attached as **Exhibit “E”**;

- (d) 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). A copy of PIN 75194-0198 (LT) is attached as **Exhibit “F”**; and
- (e) 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). A copy of PIN 75187-0007 (LT) is attached as **Exhibit “G”**.

18. UCG Land also owns two commercial greenhouses, one high-tech laboratory, one climate-controlled warehouse (cooler), and an office building with an attached storage facility, all of which are located in Harrow, Ontario.

The Credit Agreement

19. Pursuant to a credit facility agreement dated as of May 13, 2024, accepted by the Companies on May 21, 2024, as borrowers and as guarantors (the “**Original Credit Agreement**”), as amended by a default and amendment letter dated as of August 21, 2024, accepted by the Companies on August 28, 2024, as borrowers and as guarantors (the “**Default and Amendment Letter**” and together with the Original Credit Agreement, the “**Credit Agreement**”), the Bank made available to the Companies the following credit facilities (collectively, the “**Credit Facilities**”):

- (a) to UCG, a demand operating facility in the maximum principal amount of \$7,500,000 (the “**Demand Operating Facility**”);
- (b) to UCG, a Scotia Visa Business Card having a limit of \$250,000;
- (c) to UCG, a Scotia Visa Business Card having a limit of US\$50,000; and
- (d) to UCG and UCG Land, a revolving term facility in the maximum principal amount of \$20,000,000, which includes the RBC Letter of Credit (defined below) in the maximum amount of \$5,800,000.

20. Copies of the Original Credit Agreement and the Default and Amendment Letter are attached as **Exhibits “H” and “I”**, respectively.

21. Pursuant to a guarantee agreement dated as of November 29, 2023, UCG guaranteed the payment of all debts and liabilities owing or remaining unpaid by UCG Land to the Bank, up to an unlimited amount (the “**UCG Guarantee**”). A copy of the UCG Guarantee is attached as **Exhibit “J”**.

22. Pursuant to a guarantee agreement dated as of November 29, 2023, UCG Land guaranteed the payment of all debts and liabilities owing or remaining unpaid by UCG to the Bank, up to an unlimited amount (the “**UCG Land Guarantee**”, and together with the UCG Guarantee, the “**Guarantees**”). A copy of the UCG Land Guarantee is attached as **Exhibit “K”**.

23. The Guarantees provide that, upon any default in payment of any sum owing by UCG or UCG Land, as applicable, to the Bank, the Bank may treat all guaranteed liabilities as due and payable and may forthwith collect from the applicable guarantor the total amount guaranteed thereunder.

The Security

UCG

24. Pursuant to the terms of a general security agreement dated as of November 29, 2023 in favour of the Bank (the “**UCG GSA**”), UCG granted the Bank a continuing security interest in all of UCG’s present and after-acquired personal property and all proceeds thereof as general and continuing security for the payment and performance of all obligations, indebtedness, and liabilities, including interest, whether present or future, direct or indirect, absolute or contingent,

matured or not, of UCG owing to the Bank, whether as principal or surety. A copy of the UCG GSA is attached as **Exhibit “L”**.

25. In addition to the UCG GSA, UCG also executed an assignment of insurance proceeds dated as of November 23, 2023 in favour of the Bank (the “**UCG Insurance Assignment**”). Under the UCG Insurance Assignment, UCG assigned to the Bank the benefits of all insurance policies maintained by UCG in respect of UCG’s present and after-acquired undertakings and property. A copy of the UCG Insurance Assignment is attached as **Exhibit “M”**.

26. UCG has also granted the following security in favour of the Bank pursuant to section 427 of the Bank Act:

- (a) a notice of intention to give security dated as of November 21, 2023 (the “**UCG Notice of Intention**”);
- (b) a promise to give security dated as of November 29, 2023 (the “**UCG Security Promise**”);
- (c) a security agreement dated as of November 29, 2023 (the “**UCG Security Agreement**”); and
- (d) an agreement as to loans and advances and security therefor dated as of November 29, 2023 (the “**UCG Loans and Advances Agreement**” and, collectively with the UCG Notice of Intention, the UCG Security Promise, and the UCG Security Agreement, the “**UCG Bank Act Security**”, and together with the UCG GSA and the UCG Insurance Assignment, the “**UCG Security**”).

27. Copies of the UCG Notice of Intention, the UCG Security Promise, the UCG Security Agreement, and the UCG Loans and Advances Agreement are attached as **Exhibits “N”, “O”, “P”** and “**Q**”, respectively.

28. A copy of the search results for notices of intention to give security under section 427 of the Bank Act disclosing the registration of the UCG Notice of Intention in favour of the Bank (the “**UCG Bank Act Search Results**”) is attached as **Exhibit “R”**. According to the UCG Bank Act Search Results, there are no other notices of intention under the Bank Act registered against UCG.

29. Under the UCG Bank Act Security, UCG granted to the Bank a continuing security interest in its fertilizer, pesticide, forestry equipment, forestry implements, and products of the forest, and all proceeds thereof, as security for the payment of any debts and liabilities owing to the Bank.

30. The Bank’s security against UCG is perfected by registration under the Ontario *Personal Property Security Act* (“**OPPSA**”). A summary of the Ontario Personal Property Registration System search results (currency date April 27, 2025) disclosing the financing statements registered against UCG in favour of the Bank is attached as **Exhibit “S”** (the “**UCG OPPSA Search Results**”).

31. The UCG OPPSA Search Results also disclose the following financing statements registered against UCG prior to the Bank’s registrations, each of which are in respect of specific equipment and/or motor vehicle collateral:

- (a) Toyota Industries Commercial Finance Canada, Inc.;
- (b) Meridian OneCap Credit Corp.;
- (c) Kubota Canada Ltd;
- (d) Ford Credit Canada Company; and
- (e) CWB National Leasing Inc.

32. Agricultural Credit Corporation (“**ACC**”) also has a prior registration against UCG under the OPPSA (the “**ACC Existing Registration**”) with the following collateral description (the “**ACC Collateral**”):

A security interest in all present and future deciduous tree crops of the Debtor, including all proceeds thereof, for which a cash advance payment was issued by the Creditor 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 Debtor whether or not harvested, and whether or not attached by root to the land of the Debtor.

A security interest in all proceeds made payable to the Debtor under the Business Risk Management Program (BRM).

33. On November 21, 2023, ACC delivered to the Bank an Acknowledgement and Postponement (the “**ACC Acknowledgement and Postponement**”) in which, among other things, ACC acknowledged, confirmed and agreed with the Bank that ACC would not assert any priority based upon the ACC Existing Registration with respect to any present or after-acquired property or assets of the Companies, and postponed and subordinated the Existing Registration and any other security interest ACC may have in the present or after-acquired property of the Companies to the Bank, other than in respect of the ACC Collateral. A copy of the ACC Acknowledgement and Postponement is attached as **Exhibit “T”**.

34. The UCG OPPSA Search Results also disclose the following third-party registrants who have active registrations against UCG, each made subsequent to the Bank:

- (a) Ford Credit Canada Leasing, Division of Canadian Road Leasing Company;
- (b) Oya Solar Inc.; and
- (c) Kubota Canada Ltd.

UCG Land

35. Pursuant to the terms of a general security agreement dated as of November 29, 2023 in favour of the Bank (the “**UCG Land GSA**” and, together with the UCG GSA, the “**GSAs**”), UCG Land granted the Bank a continuing security interest in all of UCG Land’s present and after-acquired personal property and all proceeds thereof as general and continuing security for the payment and performance of all obligations, indebtedness, and liabilities, including interest, whether present or future, direct or indirect, absolute or contingent, and matured or not, of UCG Land owing to the Bank, whether as principal or surety. A copy of the UCG Land GSA is attached as **Exhibit “U”**.

36. In addition to the UCG Land GSA, UCG Land also executed an assignment of insurance proceeds dated as of November 29, 2023 in favour of the Bank (the “**UCG Land Insurance Assignment**”). Under the UCG Land Insurance Assignment, UCG Land assigned to the Bank the benefits of all insurance policies maintained by UCG Land in respect of the Real Property and UCG Land’s present and after-acquired undertakings and property. A copy of the UCG Land Insurance Assignment is attached as **Exhibit “V”**.

37. UCG Land has also granted the following security in favour of the Bank pursuant to section 427 of the Bank Act:

- (a) a notice of intention to give security dated as of November 21, 2023 (the “**UCG Land Notice of Intention**”);
- (b) a promise to give security dated as of November 29, 2023 (the “**UCG Land Security Promise**”);
- (c) a security agreement dated as of November 29, 2023 (the “**UCG Land Security Agreement**”); and

- (d) an agreement as to loans and advances and security therefor dated as of November 29, 2023 (the “**UCG Land Loans and Advances Agreement**” and, collectively with the UCG Land Notice of Intention, the UCG Land Security Promise, and the UCG Land Security Agreement, the “**UCG Land Bank Act Security**”, and together with the UCG Land GSA and the UCG Land Insurance Assignment, the “**UCG Land Security**”).

38. Copies of the UCG Land Notice of Intention, the UCG Land Security Promise, the UCG Land Security Agreement, and the UCG Land Loans and Advances Agreement are attached as **Exhibits “W”, “X”, “Y” and “Z”**, respectively.

39. A copy of the search results for notices of intention to give security under section 427 of the Bank Act disclosing the registration of the UCG Land Notice of Intention in favour of the Bank (the “**UCG Land Bank Act Search Results**”) is attached as **Exhibit “AA”**. According to the UCG Land Bank Act Search Results, there are no other notices of intention under the Bank Act registered against UCG Land.

40. Under the UCG Land Bank Act Security, UCG Land granted to the Bank a continuing security interest in its fertilizer, pesticide, forestry equipment, forestry implements, and products of the forest, and all proceeds thereof, as security for the payment of any debts and liabilities owing to the Bank.

41. The Bank’s security against UCG Land is perfected by registration under the OPPSA. A summary of the Ontario Personal Property Security Registration System search results (currency date April 27, 2025) disclosing a financing statement registered against UCG Land in favour of the Bank is attached as **Exhibit “BB”** (the “**UCG Land OPPSA Search Results**”).

42. The UCG Land OPPSA Search Results disclose that Oya Solar Inc. has an active registration against UCG Land made subsequent to the Bank's registration.

43. In addition to the above, UCG Land granted a first-ranking charge/mortgage (the "**Charge**") in favour of the Bank as Instrument CE1161676 ("**Charge Instrument**") in the principal amount of \$20,000,000 against the Real Property, registered on title on November 30, 2023. A copy of the Charge Instrument is attached as **Exhibit "CC"**.

44. The Charge is governed by the Bank's Set of Standard Charge Terms No. 201809 (the "**Standard Charge Terms**"). The Standard Charge Terms provide that UCG Land provided the Charge as security for the payment and performance of any and all debts, liabilities, and other obligations, present or future, absolute or contingent, matured or not, owing at any time by UCG Land to the Bank, and whether as principal or surety. The Standard Charge Terms further provide that, upon failure to pay any obligations owing to the Bank when due on demand by the Bank, the Bank may appoint a receiver over the Real Property. A copy of the Standard Charge Terms is attached as **Exhibit "DD"**.

45. The PINs for the Real Property disclose discharged mortgage registrations in favour of the Royal Bank of Canada (the "**RBC Mortgages**"). As replacement security, the Bank provided a Letter of Credit in favour of RBC in the amount of \$4,808,387 as security for the RBC Mortgages (the "**Letter of Credit**"). In March 2025, RBC submitted and the Bank honoured a request to draw on the Letter of Credit. Following that draw, \$4,800,000 was added to the Pre-Filing Indebtedness under the Credit Facilities.

46. UCG Land also executed a general assignment of rents and leases dated as of November 29, 2023 in favour of the Bank (the "**UCG Land Rents Assignment**"). The UCG Land Rents

Assignment was granted as additional security for the amounts owing under the Charge on the Real Property. A copy of the UCG Land Rents Assignment is attached as **Exhibit “EE”**.

47. The UCG Land Rents Assignment was registered on November 30, 2023 as Instrument CE1161677, a copy of which is attached as **Exhibit “FF”**.

Defaults and Demands

48. The Demand Operating Facility is a demand loan. The Bank is entitled under the Credit Agreement to demand payment of all outstanding amounts under the Demand Operating Facility at any time.

49. Under the Credit Agreement, events of default include, but are not limited to, when:

- (a) the Companies, in their capacity as borrowers and as guarantors, fail to pay any principal, interest, or other amount when due;
- (b) the Companies, in their capacity as borrowers and as guarantors, breach any other term or condition contained in the Credit Agreement or any other agreement between the Companies and the Bank;
- (c) any event of default as defined under the GSAs has occurred;
- (d) any adverse change occurs in the financial condition of the Companies; and
- (e) any bankruptcy, re-organization, compromise, arrangement insolvency or liquidation proceedings or other proceedings are instituted by or against the Companies in their capacities as borrowers and as guarantors.

50. Under the Credit Agreement, upon the occurrence of an event of default, the Bank has the right to demand immediate repayment in full of all amounts outstanding.

51. Under the GSAs, events of default include, but are not limited to, when:

- (a) the Companies fail to pay their indebtedness when due;
- (b) the Companies fail to perform any provision of the GSAs or other agreements to which the Companies and the Bank are parties;
- (c) the Companies cease or threaten to cease carrying on business, commit an act of bankruptcy, become insolvent, or make an assignment or proposal under the BIA; and
- (d) 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 of the Bank's collateral is or is about to be in danger of being lost, damaged, confiscated, or placed in jeopardy.

52. The terms of the GSAs provide that, upon an event of default:

- (a) the Bank may withhold any future advances and may declare all or part of the indebtedness owing to the Bank immediately due and payable; and,
- (b) the Bank may take proceedings in any court of competent jurisdiction to appoint a receiver over the property.

53. In or around August 2024, the Bank, by way of the Default and Amendment Letter, notified the Companies that they were in default under the Credit Agreement as the Fixed Charge Coverage Ratio (as defined in the Credit Agreement) for the reporting period ending on May 31, 2024 was 0.31:1, which exceeded the required ratio of 1.00:1.

54. The Companies were unable to rectify the default set forth in the Default and Amendment Letter and remained offside certain other financial covenants. As a result of the continuing defaults, on November 15, 2024, the Bank's external legal counsel, Fasken Martineau DuMoulin LLP, issued a letter to the Companies, on behalf of the Bank, accelerating and demanding repayment of the Pre-Filing Indebtedness under the Credit Agreement and Guarantees (the "**Demand Letter**").

The Demand Letter provided an unlimited list of the Companies' defaults under the Credit Agreement, which included:

- (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 the Bank 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;
- (d) the amount outstanding under the Demand Operating Facility exceeded the Borrowing Base by \$363,000 for the reporting period ending July 31, 2024; and
- (e) the amount outstanding under the Demand Operating Facility had exceeded the authorized aggregate amount since July 31, 2024.

55. The Demand Letter enclosed the 244 Notices and FMDA Notices. A copy of the Demand Letter, with the enclosures, is attached as **Exhibit "GG"**.

56. The notice periods under the 244 Notices elapsed on November 25, 2024, and the notice periods under the FDMA Notices elapsed on November 30, 2024.

57. Despite the demand, the Pre-Filing Indebtedness remained outstanding and the Companies failed to remedy the various defaults under the Credit Agreement. Following discussions amongst the Bank, the Companies, and BDO, the Companies determined (with the support of the Bank) that they would commence proposal proceedings under the BIA with a view toward conducting a court-supervised sale and investment solicitation process ("**SISP**").

The Proposal Proceedings

58. On January 17, 2025 (the “**NOI Filing Date**”), each of the Companies filed a NOI under Part III Division I of the BIA. BDO was named as Proposal Trustee of the Companies in the Proposal Proceedings. A copy of the NOIs filed by the Companies are attached as **Exhibit “HH”**.

59. Based on my review of materials filed in the Proposal Proceeding and my discussions with the Proposal Trustee, I understand that the Companies initiated the Proposal Proceedings for the purposes of, among other things, creating stability for the Companies to regularize business operations and to permit the Proposal Trustee to conduct a SISP to solicit interest in a sale or investment in all or substantially all of the Companies’ Property and/or Business.

60. On February 6, 2025, the Companies brought a motion before the Ontario Superior Court of Justice in Bankruptcy and Insolvency in Hamilton, Ontario (the “**Bankruptcy Court**”) in the Proposal Proceedings. On that motion, the Bankruptcy Court granted various relief, including an Initial Proposal Order that, among other things,

- (a) administratively consolidated the Proposal Proceedings of each of the Companies;
- (b) extended the time for the Companies to file proposals under section 50.4(9) of the BIA up to and including April 1, 2025;
- (c) granted the Proposal Trustee certain enhanced powers;
- (d) authorized the Companies to enter the DIP Term Sheet (defined below); and,
- (e) granted the following super-priority charges against the Companies’ property, assets, and undertakings, in the following amounts and ranking in the following priority (each as defined in the Initial Proposal Order):
 - (i) First – the Administration Charge in favour of counsel to the Companies, the Proposal Trustee, and counsel to the Proposal Trustee as security for

payment of their respective professional fees and disbursements not to exceed the maximum aggregate amount of \$500,000;

- (ii) Second – the DIP Charge in favour of the Bank as security for the payment and performance of obligations owing to the Bank under the DIP Term Sheet up to the maximum aggregate amount of \$2,700,000 plus interest, fees, and expenses; and,
- (iii) Third – the Directors’ Charge in favour of the Companies’ directors and officers to secure claims under the indemnity granted in their favour by the Bankruptcy Court to the maximum aggregate amount of \$150,000.

61. A copy of the Initial Proposal Order is attached as **Exhibit “II.”**

62. On February 6, 2025, the Bankruptcy Court also granted an Order approving the SISP to be administered by the Proposal Trustee (the “**SISP Order**”). A copy of the SISP Order is attached as **Exhibit “JJ”**. The SISP is described in greater detail below.

63. On March 25, 2025, the Bankruptcy Court granted an Order, among other things, extending the time for the Companies to file proposals under section 50.4(9) of the BIA and the corresponding stay of proceedings up to and including May 16, 2025 (the “**Stay Extension Order**”). A copy of the Stay Extension Order is attached as **Exhibit “KK”**.

64. The Proposal Trustee has filed two reports addressing, among other things, the activities of the Proposal Trustee and the Companies in the Proposal Proceedings since the NOI Filing Date. Copies of the First Report of the Proposal Trustee dated January 29, 2025 and the Second Report of the Proposal Trustee dated March 14, 2025, without appendices, are attached as **Exhibits “LL”** and “**MM**”, respectively.

The DIP Term Sheet

65. In connection with the Proposal Proceedings, the Companies as borrowers and the Bank as interim lender entered into a DIP Facility Loan Agreement dated as of January 28, 2025 (the “**DIP Term Sheet**”), a copy of which is attached as **Exhibit “NN”**.

66. Under the DIP Term Sheet, the Bank agreed to provide to the Companies a debtor-in-possession super-priority non-revolving multiple draw credit facility in the maximum aggregate amount of \$2,700,000 (the “**DIP Facility**”). The proceeds of the DIP Facility are to be used by the Companies to fund, among other things, the ordinary course working capital and other general corporate needs of the Companies, as well as the Proposal Proceedings, including paying the reasonable professional fees and expenses of the Proposal Trustee, the Proposal Trustee’s counsel, and the Companies’ counsel.

67. The DIP Facility becomes due and payable on the Maturity Date, defined under the DIP Term Sheet as the earlier of:

- (a) July 17, 2025, being six months after the NOI Filing Date;
- (b) the implementation of a proposal within the Proposal Proceedings, approved by the Bank and by the requisite majorities of the Companies’ creditors and sanctioned by an order entered by the Court;
- (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 Companies’ assets, or of all or substantially all of the shares of the Companies, or of all or substantially all of the Companies’ business;

- (e) an Event of Default (as defined under the DIP Term Sheet) which has not been waived by the Bank and in respect of which it has elected, in its sole discretion, to accelerate the obligations of the Companies under the DIP Term Sheet; and,
- (f) the date on which the Proposal Proceedings are terminated.

68. Under the DIP Term Sheet, an event of default occurs where, among other things:

- (a) 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; or
- (b) a court order is made, a liability arises, or an event occurs, including any change in the conditions, financial or otherwise, of the Companies, that will, in the Bank's judgment, materially further impair the Companies' financial condition, operations, or ability to comply with their obligations under the DIP Term Sheet, the Credit Document, or the ability to carry out a proposal or sale reasonably acceptable to the Bank.

69. As discussed further below, the SISP failed to yield a binding offer before the LOI Deadline. The Companies are therefore in breach of terms of the SISP and have failed to achieve the SISP Milestones. Furthermore, the Bank is of the view that there is no reasonable possibility that the Companies will be able to complete a sale or investment transaction that is acceptable to the Bank. These constitute events of default under the DIP Term Sheet.

70. Upon the Maturity Date or the occurrence of an event of default under the DIP Term Sheet, all of the indebtedness, together with all interest and other amounts owing under the DIP Term sheet, shall become immediately due and payable. Further, upon the occurrence of an event of default, the Bank may, upon five days' prior written notice to the Companies and the Proposal Trustee, among other things, apply to the Court for the appointment of a receiver, an interim

receiver, or a receiver and manager over all present and after-acquired assets and undertakings of the Companies, including all real and personal property (whether tangible or intangible) and all proceeds therefrom.

71. As of the date of this Affidavit, the Bank has advanced a total principal amount of \$2,100,000 under the DIP Facility. As a result of the occurrence of events of default (discussed below), the Companies are not entitled to draw any further amounts under the DIP Facility.

The SISP

72. As noted above, on February 6, 2025, the Court granted the SISP Order. The SISP was intended to solicit interest in and opportunities for an investment in or sale of all or substantially all of the Companies' business (the "**Business**") and assets (the "**Property**"). The Proposal Trustee was responsible for conducting the SISP pursuant to the terms appended to the SISP Order (the "**SISP Terms**").

73. The SISP Terms set forth a two-phased process with the following key milestones (with each capitalized term as defined under the SISP Terms):

SISP Milestone	Deadline
Go to market	Friday February 7, 2025
Expression of Interest Date (" EOI Deadline ")	Friday March 28, 2025 (5:00 p.m. Eastern Time)
Select Qualified Bidders	Tuesday April 1, 2025
Binding Letter of Intent (" LOI Deadline ")	Friday April 25, 2025 (5:00 p.m. Eastern Time)
Offer Selection date	Wednesday April 30, 2025 (5:00 p.m. Eastern Time)

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	No later than Friday June 13, 2025

74. I understand that the outcome of the SISP and the developments therein will be described in greater detail in the Third Report of the Proposal Trustee, to be filed. From my discussions with the Proposal Trustee, I understand that:²

- (a) the Proposal Trustee received five Expressions of Interest by the EOI Deadline;
- (b) with the approval of the Bank in accordance with the SISP Terms, the Proposal Trustee designated three Qualified Bidders; and
- (c) no Binding Letters of Intent (“**LOIs**”) were received by the LOI Deadline.

75. The Proposal Trustee has informed the Bank that, on April 11, 2025, Robert Haynes, one of the Directors of the Companies and a member of the Companies’ management, sent an email to an entity that submitted an EOI in which Mr. Haynes suggested to the bidder that they should be making a lower offer for the purchase of the Property.

76. No binding offers were submitted by the LOI deadline and, as a result, the Companies have failed to meet certain milestones and will be unable to meet future SISP milestones, including the deadlines for executing definitive transaction documents and closing a transaction.

² Unless otherwise defined herein, capitalized terms in this paragraph have the meanings given to them in the SISP Order.

Status of the Proposal Proceedings

77. The Proposal Trustee has indicated that it and the Companies do not intend to seek an extension of the stay of proceedings beyond May 16, 2025 and do not intend to file proposals to the Companies' creditors. I am aware that the Companies will be deemed to have made assignments into bankruptcy at the conclusion of the existing stay period.

78. I understand that the Proposal Trustee will be bringing a motion seeking certain relief in the Proposal Proceedings, and that the Proposal Trustee intends for that motion to be heard at the same time as the Bank's application to appoint the Receiver in these proceedings.

Urgent Appointment of the Receiver

79. As described above, the Companies have been in default of their obligations owing to the Bank under the Credit Agreement since prior to the Proposal Proceedings, the Bank has given proper notice of those defaults, and the relevant notice periods under the 244 Notices and the FDMA Notices elapsed prior to the filing of the NOIs. I am informed by the Bank's legal counsel, Stuart Brotman of Fasken Martineau DuMoulin LLP that, as a result of the expiry of the 244 Notice period prior to the filing of the NOIs, the stay of proceedings in the Proposal Proceedings does not apply to prevent the Bank from bringing this application. The Companies are also in default of their obligations under the DIP Term Sheet.

80. In light of these defaults and for the reasons described below, the Bank has determined that the urgent appointment of the Receiver by this Court is an expedient, appropriate and necessary remedy to preserve and realize the value of the collateral, including the Real Property:

- (a) ***The Companies are insolvent and have no funding, investment, or sale opportunities available to address their urgent liquidity needs:*** The LOI Deadline (as defined in the SISP Order) has passed and the Proposal Trustee has not received

any binding LOIs under the SISP. Given that there will likely be no sale or investment transaction arising out of the SISP, the Bank is no longer willing to advance funds under the DIP Term Sheet to fund the Proposal Proceedings. Without such advances, the Companies will likely have insufficient cash to fund their operations. The Bank is of the view that the appointment of the Receiver is the only way to preserve value for all stakeholders at this time and under these circumstances.

(b) ***The Receiver is needed to preserve the Companies' collateral and Real Property:***

In light of the events that occurred during the SISP, and particularly Mr. Haynes' interference therein, the Bank has lost confidence in the management of the Companies and their ability to preserve the collateral. Without the appointment of the Receiver, the Bank is concerned that the value of the Companies' business and property will continue to erode to the detriment of all stakeholders, including the Bank. Given that other secured creditors have registered financing statements in respect of the Companies, the Bank believes that all stakeholders of the Companies would benefit from the immediate appointment of a neutral court-officer that can oversee the Companies' operations, assets, and finances. It is also expected that the appointment of the Receiver will allow for an efficient and value-maximizing approach to be taken to the marketing and sale of the Real Property. I understand that, if appointed, the Receiver intends to engage Avison Young Canada ("**Avison Young**") as a broker to assist in the marketing and sale of the Real Property and will address this in its Third Report.

(c) ***The Proposal Proceedings are coming to an imminent end:*** The stay period and the time for the Companies to make a proposal to their creditors expire on May 16, 2025. I understand that the Companies will not be seeking a further extension of the stay, nor will they be making such a proposal, and am advised by Mr. Brotman that that, upon the expiration of that time period, the Companies will be deemed to have made an assignment into bankruptcy. In the context of the imminent bankruptcy of the Companies, the Receiver will be able to take control of and protect the collateral and Real Property for the benefit of all stakeholders with the

protection of the broad stay of proceedings contemplated in the form of receivership order sought.

81. The Bank has the express right to appoint the Receiver in respect of the Companies pursuant to the GSAs, the Standard Charge Terms, and the DIP Term Sheet.

82. BDO has consented to its appointment as Receiver. A copy of the Consent to Act is attached as **Exhibit “OO”**.

83. The order sought in this application also empowers the Receiver, if appointed, to borrow funds under receiver’s certificates, on the usual terms, to fund the costs of the receivership. It is anticipated that the marketing and sale of the Real Property may take some time, and that expenditures, including in respect of engaging Avison Young, will be required in the interim for which the Receiver will likely not have sufficient funds at its disposal.

SWORN remotely by James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on May 5, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits

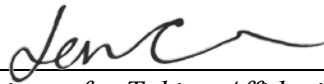
JENNIFER L. CARUSO, LSO# 79321K



JAMES COOK

EXHIBIT A

This is **Exhibit “A”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)



Ministry of Public and
Business Service Delivery

Profile Report

UPPER CANADA GROWERS LTD. as of April 28, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	UPPER CANADA GROWERS LTD.
Ontario Corporation Number (OCN)	1954532
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	June 10, 2016
Registered or Head Office Address	921 Concession 2 Road, Niagara-On-The-Lake, Ontario, L0S 1J0, Canada

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

V. Quintanilla W.

Director/Registrar

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

Minimum Number of Directors 2
Maximum Number of Directors 11

Active Director(s)

Name MEGAN LINDSAY HAYNES
Address for Service 45 Parkview Ave, St. Catharines, Ontario, L2M 5S3, Canada
Resident Canadian Yes
Date Began June 10, 2016

Name ROBERT BRUCE HAYNES
Address for Service 1684 Road 2 E Gd, Ruthven, Ontario, N0P 2G0, Canada
Resident Canadian Yes
Date Began June 10, 2016

Name MANISH NAYAR
Address for Service 2 Green Valley Road, 310, Toronto, Ontario, M2P 1A5, Canada
Resident Canadian Yes
Date Began April 25, 2019

Name MOHIT NAYAR
Address for Service 370 Old Tecumseh Rd, Windsor, Ontario, N8N 3T2, Canada
Resident Canadian Yes
Date Began April 25, 2019

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

V. Quintanilla W.

Director/Registrar

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

Active Officer(s)

Name

Position

Address for Service

Date Began

MEGAN LINDSAY HAYNES

Vice-President

45 Parkview Ave, St. Catharines, Ontario, L2M 5S3, Canada

April 25, 2019

Name

Position

Address for Service

Date Began

ROBERT BRUCE HAYNES

President

1684 Road 2 E Gd, Ruthven, Ontario, N0P 2G0, Canada

June 10, 2016

Name

Position

Address for Service

Date Began

MANISH NAYAR

Treasurer

2 Green Valley Road, Toronto, Ontario, M2P 3S7, Canada

April 25, 2019

Name

Position

Address for Service

Date Began

MOHIT NAYAR

Secretary

370 Old Tecumseh Rd, Windsor, Ontario, N8N 3T2, Canada

April 25, 2019

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

V. Quintanilla W.

Director/Registrar

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Corporate Name History

Name	UPPER CANADA GROWERS LTD.
Effective Date	June 10, 2016

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

V. Quintanilla W.

Director/Registrar

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

Active Business Names

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

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

V. Quintanilla W.

Director/Registrar

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

Expired or Cancelled Business Names

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

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

V. Quintanilla W.

Director/Registrar

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

Document List

Filing Name	Effective Date
Annual Return - 2022 PAF: ROBERT BRUCE HAYNES	November 14, 2023
Annual Return - 2021 PAF: ROBERT BRUCE HAYNES	November 14, 2023
Annual Return - 2020 PAF: MEGAN HAYNES - DIRECTOR	May 09, 2021
Annual Return - 2019 PAF: MEGAN HAYNES - DIRECTOR	August 30, 2020
CIA - Notice of Change PAF: MEGAN LINDSAY HAYNES - DIRECTOR	June 17, 2020
Annual Return - 2019 PAF: MEGAN HAYNES - DIRECTOR	March 29, 2020
CIA - Notice of Change PAF: DANIEL BANK - OTHER	June 27, 2019
BCA - Articles of Amendment	April 25, 2019
Annual Return - 2018 PAF: MEGAN HAYNES - DIRECTOR	March 31, 2019
Annual Return - 2017 PAF: MEGAN HAYNES - DIRECTOR	May 27, 2018
Annual Return - 2016 PAF: ROBERT HAYNES - DIRECTOR	February 26, 2017
CIA - Notice of Change PAF: MICHAEL ANDREW MANN - OTHER	February 14, 2017
BCA - Articles of Amendment	January 31, 2017
CIA - Initial Return	August 15, 2016

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

V. Quintanilla W.

Director/Registrar

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PAF: MEGAN LINDSAY HAYNES - DIRECTOR

BCA - Articles of Incorporation

June 10, 2016

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

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

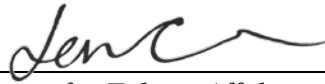
V. Quintanilla W.

Director/Registrar

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EXHIBIT B

This is **Exhibit “B”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)



Ministry of Public and
Business Service Delivery

Profile Report

UCG LAND INC. as of April 28, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	UCG LAND INC.
Ontario Corporation Number (OCN)	2541660
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	October 17, 2016
Registered or Head Office Address	144 Front Street West, Suite 700, Toronto, Ontario, M5J 2L7, Canada

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

V. Quintanilla W.

Director/Registrar

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Minimum Number of Directors 1
Maximum Number of Directors 10

Active Director(s)

Name MEGAN LINDSAY HAYNES
Address for Service 45 Parkview Road, St. Catharines, Ontario, L2M 5S3, Canada
Resident Canadian Yes
Date Began April 25, 2019

Name ROBERT BRUCE HAYNES
Address for Service 1684 Road 2 East Gd, Ruthven, Ontario, N0P 2G0, Canada
Resident Canadian Yes
Date Began April 25, 2019

Name MOHIT NAYAR
Address for Service 370 Old Tecumseh Road, Windsor, Ontario, N8N 3S7, Canada
Resident Canadian Yes
Date Began October 17, 2016

Name MANISH NAYAR
Address for Service 2 Green Valley Road, Toronto, Ontario, M2P 1A5, Canada
Resident Canadian Yes
Date Began October 17, 2016

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

V. Quintanilla W.

Director/Registrar

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

Active Officer(s)

Name	MEGAN LINDSAY HAYNES
Position	Secretary
Address for Service	45 Parkview Road, St. Catharines, Ontario, L2M 5S3, Canada
Date Began	April 25, 2019

Name	ROBERT BRUCE HAYNES
Position	Vice-President
Address for Service	1684 Road 2 East Gd, Ruthven, Ontario, N0P 2G0, Canada
Date Began	April 25, 2019

Name	MOHIT NAYAR
Position	Treasurer
Address for Service	370 Old Tecumseh Road, Windsor, Ontario, N8N 3S7, Canada
Date Began	October 17, 2016

Name	MANISH NAYAR
Position	President
Address for Service	2 Green Valley Road, Toronto, Ontario, M2P 1A5, Canada
Date Began	October 17, 2016

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

V. Quintanilla W.

Director/Registrar

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Corporate Name History

Name	UCG LAND INC.
Effective Date	April 25, 2019
Previous Name	OYA SOLAR CANADA GP INC.
Effective Date	January 22, 2018
Previous Name	KODIAK SOLAR HOLDINGS INC.
Effective Date	October 17, 2016

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

V. Quintanilla W.

Director/Registrar

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Active Business Names

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

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

V. Quintanilla W.

Director/Registrar

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Expired or Cancelled Business Names

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V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
Annual Return - 2022 PAF: ROBERT BRUCE HAYNES	November 15, 2023
Annual Return - 2021 PAF: ROBERT BRUCE HAYNES	November 14, 2023
CIA - Notice of Change PAF: Manish NAYAR	November 04, 2021
Annual Return - 2020 PAF: MANISH NAYAR - DIRECTOR	May 23, 2021
Annual Return - 2018 PAF: MANISH NAYAR - DIRECTOR	December 27, 2020
Annual Return - 2017 PAF: MANISH NAYAR - DIRECTOR	December 27, 2020
Annual Return - 2016 PAF: MANISH NAYAR - DIRECTOR	December 27, 2020
Annual Return - 2019 PAF: MANISH NAYAR - DIRECTOR	May 24, 2020
BCA - Articles of Amendment	April 25, 2019
BCA - Articles of Amendment	January 22, 2018
CIA - Notice of Change PAF: DANIEL BANK - OTHER	December 12, 2016
BCA - Articles of Incorporation	October 17, 2016

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

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

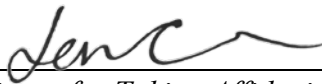
V. Quintanilla W.

Director/Registrar

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EXHIBIT C

This is **Exhibit “C”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

LAND
REGISTRY
OFFICE #12

75198-0187 (LT)

PAGE 1 OF 2
PREPARED FOR awieringa01
ON 2025/04/28 AT 15:26:00

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

PROPERTY DESCRIPTION: PART LT 58 CONCESSION 1 OR FRONT COLCHESTER, PART 2 12R5006 SAVE AND EXCEPT PART 1 12R28819; TOWN OF ESSEX

PROPERTY REMARKS: PLANNING ACT CONSENT IN DOCUMENT CE1050278.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
DIVISION FROM 75198-0169

PIN CREATION DATE:
2022/02/07

OWNERS' NAMES
UCG LAND INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2022/02/07 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 2001/12/17 **						
R449586	1969/09/10	ORDER				C
12R5006	1979/03/26	PLAN REFERENCE				C
CE323419	2008/04/15	CHARGE		*** DELETED AGAINST THIS PROPERTY *** DAMASO, CELESTE PERREIRA DAMASO, JOSE FERREIRA	CANADIAN IMPERIAL BANK OF COMMERCE	
CE1050278	2021/12/10	TRANSFER	\$287,865	DAMASO, JOSE FERREIRA DAMASO, CELESTE PERREIRA	UCG LAND INC.	C
REMARKS: PLANNING ACT CONSENT						
CE1050279	2021/12/10	CHARGE		*** DELETED AGAINST THIS PROPERTY *** UCG LAND INC.	ROYAL BANK OF CANADA	
CE1078822	2022/05/13	DISCH OF CHARGE		*** COMPLETELY DELETED *** CANADIAN IMPERIAL BANK OF COMMERCE		
REMARKS: CE323419.						
12R29324	2023/03/16	PLAN REFERENCE				C

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

75198-0187 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
CE1161676	2023/11/30	CHARGE	\$20,000,000	UCG LAND INC.	THE BANK OF NOVA SCOTIA	C
CE1161677	2023/11/30	NO ASSGN RENT GEN		UCG LAND INC.	THE BANK OF NOVA SCOTIA	C
CE1161932	2023/12/01	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
REMARKS: CE1161676						
REMARKS: CE1050279.						

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

EXHIBIT D

This is **Exhibit “D”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)



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

PROPERTY DESCRIPTION: PT LT 16 CON GORE OR 2ND RANGE COLCHESTER PT 1 12R11909, EXCEPT PT 1, 12R14883; ESSEX

PROPERTY REMARKS: RECENTLY 01536-0694. PLANNING ACT CONSENT AS IN R1358295.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK & PIN

PIN CREATION DATE:
2001/12/17

<u>OWNERS' NAMES</u>	<u>CAPACITY</u>	<u>SHARE</u>
UCG LAND INC.		

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT	INCLUDES ALL	DOCUMENT TYPES AND	DELETED INSTRUMENTS	SINCE 2001/12/14 **		
**SUBJECT,	ON FIRST REGISTRATION UNDER THE	LAND TITLES ACT, TO:				
**	SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES	*				
**	AND ESCHEATS OR FORFEITURE TO THE CROWN.					
**	THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF					
**	IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY					
**	CONVENTION.					
**	ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.					
**DATE OF CONVERSION TO	LAND TITLES: 2001/12/17 **					
R449586	1969/09/10	ORDER				C
12R11909	1992/03/27	PLAN REFERENCE				C
R1376756	1997/03/03	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** WADE, ARLENE MARY	WADE, ARLENE MARY WELZEL, JOHN STEVE	
R1484282	2000/02/03	LEASE		*** DELETED AGAINST THIS PROPERTY *** WELZEL, JOHN STEVEN WADE, ARLENE MARY	NORTHROCK RESOURCES LTD.	
	CORRECTIONS: 'PARTY: WADE, ARLENE MARY' ADDED ON 2003/03/26 BY LAND REGISTRAR #7.					
LT370291	2002/09/25	NO ASSG LESSEE INT		*** DELETED AGAINST THIS PROPERTY *** NORTHROCK RESOURCES LTD.	TALISMAN ENERGY INC.	
CE29743	2003/09/05	NO ASSG LESSEE INT		*** DELETED AGAINST THIS PROPERTY *** NORTHROCK RESOURCES LTD.	TALISMAN ENERGY INC.	
	REMARKS: VARIOUS LANDS & LEASES					

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
CE60176	2004/02/19	NO DET/SURR LEASE		*** COMPLETELY DELETED ***	TALISMAN ENERGY INC.	
REMARKS: RE: R1484282 R1484282, LT370291, CE29743.						
CE1113899	2022/12/02	APL CH NAME OWNER		*** COMPLETELY DELETED *** WADE, ARLENE MARY	WELZEL, ARLENE MARY	
CE1114178	2022/12/05	TRANSFER	\$828,000	WELZEL, ARLENE MARY WELZEL, JOHN STEVE	UCG LAND INC.	C
REMARKS: PLANNING ACT STATEMENTS.						
CE1114179	2022/12/05	CHARGE	\$20,000,000	*** COMPLETELY DELETED *** UCG LAND INC.	ROYAL BANK OF CANADA	
CE1161676	2023/11/30	CHARGE		UCG LAND INC.	THE BANK OF NOVA SCOTIA	
CE1161677	2023/11/30	NO ASSGN RENT GEN		UCG LAND INC.	THE BANK OF NOVA SCOTIA	
REMARKS: CE1161676						
CE1161933	2023/12/01	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
REMARKS: CE1114179.						

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

EXHIBIT E

This is **Exhibit “E”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)



PROPERTY DESCRIPTION: PT LT 4 PL 178 COLCHESTER AS IN R843148; ESSEX

PROPERTY REMARKS: RECENTLY 01533-0019. CORRECTION: DOCUMENT R427903 ADDED TO 75194-0156 ON 2014/12/17 AT 13:52 BY CARROLL, PATTI.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK & PIN

PIN CREATION DATE:
2001/12/17

OWNERS' NAMES
UCG LAND INC.

<u>CAPACITY</u>	<u>SHARE</u>
ROWN	

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2001/12/14 ** **SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO: ** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * AND ESCHEATS OR FORFEITURE TO THE CROWN. ** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY CONVENTION. ** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES. **DATE OF CONVERSION TO LAND TITLES: 2001/12/17 **						
R340785	1965/09/23	AGREEMENT TO LEASE		*** COMPLETELY DELETED ***	INDUSTRIAL DEVELOPMENT BANK	
	REMARKS: OIL & GAS					
R380567	1967/03/31	ASSIGNMENT LEASE		*** DELETED AGAINST THIS PROPERTY ***		
	REMARKS: R380166, R380165, R329774					
R427903	1968/12/12	ASSIGNMENT GENERAL		*** COMPLETELY DELETED ***		
R429903	1968/12/12	ASSIGNMENT GENERAL		*** COMPLETELY DELETED ***		
	CORRECTIONS: DOCUMENT DELETED FROM			PIN AS WRONG DOCUMENT TYPE AND DOES NOT AFFECT THIS PIN ON 2014/12/17 AT 13:54 BY CARROLL, PATTI.		
R458651	1969/12/24	ASSIGNMENT LEASE		*** COMPLETELY DELETED ***	FARMS GAS COMPANY LIMITED	
	REMARKS: MULTI					
R567609	1973/05/24	AGREEMENT TO LEASE		*** COMPLETELY DELETED ***		
	REMARKS: OIL & GAS					

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

LAND
REGISTRY
OFFICE #12

75194-0156 (LT)

PAGE 2 OF 4
PREPARED FOR awieringa01
ON 2025/04/28 AT 15:27:40

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
R843148	1981/10/02	TRANSFER		*** COMPLETELY DELETED ***	MORI NURSERIES LIMITED	
CE440871	2010/09/13	TRANSFER		*** COMPLETELY DELETED *** MORI NURSERIES LIMITED	ESSEX NURSERIES LTD.	
REMARKS: PLANNING ACT STATEMENTS						
CE646982	2015/02/10	APL CH NAME OWNER		*** COMPLETELY DELETED *** ESSEX NURSERIES LTD.	MORI ESSEX NURSERIES INC.	
CE646983	2015/02/10	APL (GENERAL)		*** COMPLETELY DELETED *** MORI ESSEX NURSERIES INC.		
REMARKS: DELETING R340785, R380567, R429903, R458651.						
CE646984	2015/02/10	APL (GENERAL)		*** COMPLETELY DELETED *** MORI ESSEX NURSERIES INC.		
REMARKS: DELETING R567609						
CE646985	2015/02/10	CHARGE		*** COMPLETELY DELETED *** MORI ESSEX NURSERIES INC.	MERIDIAN CREDIT UNION LIMITED	
CE694277	2015/12/22	NOTICE OF LEASE		*** COMPLETELY DELETED *** ONTARIO TENDER FRUIT GROWERS	ONTARIO TENDER FRUIT GROWERS	
CE874231	2019/02/21	NO DET/SURR LEASE	\$955,000	*** COMPLETELY DELETED *** ONTARIO TENDER FRUIT GROWERS	MORI ESSEX NURSERIES INC.	C
REMARKS: CE694277.						
CE893103	2019/06/26	DISCH OF CHARGE		*** COMPLETELY DELETED *** MERIDIAN CREDIT UNION LIMITED		
REMARKS: CE646985.						
CE898507	2019/07/26	TRANSFER		MORI ESSEX NURSERIES INC.	UCG LAND INC.	
REMARKS: PLANNING ACT STATEMENTS.						
CE898514	2019/07/26	CHARGE		*** COMPLETELY DELETED *** UCG LAND INC.	THE TORONTO-DOMINION BANK	C
CE912139	2019/10/10	NO SEC INTEREST		*** COMPLETELY DELETED *** VISTA CREDIT CORP		
12R28142	2020/02/20	PLAN REFERENCE				
CE936807	2020/03/11	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** FEHR, DAVID		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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LAND
REGISTRY
OFFICE #12

75194-0156 (LT)

PAGE 3 OF 4
PREPARED FOR awieringa01
ON 2025/04/28 AT 15:27:40

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
CE942183	2020/04/20	APL DEL CONST LIEN		*** COMPLETELY DELETED *** FEHR, DAVID		
		REMARKS: CE936807.				
CE957672	2020/08/12	CHARGE		*** COMPLETELY DELETED *** UCG LAND INC.	ROYAL BANK OF CANADA	
CE961834	2020/09/03	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK		
		REMARKS: CE898514.				
CE1042817	2021/11/03	DISCHARGE INTEREST		*** COMPLETELY DELETED *** VISTA CREDIT CORP		
		REMARKS: CE912139.				
CE1043470	2021/11/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
		REMARKS: CE957672.				
CE1043471	2021/11/05	CHARGE		*** COMPLETELY DELETED *** UCG LAND INC.	ROYAL BANK OF CANADA	
CE1060284	2022/02/07	NOTICE	\$5	UCG LAND INC.	THE CORPORATION OF THE TOWN OF ESSEX	C
		REMARKS: SITE PLAN CONTROL AGREEMENT				
CE1060285	2022/02/07	NOTICE	\$1	UCG LAND INC.	THE CORPORATION OF THE TOWN OF ESSEX	C
		REMARKS: SITE PLAN AGREEMENT AMENDMENT CE1060284				
CE1060286	2022/02/07	NOTICE	\$1	UCG LAND INC.	THE CORPORATION OF THE TOWN OF ESSEX	C
CE1094834	2022/08/09	NOTICE	\$1	UCG LAND INC.	THE CORPORATION OF THE TOWN OF ESSEX	C
		REMARKS: SITE PLAN AGREEMENT AMENDMENT CE1060284				
CE1111264	2022/11/17	CHARGE		*** COMPLETELY DELETED *** UCG LAND INC.	ROYAL BANK OF CANADA	
CE1161676	2023/11/30	CHARGE	\$20,000,000	UCG LAND INC.	THE BANK OF NOVA SCOTIA	C
CE1161677	2023/11/30	NO ASSGN RENT GEN		UCG LAND INC.	THE BANK OF NOVA SCOTIA	C
		REMARKS: CE1161676				
CE1161935	2023/12/01	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
CE1161936	2023/12/01	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		

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EXHIBIT F

This is **Exhibit “F”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is written over a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

LAND
REGISTRY
OFFICE #12

75194-0198 (LT)

PAGE 1 OF 2
PREPARED FOR awieringa01
ON 2025/04/28 AT 15:28:34

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

PROPERTY DESCRIPTION: 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.

PROPERTY REMARKS: PLANNING ACT CONSENT CE79417.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
CONSOLIDATION FROM 75194-0161, 75194-0192

PIN CREATION DATE:
2005/01/05

OWNERS' NAMES
UCG LAND INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2005/01/05 ** **SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO: ** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * ** AND ESCHEATS OR FORFEITURE TO THE CROWN. ** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF ** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY ** CONVENTION. ** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES. **DATE OF CONVERSION TO LAND TITLES: 2001/12/17 ** R4495861969/09/10ORDER R13717641997/01/20TRANSFER 12R211782004/04/15PLAN REFERENCE CE794172004/05/31TRANSFER CE1155502004/11/16APL CONSOLIDATE CE6469862015/02/10CHARGE CE8931132019/06/26DISCH OF CHARGE REMARKS: CE646986. CE8985022019/07/26TRANSFER \$1,250,000 *** DELETED AGAINST THIS PROPERTY *** MORI, LENO *** DELETED AGAINST THIS PROPERTY *** HEATON, BERNARD HEATON, LORI COLLEEN MORI, LENO *** COMPLETELY DELETED *** MORI, LENO *** COMPLETELY DELETED *** MERIDIAN CREDIT UNION LIMITED MORI, LENO MORI, LENO MORI, LENO MERIDIAN CREDIT UNION LIMITED UCG LAND INC. C C C C						

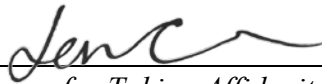
NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
	REMARKS: PLANNING ACT STATEMENTS.					
CE898503	2019/07/26	CHARGE		*** COMPLETELY DELETED *** UCG LAND INC.	MORI, LENO	
CE898514	2019/07/26	CHARGE		*** COMPLETELY DELETED *** UCG LAND INC.	THE TORONTO-DOMINION BANK	
CE926612	2020/01/03	DISCH OF CHARGE		*** COMPLETELY DELETED *** MORI, LENO		
	REMARKS: CE898503.					
12R28142	2020/02/20	PLAN REFERENCE				C
CE957672	2020/08/12	CHARGE		*** COMPLETELY DELETED *** UCG LAND INC.	ROYAL BANK OF CANADA	
CE961834	2020/09/03	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK		
	REMARKS: CE898514.					
CE1043470	2021/11/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
	REMARKS: CE957672.					
CE1043471	2021/11/05	CHARGE		*** COMPLETELY DELETED *** UCG LAND INC.	ROYAL BANK OF CANADA	
CE1111264	2022/11/17	CHARGE		*** COMPLETELY DELETED *** UCG LAND INC.	ROYAL BANK OF CANADA	
CE1161676	2023/11/30	CHARGE	\$20,000,000	UCG LAND INC.	THE BANK OF NOVA SCOTIA	C
CE1161677	2023/11/30	NO ASSGN RENT GEN		UCG LAND INC.	THE BANK OF NOVA SCOTIA	C
	REMARKS: CE1161676					
CE1161935	2023/12/01	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
	REMARKS: CE1043471.					
CE1161936	2023/12/01	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
	REMARKS: CE1111264.					

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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EXHIBIT G

This is **Exhibit “G”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

LAND
REGISTRY
OFFICE #12

75187-0007 (LT)

PAGE 1 OF 2
PREPARED FOR awieringa01
ON 2025/04/28 AT 15:30:23

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

PROPERTY DESCRIPTION: PT LT 9 PL 178 COLCHESTER PT 2 & 3, 12R7446; T/W & S/T R613698; ESSEX AMENDED BY LO 2003/01/21.

PROPERTY REMARKS: RECENTLY 01533-0024.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK & PIN

PIN CREATION DATE:
2001/12/17

OWNERS' NAMES
UCG LAND INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2001/12/14 ** **SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO: ** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * ** AND ESCHEATS OR FORFEITURE TO THE CROWN. ** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF ** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY ** CONVENTION. ** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES. **DATE OF CONVERSION TO LAND TITLES: 2001/12/17 ** R6136981974/10/01TRANSFER*** COMPLETELY DELETED *** 12R74461984/02/13PLAN REFERENCE CE8985022019/07/26TRANSFER\$1,250,000MORI, LENO REMARKS: PLANNING ACT STATEMENTS. CE8985032019/07/26CHARGE*** COMPLETELY DELETED *** UCG LAND INC. CE8985142019/07/26CHARGE*** COMPLETELY DELETED *** UCG LAND INC. CE9266122020/01/03DISCH OF CHARGE*** COMPLETELY DELETED *** MORI, LENO REMARKS: CE898503. CE9576722020/08/12CHARGE*** COMPLETELY DELETED *** UCG LAND INC.						
				MORI, LENO		
					UCG LAND INC.	C
					MORI, LENO	
				THE TORONTO-DOMINION BANK		
					ROYAL BANK OF CANADA	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
CE961834	2020/09/03	DISCH OF CHARGE	\$20,000,000	*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK	ROYAL BANK OF CANADA	C
REMARKS: CE898514.						
CE1043470	2021/11/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
REMARKS: CE957672.						
CE1043471	2021/11/05	CHARGE		*** COMPLETELY DELETED *** UCG LAND INC.		
CE1111264	2022/11/17	CHARGE		*** COMPLETELY DELETED *** UCG LAND INC.		
CE1161676	2023/11/30	CHARGE		UCG LAND INC.		
CE1161677	2023/11/30	NO ASSGN RENT GEN		UCG LAND INC.		
REMARKS: CE1161676						
CE1161935	2023/12/01	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA	THE BANK OF NOVA SCOTIA	C
REMARKS: CE1043471.						
CE1161936	2023/12/01	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
REMARKS: CE1111264.						

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EXHIBIT H

This is **Exhibit “H”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

May 13, 2024

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

Attention: Mr. Robert Haynes

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

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
Director



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

[Signature]

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~~ \$1,100,000 RH of the net cash proceeds are applied to repay outstanding advances under the credit facility.

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.

PREPAYMENT

Floating 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 ~~\$5,750,000~~ ^{\$5,150,000 RH} SC JL)

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 availment 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.

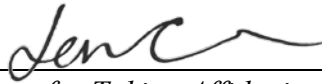
Upon providing a notice of a Discontinuation Event, the obligation of the Bank to make, and the right of the Borrower to continue, Term CORRA Advances or Daily Compounded CORRA Advances shall be suspended.

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.



EXHIBIT I

This is **Exhibit “I”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

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

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 S6 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:

BORROWERS

Upper Canada Growers Ltd.

By: Robert Haynes
Title: President / CEO.
Date: 2024-08-28

By: Megan Haynes
Title: Vice President
Date: 2024-08-28

UCG Land Inc.

By: Robert Haynes
Title: Vice President
Date: 2024-08-28

By: Megan Haynes
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 Haynes
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 Haynes
Title: Secretary
Date: 2024-08-28

EXHIBIT J

This is **Exhibit “J”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

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 Leamington, Ontario

this 29th day of November, 2023.

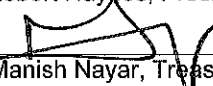
SIGNED SEALED AND DELIVERED

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

EXHIBIT K

This is **Exhibit “K”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen Caruso', written over a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

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,
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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.

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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 Leamington, Ontario

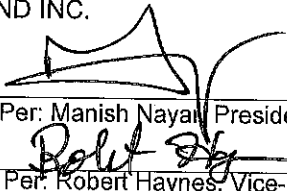
this 29th day of November, 2023.

SIGNED SEALED AND DELIVERED

in the presence of

SIGNATURE AND SEAL

UCG LAND INC.

SIGNATURE Per:  Manish Nayan, President

SIGNATURE Per: Robert Haynes, Vice-President

We have the authority to bind the corporation

SIGNATURE

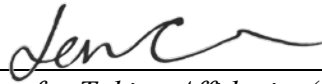
SIGNATURE

SIGNATURE

SIGNATURE

EXHIBIT L

This is **Exhibit “L”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

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.

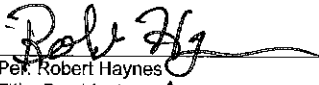
The Customer acknowledges receiving a copy of this Agreement.

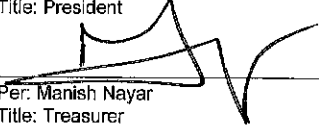
The Customer expressly waives the right to receive a copy of any financing statement or financing change statement which may be registered by the Bank in connection with this Agreement or any verification statement issued with respect thereto where such waiver is not otherwise prohibited by law.

Signed this 29th day of November, 2023 .

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)

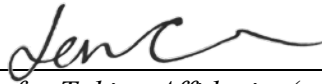
If space is insufficient attach additional page headed Page 2 of Schedule "B".

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

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

EXHIBIT M

This is **Exhibit “M”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

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.

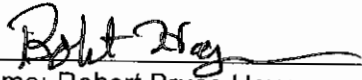
NOW THEREFORE, IN CONSIDERATION OF the advance of the Credit Facilities from the Lender to the Borrower, the Borrower hereby agrees as follows:

- 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.

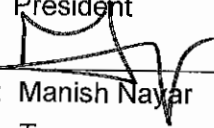
3. Notwithstanding anything contained herein, it is acknowledged and agreed that this Assignment is taken as security for the repayment of the Credit Facilities and that, upon repayment in full of the Credit Facilities (and all other monies owing pursuant to the Commitment Letter and the security granted 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 29th day of November, 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



Mailing Address:
265 Exmouth Street
Sarnia, ON, Canada, N7T5M7

3600 Rhodes Drive
Windsor, ON, Canada N8W 5A4
T: (519) 966-2600
F: (519) 966-6177
www.hubinternational.com

INSURANCE BINDER

Named Insured: Upper Canada Growers Limited & UCG Land Inc.

Locations Insured:

1. 1090 Ridge Road, Harrow, ON N0R1G0
2. 1110 Ridge Road, Harrow, ON N0R1G0
3. 1112 Ridge Road, Harrow, ON N0R1G0
4. 1116 Ridge Road, Harrow, ON N0R1G0
5. 1340 County Road 13, Harrow, ON N0R1G0
6. Vacant Land – Ferris Road (Liability Only)
 - 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
7. Vacant Land – Ferris Road (Liability Only)
 - 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

1st Mortgagee / 1st Loss Payee: The Bank of Nova Scotia – 4715 Tahoe Blvd, Mississauga, ON L4W0B4
Also, as Loss Payee and Additional Insured with Standard Mortgage Clause

Policy Period: May 18, 2023 – 2024

Insurer: Intact Insurance

Policy #: 500807199

Coverage: Farm Policy

1090 Ridge Road, Harrow, ON N0R1G0 – Dwelling	\$317,333
1110 Ridge Road, Harrow, ON N0R1G0 – Dwelling	\$318,512
1340 Ridge Road, Harrow, ON N0R1G0 – Dwelling	\$662,865

Policy Period: May 19, 2023 – 2024

Insurer: Hagelunie

Policy #: 157425378

Coverage: Greenhouse

1110 Ridge Road, Harrow, ON N0R1G0	
Poly Greenhouse (2021)	\$1,406,471
Poly Greenhouse (2023) – Under Construction	\$1,932,950
Tissue Culture Lab & Equipment – Under Construction	\$2,085,533
Warehouse & Office – Under Construction	\$2,750,000
Garage (Main Electrical) – Under Construction	\$125,000



Mailing Address:
265 Exmouth Street
Sarnia, ON, Canada, N7T5M7

3600 Rhodes Drive
Windsor, ON, Canada N8W 5A4
T: (519) 966-2600
F: (519) 966-6177
www.hubinternational.com

1112 Ridge Road, Harrow, ON N0R1G0 (2) Bunkhouse	\$1,250,000
1114 Ridge Road, Harrow, ON N0R1G0 (2) Bunkhouses	\$1,250,000
1116 Ridge Road, Harrow, ON N0R1G0 Warehouse / Cooler & Equipment	\$1,648,282
All Locations – Crop & Business Interruption	\$11,000,000
All Locations – Contingent Business Interruption	\$2,200,000
All Locations – Inventory & Stock	\$500,000
All Locations – Agriculture Produce	\$6,100,000

Insurer:	Novex Insurance Company	
Policy #:	501525658	
Coverage:	Commercial General Liability	\$2,000,000
	Umbrella Liability	\$4,000,000

CONDITIONS: THE ABOVE COVERAGE ARE BOUND IN ACCORDANCE WITH THE TERMS, CONDITIONS AND LIMITATIONS OF THE POLICIES IN CURRENT USE BY THE ABOVE LISTED INSURERS. THIS BINDER WILL CONTINUE IN FORCE UNTIL REPLACED BY A POLICY BUT IN NO EVENT FOR A PERIOD LONGER THAN 30 DAYS FROM THE EFFECTIVE DATE INDICATED ABOVE. ACCEPTANCE OF THE TERMS OF THIS BINDER WILL BE UNDERSTOOD UNLESS THE AGENCY/BROKER INDICATED IS ADVISED IMMEDIATELY TO THE CONTRARY.

AUTHORIZED REPRESENTATIVE

THIS POLICY MAY CONTAIN A CLAUSE WHICH LIMITS THE AMOUNT PAYABLE.



An agency of the Government of Ontario

Coverage Confirmation Production Insurance

UPPER CANADA GROWERS LTD
921 CONCESSION 2 ROAD
NIAGARA ON THE LAKE ON L0S 1J0

Policy: **Fruit**
Program year: 2023
Date: May 4, 2023

Important: This is not an invoice. Please refer to your invoice(s) for any amounts owing.

Section A: Account information

Review the following information to confirm it is accurate. If there are any changes to your information during the program year, call Agricorp immediately at 1-888-247-4999. Any change to your information could affect your coverage and potential claims.

Customer information

Name(s): UPPER CANADA GROWERS LTD

Agricorp ID: A41424409

Use this number when doing business
online, over the phone or through the mail.

Business structure: Corporation

Mailing address: 921 CONCESSION 2 ROAD, NIAGARA ON THE LAKE ON L0S 1J0

Primary business telephone: 289-646-0737

Alternate business telephone: -

Email address: cassidy@uppercanadagrowers.ca

Farm profile

Main business location: ESSEX, TOWN OF, ESSEX, COLCHESTER, Lot 51 Concession 1

Total workable acres: -

Section B: Coverage details

Review the following information to confirm it is accurate. If there are any changes, call Agricorp at 1-888-247-4999 within 10 days of receipt.

Note: Grape claim prices are available on agricorp.com.

Fruit

Commodity and coverage	Coverage level	Claim price	Guaranteed value	Base premium rate (% of liability)	Discount or surcharge	Your premium rate (% of liability)	Total premium
Apples Production loss, Multi peril, Fresh and Juice, Enhanced basic	70%	\$0.51/lb	\$0.00	2.948%	0.00%	2.948%	\$0.00

Trees and vines

Commodity	No. of trees or vines	Coverage level	Claim price (\$/tree or vine)	Guaranteed value	Your premium rate (% of liability)	Total premium
Apple trees	157,379	92.5%	\$16.97	\$2,470,417.51	0%	\$0.00

Section C: Contract of Insurance

The following documents form your Contract of Insurance for the current program year. To obtain copies of the most recent documents, call Agricorp at 1-888-247-4999 or visit agricorp.com/contractofinsurance.

- General Terms
- Commodity-Specific Terms (see agricorp.com/contractofinsurance for commodities you grow)
- Coverage Confirmation

Contact us

1-888-247-4999
agricorp.com
contact@agricorp.com
TTY: 1-877-275-1380
Accessible formats available

EXHIBIT N

This is **Exhibit “N”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

**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.

QUEBEC
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 Harrow this 21st day of November, 2023

Robert Haynes

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.

QUEBEC
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 Harrow this 21st day of November, 2023

DATE RECEIVED

RECORDED

APPROVED

E.O.
AUDITOR

UPPER CANADA GROWERS LTD.

Robert Haynes

SIGNATURE Per: Robert Haynes, President

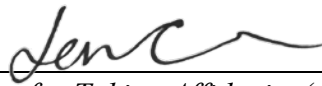
Manish Nayar

Per: Manish Nayar Treasurer

Original signature required on both copies.

EXHIBIT O

This is **Exhibit “O”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

PROMISE TO GIVE SECURITY UNDER SECTION 427

November 29, 2023

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.

UPPER CANADA GROWERS LTD.

SIGNATURE



Per: Robert Haynes, President

Per: Manish Nayar, Treasurer

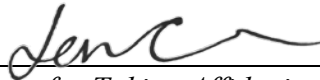
We have the authority to bind the corporation

DATE RECEIVED

RECORDED ----
APPROVED ----
E.O. AUDITOR -----

EXHIBIT P

This is **Exhibit “P”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in dark ink, appearing to read 'Jen C', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

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

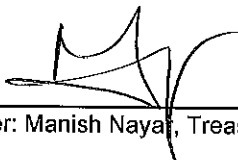
Describe any other
mortgage, lien or
charge

Dated at Harrow, Ontario

the 29th day of November, 2023.

UPPER CANADA GROWERS LTD.


SIGNATURE Per: Robert Haynes, President


Per: Manish Nayar, 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:

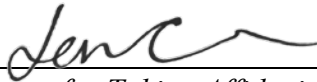
1. PT LT 4 PL 178 COLCHESTER AS IN R843148; ESSEX and being the whole of PIN 75194-0156 (LT).

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.

EXHIBIT Q

This is **Exhibit “Q”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

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Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

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 Harrow, Ontario

this 29th day of November, 2023.

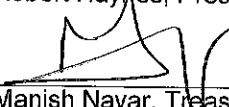
WITNESS

UPPER CANADA GROWERS LTD.

SIGNATURE


Per: Robert Haynes, President

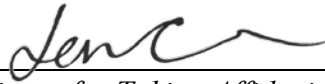
SIGNATURE


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

DATE RECEIVED
RECORDED
APPROVED
E.O.
AUDITOR

EXHIBIT R

This is **Exhibit “R”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

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Commissioner for Taking Affidavits (or as may be)
Jennifer L. Caruso (LSO #79321K)

Confirmation Letter/ Lettre de confirmation

25 York St.
Toronto, ON
M5J2V5

5/5/2025 6:56:03 AM CST/HNC

Attn. / À l'attention de: Dye & Durham

Acct No. / Compte No.: AC1130

Transaction Number / Numéro de transaction: TR590286

RE: Bank Act Security – Section 427, NOI Search

Objet: Garantie en vertu de la Loi sur les banques -
Article 427, NOI Search

Dear Dye & Durham

Bonjour, Dye & Durham

A search has been made of the notices of intention to give security under the Bank Act registered in the province of ON. As at the date and time above, our records indicate the following:

Une recherche a été effectuée dans les avis d'intention de constituer une garantie en vertu de la Loi sur les banques, enregistrés dans la province de ON. À la date et à l'heure susmentionnées, nos dossiers indiquent ce qui suit :

Your search for:

Votre recherche pour :

Debtor Type / Type de débiteur: Company/ Société

Company Name/ Nom de l'entreprise: UPPER CANADA GROWERS LTD.

Province of Registration / Province d'enregistrement: ON

Returns the following results:

Renvoie les résultats suivants :

Registration Number / Numéro d'enregistrement: 01339372

Bank / Banque: THE BANK OF NOVA SCOTIA

Branch / Succursale: BUSINESS SERVICE CENTRE

Registration Date / Date d'enregistrement: 11/23/2023 12:00:00 AM CST/HNC

Expiry Date / Date d'expiration: 12/31/2028 12:00:00 AM

Last Updated On / Dernière mise à jour le:

Last Renewed On / Renouvelé pour la dernière fois le:

Debtor Address / Adresse du débiteur:

921 CONCESSION 2 ROAD NIAGARA-ON-THE-LAKE ON CANADA L0S 1L0

Name / Nom: Upper Canada Growers Ltd.

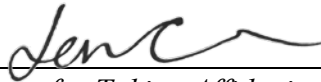


For Registrar / Pour le Registraire

BASR

EXHIBIT S

This is **Exhibit “S”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

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Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

Fasken Martineau DuMoulin LLP

PERSONAL PROPERTY SECURITY ACT (ONTARIO)

SEARCH SUMMARY WITH RESPECT TO:

UPPER CANADA GROWERS LTD.

eSummary Requested By: Corporate Searches
PPSA Enquiry ID: 5248594
File Currency: 27APR 2025

DISCLAIMER:

This report was produced by a compilation of data retrieved from the Personal Property Registration System, Ministry of Government Services, Government of Ontario. Dye & Durham Corporation is not responsible for the accuracy, reliability or currency of the information provided by this external source. The purchaser of this report has agreed with consideration at the time of purchase to assume all liability and further indemnify Dye & Durham Corporation for any and all damages and costs resulting from any matter related to the content of this report. Users wishing to rely upon this information should consult directly with the source of the information. No liability is undertaken by Dye & Durham Corporation regarding the completeness, correctness or the interpretation or use which may be made of this report.

PPSA (ONTARIO) SEARCH SUMMARY
UPPER CANADA GROWERS LTD.

	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
1.	File No. 511008822 PPSA 20241113 1435 1590 5753 Reg. 10 year(s) Expires 13NOV 2034	6	UPPER CANADA GROWERS LTD.	OYA SOLAR INC. C/O 6889 REXWOOD RD UNIT #5 MISSISSAUGA ON L4V 1R2			X	X	X	X	
General Collateral Description: PURSUANT TO A PROMISSORY NOTE AND SUPPORTING GENERAL SECURITY AGREEMENT ENTERED INTO BETWEEN DEBTOR AND CREDITOR.											
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
2.	File No. 504266301 PPSA 20240409 1128 1532 2414 Reg. 04 year(s) Expires 09APR 2028	5	UPPER CANADA GROWERS LTD.	FORD CREDIT CANADA LEASING, DIVISION OF CANADIAN ROAD LEASING COMPANY PO BOX 8651 STN MAIN CONCORD ON L4K 0N8				X		X	X
No Fixed Maturity Date 2024 LINCOLN AVIATOR (VIN: 5LM5J7XC0RGL00369)											
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
3.	File No. 503458983 PPSA 20240313 0857 1590 4337 Reg. 5 year(s) Expires 13MAR 2029	4	UCG LAND INC. UPPER CANADA GROWERS LTD.	THE BANK OF NOVA SCOTIA 4715 TAHOE BLVD. MISSISSAUGA ON L4W 0B4					X	X	
General Collateral Description: GENERAL ASSIGNMENT OF LEASES AND RENTS											
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
4.	File No. 503094186 PPSA 20240229 1003 1462 0688 Reg. 5 year(s)	3	UPPER CANADA GROWERS LTD	KUBOTA CANADA LTD 1155 KUBOTA DRIVE PICKERING ON L1X0H4				X		X	X

PPSA (ONTARIO) SEARCH SUMMARY
UPPER CANADA GROWERS LTD.

Expires 01MAR 2029											
Amount Secured: \$255553											
No Fixed Maturity Date											
2024 KUBOTA #M5N-111HDCC24 (VIN: KBUM6EDCCP8C50927)											
2024 KUBOTA #M5N-111HDCC24 (VIN: KBUM6EDCJP8D50928)											
General Collateral Description: 2024 KUBOTA #M5N-111HDCC24 KBUM6EDCCP8C50927 2024 KUBOTA #M5N-111HDCC24 KBUM6EDCJP8D50928											
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
5.	File No. 502397973 PPSA 20240201 1004 1462 9046 Reg. 5 year(s) Expires 01FEB 2029	2	UPPER CANADA GROWERS LTD	KUBOTA CANADA LTD 1155 KUBOTA DRIVE PICKERING ON L1X0H4			X		X	X	
Amount Secured: \$142273											
No Fixed Maturity Date											
2024 KUBOTA !R640 (VIN: KBC5Z63CPPZH11623)											
General Collateral Description: 2024 KUBOTA !R640 KBC5Z63CPPZH11623											
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
6.	File No. 500604255 PPSA 20231123 1448 1590 9388 Reg. 5 year(s) Expires 23NOV 2028	1	UPPER CANADA GROWERS LTD.	THE BANK OF NOVA SCOTIA 4715 TAHOE BLVD MISSISSAUGA ON L4W 0B4		X	X	X	X	X	
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
7.	File No. 797108067 PPSA 20230912 1703 1462 1482 Reg. 7 year(s) Expires 12SEP	24	UPPER CANADA GROWERS LTD.	TOYOTA INDUSTRIES COMMERCIAL FINANCE CANADA, INC. 630 - 401 THE WEST MALL TORONTO ON M9C5J5			X				

PPSA (ONTARIO) SEARCH SUMMARY
UPPER CANADA GROWERS LTD.

2030												
General Collateral Description: 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)												
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments	
					CG	I	E	A	O	MV		
8.	File No. 796527846 PPSA 20230824 1039 1902 3789 Reg. 05 year(s) Expires 24AUG 2028	21	UPPER CANADA GROWERS LTD. ROBERT B HAYNES (DOB: 30OCT1959) MEGAN L HAYNES (DOB: 05APR1989) JASON R HAYNES (DOB: 05APR1989) MANISH NAYAR (DOB: 14DEC1976)	AGRICULTURAL CREDIT CORPORATION 200 HANLON CREEK BLVD GUELPH ON N1C 0A1			X		X	X		
General Collateral Description: 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)												
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments	
					CG	I	E	A	O	MV		
9.	File No. 793447398 PPSA 20230518 1520 1902 1630 Reg. 06 year(s) Expires 18MAY 2029	19	UPPER CANADA GROWERS LTD	MERIDIAN ONECAP CREDIT CORP. 204 - 3185 WILLINGDON GREEN BURNABY BC V5G 4P3				X		X		
2022 HYUNDAI HX130A LCR (VIN: HHKHE322PE0000103)												
General Collateral Description: 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												
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments	
					CG	I	E	A	O	MV		

PPSA (ONTARIO) SEARCH SUMMARY
UPPER CANADA GROWERS LTD.

10.	File No. 792160236 PPSA 20230406 1003 1462 7537 Reg. 4 year(s) Expires 06APR 2027	17	UPPER CANADA GROWERS LTD	KUBOTA CANADA LTD 1155 KUBOTA DRIVE PICKERING ON L1X0H4			X		X	X	
Amount Secured: \$212646 No Fixed Maturity Date 2021 KUBOTA #M5N-111HDCC24 (VIN: KBUM6EDCPM8B50673) 2023 KUBOTA *M9100 (VIN: 2071696D) 2021 KUBOTA #M5N-111HDCC24 (VIN: KBUM6EDCJL8K50657) 2023 KUBOTA *M9100 (VIN: 42083436A) General Collateral Description: 2021 KUBOTA #M5N-111HDCC24 KBUM6EDCPM8B50673 2023 KUBOTA *M9100 2071696D 2021 KUBOTA #M5N-111HDCC24 KBUM6EDCJL8K50657 2023 KUBOTA *M9100 42083436A											
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
11.	File No. 790928721 PPSA 20230222 1002 1462 9102 Reg. 3 year(s) Expires 22FEB 2026	16	UPPER CANADA GROWERS LTD	KUBOTA CANADA LTD 1155 KUBOTA DRIVE PICKERING ON L1X0H4			X		X	X	
Amount Secured: \$19557 No Fixed Maturity Date 2022 KUBOTA #RTV-X900G (VIN: A5KB2FDBPNG075274) General Collateral Description: 2022 KUBOTA #RTV-X900G A5KB2FDBPNG075274											
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
12.	File No. 790720659 PPSA 20230213 1554 1532 0965 Reg. 05 year(s) Expires 13FEB 2028	15	UPPER CANADA GROWERS LTD.	FORD CREDIT CANADA COMPANY BOX 1800 RPO LAKESHORE WEST OAKVILLE ON L6K 0J8			X		X	X	

PPSA (ONTARIO) SEARCH SUMMARY
UPPER CANADA GROWERS LTD.

No Fixed Maturity Date											
2023 FORD T350HD (VIN: 1FDVU4X81PKA52907)											
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
13.	File No. 789361812 PPSA 20221216 1003 1462 2988 Reg. 6 year(s) Expires 16DEC 2028	14	UPPER CANADA GROWERS LTD	KUBOTA CANADA LTD 1155 KUBOTA DRIVE PICKERING ON L1X0H4			X		X	X	
Amount Secured: \$199068											
No Fixed Maturity Date											
2022 KUBOTA #M7-172D-PS (VIN: KBTMKHSAHMFG11508)											
General Collateral Description: 2022 KUBOTA #M7-172D-PS KBTMKHSAHMFG11508											
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
14.	File No. 777762279 PPSA 20211029 1002 1462 1914 Reg. 5 year(s) Expires 29OCT 2026	13	UPPER CANADA GROWERS LTD	KUBOTA CANADA LTD 5900 14TH AVE MARKHAM ON L3S4K4			X		X	X	
Amount Secured: \$96342											
No Fixed Maturity Date											
2021 KUBOTA #M5N-111HDCC24 (VIN: KBUM6EDCKL8K50656)											
General Collateral Description: 2021 KUBOTA #M5N-111HDCC24 KBUM6EDCKL8K50656											
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
15.	File No. 777762135 PPSA 20211029 1002 1462 1900 Reg. 5 year(s) Expires 29OCT	12	UPPER CANADA GROWERS LTD	KUBOTA CANADA LTD 5900 14TH AVE MARKHAM ON L3S4K4			X		X	X	

PPSA (ONTARIO) SEARCH SUMMARY
UPPER CANADA GROWERS LTD.

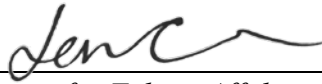
2026												
Amount Secured: \$96342												
No Fixed Maturity Date												
2021 KUBOTA #M5N-111HDCC24 (VIN: KBUM6EDCPM8C50689)												
General Collateral Description: 2021 KUBOTA #M5N-111HDCC24 KBUM6EDCPM8C50689												
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments	
					CG	I	E	A	O	MV		
16.	File No. 777398283 PPSA 20211018 1512 1532 6425 Reg. 05 year(s) Expires 18OCT 2026	11	UPPER CANADA GROWERS LTD.	FORD CREDIT CANADA COMPANY BOX 1800 RPO LAKESHORE WEST OAKVILLE ON L6K 0J8			X		X	X		
No Fixed Maturity Date												
2021 FORD F150 (VIN: 1FTFW1E86MFC83228)												
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments	
					CG	I	E	A	O	MV		
17.	File No. 772773912 PPSA 20210525 1355 1532 5693 Reg. 06 year(s) Expires 25MAY 2027	10	UPPER CANADA GROWERS LTD.	FORD CREDIT CANADA COMPANY PO BOX 2400 EDMONTON AB T5J 5C7			X		X	X		
No Fixed Maturity Date												
2021 FORD EXPLR (VIN: 1FM5K8GC7MGB09157)												
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments	
					CG	I	E	A	O	MV		
18.	File No. 763121394 PPSA 20200629 0813 1532 4123 Reg. 07 year(s) Expires 29JUN 2027	8	MEGAN L HAYNES (DOB: 05APR1989)	FORD CREDIT CANADA COMPANY PO BOX 2400 EDMONTON AB T5J 5C7	X		X		X	X		
No Fixed Maturity Date												

**PPSA (ONTARIO) SEARCH SUMMARY
UPPER CANADA GROWERS LTD.**

2020 FORD EDGE (VIN: 2FMPK3J93LBA65205)										
General Collateral Description: THE FULL DEBTOR NAME IS - MEGAN LINDSAY HAYNES										
20220228 0906 1532 2673 A AMNDMNT	9	MEGAN L HAYNES UPPER CANADA GROWERS LTD.				X		X	X	
Reason for Amendment: RELEASING MEGAN LINDSAY HAYNES ADDING UPPER CANADA GROWERS LTD.										
No Fixed Maturity Date										
File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
				CG	I	E	A	O	MV	
19. File No. 757680048 PPSA 20191118 1159 6005 5733 Reg. 06 year(s) Expires 18NOV 2025	7	UPPER CANADA GROWERS LTD. UPPER CANADA GROWERS	CWB NATIONAL LEASING INC. 1525 BUFFALO PLACE (2962676) WINNIPEG MB R3T 1L9			X				
2011 HYSTER FORKLIFT HY 60FT (VIN: L177V07112J)										
General Collateral Description: AGREEMENT NUMBER 2962676, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.										

EXHIBIT T

This is **Exhibit “T”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)
Jennifer L. Caruso (LSO #79321K)

ACKNOWLEDGEMENT AND POSTPONEMENT

TO: The Bank of Nova Scotia (the “Secured Party”)

AND TO: Miller Thomson LLP, its solicitors

RE: Upper Canada Growers Ltd., Robert B. Haynes, Megan L. Haynes, Jason R. Haynes and Manish Nayar (collectively, the “Debtors”)

THE UNDERSIGNED HEREBY refers to the registrations against the Debtors in favour of the undersigned under the *Personal Property Security Act* (Ontario) (the “PPSA”) including, without limitation, the following registration (the “Existing Registration”):

#	<u>REFERENCE FILE NO.</u>	<u>REGISTRATION NO.</u>	<u>DATE OF REGISTRATION</u>	<u>EXPIRY DATE</u>
1.	796527846	20230824 1039 1902 3789	August 24, 2023	August 24, 2028

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby confirms and agrees with the Secured Party as follows:

1. The Existing Registration relates solely to the collateral described on Schedule “A” attached hereto (the “**ACC Collateral**”) and the undersigned has no security interests in any other present or after acquired property or assets of the Debtors.
2. The undersigned will not assert any priority based upon the Existing Registration with respect to any present or after acquired property or assets of the Debtors other than in respect of the ACC Collateral.
3. The undersigned will not rely on or shelter under the Existing Registration, or any amendments thereto or renewals or replacements thereof, to perfect a security interest in, or claim an unperfected security interest in, any present or after-acquired property (other than the ACC Collateral) of, or in respect of any other present or future obligations of, the Debtors.
4. The undersigned hereby postpones and subordinates the Existing Registration and any other security interest which the undersigned may hereafter hold in the present or after acquired property or assets of the Debtors in all respects to the Secured Party except for the ACC Collateral.
5. The undersigned hereby further acknowledges and agrees that the postponement and subordination of the Existing Registration will entitle the Secured Party to receive, in priority to the undersigned, the proceeds of seizure, sale, destruction, disposition or realization in any form, of any present or after acquired property or assets of the Debtors (other than the ACC Collateral) including, but not limited to, any insurance proceeds.
6. The undersigned hereby further acknowledges and agrees that, notwithstanding its retained priority over the ACC Collateral, it shall have no right to require that the Secured Party pay funds that the Debtors have deposited to the Secured Party to the undersigned,

notwithstanding that the undersigned may believe such funds, or a portion thereof, to be proceeds from the sale or use of ACC Collateral.

7. The undersigned hereby consents to the creation, issuance, and registration by the Debtors to the Secured Party in the present and after acquired property and assets of the Debtors to secure the Debtors' obligations to the Secured Party.
8. The undersigned has not assigned or encumbered the ACC Collateral or the Existing Registration.
9. The undersigned hereby undertakes and agrees to provide such further and other assurances as may be reasonably required by the Secured Party from time to time to give effect to the within postponement.
10. This Acknowledgment & Postponement may be executed and delivered by electronic means and the Secured Party and the Debtors may rely on such electronic execution as though it were an original hand-written signature.

THIS ACKNOWLEDGEMENT AND POSTPONEMENT shall be binding upon the undersigned and its successors and assigns and shall enure to the benefit of the Secured Party and its successors and assigns.

DATED this 21st day of November, 2023.

**AGRICULTURAL CREDIT
CORPORATION**

Per: _____

Rob Csanyi

Name: Rob Csanyi

Title: Director of Credit & Lending Services

Per: _____

Name:

Title:

I/we have the authority to bind the Corporation

SCHEDULE "A"

1. A security interest in all present and future deciduous tree crops of the Debtor, including all proceeds thereof, for which a cash advance payment was issued by the Creditor 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 Debtor whether or not harvested, and whether or not attached by root to the land of the Debtor.
2. A security interest in all proceeds made payable to the Debtor under the Business Risk Management Program (BRM).

EXHIBIT U

This is **Exhibit “U”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

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.

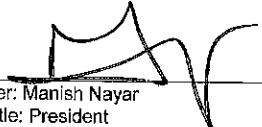
The Customer expressly waives the right to receive a copy of any financing statement or financing change statement which may be registered by the Bank in connection with this Agreement or any verification statement issued with respect thereto where such waiver is not otherwise prohibited by law.

Signed this 29th day of November, 2023 .

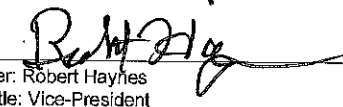
Customer: UCG LAND INC.

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:

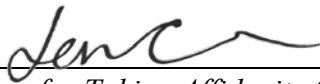
1. PT LT 4 PL 178 COLCHESTER AS IN R843148; ESSEX and being the whole of PIN 75194-0156 (LT).

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.

EXHIBIT V

This is **Exhibit “V”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

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;

- (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 29th day of November, 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; TW & 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



Mailing Address:
265 Exmouth Street
Sarnia, ON, Canada, N7T5M7

3600 Rhodes Drive
Windsor, ON, Canada N8W 5A4
T: (519) 966-2600
F: (519) 966-6177
www.hubinternational.com

INSURANCE BINDER

Named Insured: Upper Canada Growers Limited & UCG Land Inc.

Locations Insured:

1. 1090 Ridge Road, Harrow, ON N0R1G0
2. 1110 Ridge Road, Harrow, ON N0R1G0
3. 1112 Ridge Road, Harrow, ON N0R1G0
4. 1116 Ridge Road, Harrow, ON N0R1G0
5. 1340 County Road 13, Harrow, ON N0R1G0
6. Vacant Land – Ferris Road (Liability Only)
 - 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
7. Vacant Land – Ferris Road (Liability Only)
 - 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

1st Mortgagee / 1st Loss Payee: The Bank of Nova Scotia – 4715 Tahoe Blvd, Mississauga, ON L4W0B4
Also, as Loss Payee and Additional Insured with Standard Mortgage Clause

Policy Period: May 18, 2023 – 2024

Insurer: Intact Insurance

Policy #: 500807199

Coverage: Farm Policy

1090 Ridge Road, Harrow, ON N0R1G0 – Dwelling	\$317,333
1110 Ridge Road, Harrow, ON N0R1G0 – Dwelling	\$318,512
1340 Ridge Road, Harrow, ON N0R1G0 – Dwelling	\$662,865

Policy Period: May 19, 2023 – 2024

Insurer: Hagelunie

Policy #: 157425378

Coverage: Greenhouse

1110 Ridge Road, Harrow, ON N0R1G0	
Poly Greenhouse (2021)	\$1,406,471
Poly Greenhouse (2023) – Under Construction	\$1,932,950
Tissue Culture Lab & Equipment – Under Construction	\$2,085,533
Warehouse & Office – Under Construction	\$2,750,000
Garage (Main Electrical) – Under Construction	\$125,000



Mailing Address:
265 Exmouth Street
Sarnia, ON, Canada, N7T5M7

3600 Rhodes Drive
Windsor, ON, Canada N8W 5A4
T: (519) 966-2600
F: (519) 966-6177
www.hubinternational.com

1112 Ridge Road, Harrow, ON N0R1G0 (2) Bunkhouse	\$1,250,000
1114 Ridge Road, Harrow, ON N0R1G0 (2) Bunkhouses	\$1,250,000
1116 Ridge Road, Harrow, ON N0R1G0 Warehouse / Cooler & Equipment	\$1,648,282
All Locations – Crop & Business Interruption	\$11,000,000
All Locations – Contingent Business Interruption	\$2,200,000
All Locations – Inventory & Stock	\$500,000
All Locations – Agriculture Produce	\$6,100,000

Insurer:	Novex Insurance Company	
Policy #:	501525658	
Coverage:	Commercial General Liability	\$2,000,000
	Umbrella Liability	\$4,000,000

CONDITIONS: THE ABOVE COVERAGE ARE BOUND IN ACCORDANCE WITH THE TERMS, CONDITIONS AND LIMITATIONS OF THE POLICIES IN CURRENT USE BY THE ABOVE LISTED INSURERS. THIS BINDER WILL CONTINUE IN FORCE UNTIL REPLACED BY A POLICY BUT IN NO EVENT FOR A PERIOD LONGER THAN 30 DAYS FROM THE EFFECTIVE DATE INDICATED ABOVE. ACCEPTANCE OF THE TERMS OF THIS BINDER WILL BE UNDERSTOOD UNLESS THE AGENCY/BROKER INDICATED IS ADVISED IMMEDIATELY TO THE CONTRARY.

AUTHORIZED REPRESENTATIVE

THIS POLICY MAY CONTAIN A CLAUSE WHICH LIMITS THE AMOUNT PAYABLE.

EXHIBIT W

This is **Exhibit “W”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

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 Harrow this 21st day of November, 2023

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.

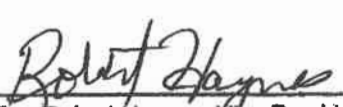
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ONLY

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Les parties ont exigé que cet avis et tous les documents y afférents soient rédigés en anglais.

Dated at Harrow this 21st day of November, 2023

UCG LAND INC.


SIGNATURE Per Manish Nayar, President


Per: Robert Haynes, Vice-President

Original signature required on both copies.

DATE RECEIVED

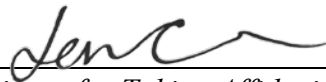
RECORDED

APPROVED

E.O.
AUDITOR

EXHIBIT X

This is **Exhibit “X”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

PROMISE TO GIVE SECURITY UNDER SECTION 427

November 29, 2023

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 ----

EXHIBIT Y

This is **Exhibit “Y”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', written over a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

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

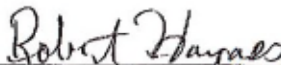
Describe any other
mortgage, lien or
charge

Dated at Harrow, Ontario

the 29th day of November, 2023.

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:

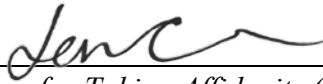
1. PT LT 4 PL 178 COLCHESTER AS IN R843148; ESSEX and being the whole of PIN 75194-0156 (LT).

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.

EXHIBIT Z

This is **Exhibit “Z”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in dark ink, appearing to read 'Jen C', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

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 Harrow, Ontario

this 29th day of November, 2023.

WITNESS

UCG LAND INC.

SIGNATURE

Per: Manish Nayar, President

SIGNATURE

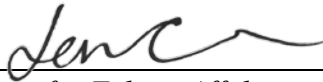
Per: Robert Haynes, Vice-President

We have the authority to bind the corporation

DATE RECEIVED
RECORDED
APPROVED
E.O.
AUDITOR

EXHIBIT AA

This is **Exhibit “AA”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

Confirmation Letter/ Lettre de confirmation

25 York St.
Toronto, ON
M5J2V5

5/5/2025 6:55:26 AM CST/HNC

Attn. / À l'attention de: Dye & Durham

Acct No. / Compte No.: AC1130

Transaction Number / Numéro de transaction: TR590283

RE: Bank Act Security – Section 427, NOI Search

Objet: Garantie en vertu de la Loi sur les banques -
Article 427, NOI Search

Dear Dye & Durham

Bonjour, Dye & Durham

A search has been made of the notices of intention to give security under the Bank Act registered in the province of ON. As at the date and time above, our records indicate the following:

Une recherche a été effectuée dans les avis d'intention de constituer une garantie en vertu de la Loi sur les banques, enregistrés dans la province de ON. À la date et à l'heure susmentionnées, nos dossiers indiquent ce qui suit :

Your search for:

Votre recherche pour :

Debtor Type / Type de débiteur: Company/ Société

Company Name/ Nom de l'entreprise: UCG LAND INC.

Province of Registration / Province d'enregistrement: ON

Returns the following results:

Renvoie les résultats suivants :

Registration Number / Numéro d'enregistrement: 01339373

Bank / Banque: THE BANK OF NOVA SCOTIA

Branch / Succursale: BUSINESS SERVICE CENTRE

Registration Date / Date d'enregistrement: 11/23/2023 12:00:00 AM CST/HNC

Expiry Date / Date d'expiration: 12/31/2028 12:00:00 AM

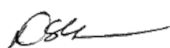
Last Updated On / Dernière mise à jour le:

Last Renewed On / Renouvelé pour la dernière fois le:

Debtor Address / Adresse du débiteur:

144 FRONT STREET WEST, SUITE 700 TORONTO ON CANADA M5J 2L7

Name / Nom: UCG Land Inc.

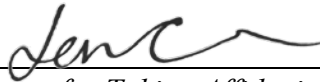


For Registrar / Pour le Registraire

BASR

EXHIBIT BB

This is **Exhibit “BB”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

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Commissioner for Taking Affidavits (or as may be)
Jennifer L. Caruso (LSO #79321K)

Fasken Martineau DuMoulin LLP

PERSONAL PROPERTY SECURITY ACT (ONTARIO)

SEARCH SUMMARY WITH RESPECT TO:

UCG LAND INC.

eSummary Requested By: Corporate Searches
PPSA Enquiry ID: 5248591
File Currency: 27APR 2025

DISCLAIMER:

This report was produced by a compilation of data retrieved from the Personal Property Registration System, Ministry of Government Services, Government of Ontario. Dye & Durham Corporation is not responsible for the accuracy, reliability or currency of the information provided by this external source. The purchaser of this report has agreed with consideration at the time of purchase to assume all liability and further indemnify Dye & Durham Corporation for any and all damages and costs resulting from any matter related to the content of this report. Users wishing to rely upon this information should consult directly with the source of the information. No liability is undertaken by Dye & Durham Corporation regarding the completeness, correctness or the interpretation or use which may be made of this report.

PPSA (ONTARIO) SEARCH SUMMARY
UCG LAND INC.

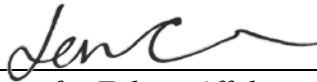
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
1.	File No. 511008831 PPSA 20241113 1435 1590 5754 Reg. 10 year(s) Expires 13NOV 2034	8	UCG LAND INC.	OYA SOLAR INC. C/O 6889 REXWOOD RD UNIT #5 MISSISSAUGA ON L4V 1R2			X	X	X	X	
General Collateral Description: PURSUANT TO THE SHAREHOLDERS' AGREEMENT OF THE DEBTOR, AS AMENDED AND SUPPLEMENTED FROM TIME TO TIME.											
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
2.	File No. 503458983 PPSA 20240313 0857 1590 4337 Reg. 5 year(s) Expires 13MAR 2029	7	UCG LAND INC. UPPER CANADA GROWERS LTD.	THE BANK OF NOVA SCOTIA 4715 TAHOE BLVD. MISSISSAUGA ON L4W 0B4					X	X	
General Collateral Description: GENERAL ASSIGNMENT OF LEASES AND RENTS											
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
3.	File No. 500604282 PPSA 20231123 1448 1590 9390 Reg. 5 year(s) Expires 23NOV 2028	2	UCG LAND INC.	THE BANK OF NOVA SCOTIA 4715 TAHOE BLVD MISSISSAUGA ON L4W 0B4					X	X	
General Collateral Description: GENERAL ASSIGNMENT OF RENTS AND LEASES											
	20240320 1120 1590 5233 F PRT DSC	3	UCG LAND INC.								
General Collateral Description: PARTIAL RELEASE AND DISCHARGE OF GENERAL ASSIGNMENT OF RENTS AS IT RELATES TO THE PROPERTY LEGALLY DESCRIBED AS PART OF LOT 12 2ND RANGE OF THE GORE, BEING PT 1 ON PL 12R29471, TOWN OF ESSEX AND BEING PART OF PIN 75199-0257(LT) IN LAND REGISTRY OFFICE NO. 12											

PPSA (ONTARIO) SEARCH SUMMARY
UCG LAND INC.

20240930 1612 1590 0289	5	UCG LAND INC.										
F PRT DSC												
General Collateral Description: 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												
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments	
					CG	I	E	A	O	MV		
4.	File No. 500604273 PPSA 20231123 1448 1590 9389 Reg. 5 year(s) Expires 23NOV 2028	1	UCG LAND INC.	THE BANK OF NOVA SCOTIA 4715 TAHOE BLVD MISSISSAUGA ON L4W 0B4		X	X	X	X	X		

EXHIBIT CC

This is **Exhibit “CC”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

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Commissioner for Taking Affidavits (or as may be)
Jennifer L. Caruso (LSO #79321K)

Properties

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

NameUCG LAND INC.

Address for Service144 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)CapacityShare

NameTHE BANK OF NOVA SCOTIA

Address for Service4715 Tahoe Blvd., Mississauga, Ontario, L4W 0B4

Provisions

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

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.

Signed By

Farah Alyasa Rohoman	255 Queens Ave., Suite 2010 London N6A 5R8	acting for Chargor(s)	Signed	2023 11 28

Tel 519-931-3500

Fax 519-858-8511

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

Submitted By

MILLER THOMSON LLP	255 Queens Ave., Suite 2010 London N6A 5R8	2023 11 30

Tel 519-931-3500

Fax 519-858-8511

Fees/Taxes/Payment

Statutory Registration Fee	\$69.95
Total Paid	\$69.95

File Number

Chargee Client File Number :	0084265.85

EXHIBIT DD

This is **Exhibit “DD”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

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Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)



Form 2 – Land Registration Reform Act.

B

1111

[illegible]

LAND REGISTRATION REFORM ACT

SET OF STANDARD CHARGE TERMS NO. 201809

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SECTION 1 DEFINITIONS

- 1.01 In this set of Standard Charge Terms, the following terms have the following meanings:
- (a) **Agreement(s)** means all of the contracts, credit agreements, companion booklets, promissory notes, bills, guarantees, notices or other documents, present or future, and all renewals, extensions, amendments, restatements, replacements and substitutions relating to any of them, and in each case entered into, or otherwise approved by you and us, and which by their terms are intended to be secured by a mortgage on the Property.
 - (b) **Buildings** means all buildings and Improvements covered by the Charge, as set out in Section 2, whether presently existing or built in the future, both during construction and afterwards.
 - (c) **Charge** means, for the non-electronic paper based registration system, the Form 2 Charge/Mortgage of Land, or, for the electronic registration system, the charge prepared in electronic format and registered electronically pursuant to the provisions of the *Land Registration Reform Act*, as well as any attached schedules and this set of Standard Charge Terms.
 - (d) **Condominium Corporation** means any condominium corporation of which the Property is a part.
 - (e) **Costs and Servicing Fees** means all costs and servicing fees referred to in the Charge or the Agreements including without limitation costs and servicing fees under the headings **Costs and Servicing Fees** and **Additional Costs and Servicing Fees** covered below.
 - (f) **Improvement** means any construction, erection, remodeling, rebuilding, installation, alteration, addition, change, tear down, renovation, repair or demolition on, of or to your Property or a part of your Property.
 - (g) **Judgment** has the meaning assigned to it in Subsection 15.08.
 - (h) **Obligations Secured** means all debts, liabilities and other obligations, present or future, absolute or contingent, matured or not, at any time owing by you to us or remaining unpaid by you to us, and wherever incurred and whether incurred by you alone or with others and whether as principal or surety, and which arise pursuant to the Agreements and/or this Charge.
 - (i) **Person** means a natural person or any other legal entity such as a corporation.
 - (j) **Principal Amount** means the amount specified as the Principal Amount or as the Principal in the Charge, which is the maximum amount of Obligations Secured secured by the Charge.
 - (k) **Property** means the lands described under the heading Description or Properties in the Charge and everything else included under the heading **Description of Property Charged** in Section 2.
 - (l) **Standard Charge Terms** means this set of standard charge terms.
 - (m) **We, our and us** means Scotiabank or The Bank of Nova Scotia, the Chargee including our successors and assigns, and, as appropriate, any of our subsidiaries. Scotiabank acts as an agent for Scotia Mortgage Corporation, a wholly owned subsidiary. Any of our subsidiaries such as Scotia Mortgage Corporation, may act as our agent. Dealing with them is the same as dealing with us.
 - (n) **You and your** mean each and every Person who has signed or is bound by the Charge as Chargor and anyone who has signed the Agreements.

1.02 The Charge is made pursuant to the ***Mortgages Act (Ontario)***. **If the Charge is Canada Mortgage and Housing Corporation (CMHC) insured, or insured by any other third party provider of similar insurance, it is made according to the *National Housing Act (Canada)*.**

1.03 Any reference to signing the Charge means signing the Form 2 Charge/Mortgage of Land or a schedule to it for non-electronic paper based registration, or signing an acknowledgement and direction or any schedule to it for electronic registration. References to sections refer to sections of this set of Standard Charge Terms. **Any reference to an Act in this Charge includes any amendment, replacement, or re-enactment of that Act.**

1.04 For the purposes of these Standard Charge Terms and subject to Section 13.01, each loan that is made or provided to you under an Agreement will be treated as a separate and distinct loan. If this Charge secures any mortgage loan(s) insured by mortgage default insurance (including without limitation any mortgage default insurance obtained by us after a mortgage loan is advanced), no further advances or re-advances on such insured mortgage loan(s) are permitted.

SECTION 2 DESCRIPTION OF PROPERTY CHARGED

2.01 The Property, including any Buildings and any other property that is at any time attached or affixed to the land or Buildings, including without limitation any fixtures or Improvements, and all other associated rights including easements and rights-of-way and all related rents and profits are charged by this Charge.

SECTION 3 WHAT THE CHARGE DOES

3.01 By signing this Charge, you charge your entire interest in the Property to us and to anyone to whom the Charge is transferred in any way, as security for the performance and payment to us, on demand, of the Obligations Secured up to the Principal Amount. The preceding sentence does not include the final day of any lease.

3.02 The Charge secures a current or running account. The Charge is not satisfied or discharged by any intermediate payment of all or part of the Obligations Secured but remains a continuing security for payment and performance of the Obligations Secured, notwithstanding any change in the amount, nature or form of the Obligations Secured or any renewal,

extension, amendment, replacement, restatement or substitution of the Agreements.

3.03 Our charge upon your interest in the Property, subject to the Charge and Agreements, will end when:

- (a) you have repaid and performed the Obligations Secured including without limitation all amounts to which we may become entitled under the Charge;
- (b) you have done everything else you have promised to do in the Charge and the Agreements; and
- (c) we have signed and delivered to you a discharge of the Charge.

3.04 You may remain in possession of the Property in accordance with the Charge and the Agreements. We can take any steps necessary to protect the entire interest you have charged to us and you authorize us and agree that we may, on your behalf, execute and/or register any documents necessary to give effect to your charging your entire interest to us. This includes, but is not limited to, rectifying clerical errors.

3.05 You agree to perform all of your obligations and to pay in accordance with the Agreements and this Charge all amounts including without limitation all Costs and Servicing Fees and other amounts due to us under this Charge or under any of the Agreements, and all interest, including without limitation compound interest, accruing on the Obligations Secured from time to time. These amounts are secured by this Charge and form part of the Obligations Secured.

3.06 You agree that all payments that you make to us or that we ask you to make will be made in full without any set off, abatement, counterclaim, deduction or withholding whatsoever. You agree that you do not have a right to cancel, offset or reduce any payment or debt by any amount we owe you.

SECTION 4 NO OBLIGATION TO ADVANCE

4.01 If we decide, for any reason, that we do not wish to lend you any money or more money, or provide other forms of credit to you, then we do not have to do so, even though the Charge is prepared, signed or registered, and whether or not any amounts have already been advanced. However, by signing the Charge you charge all of your entire interest in the Property to us. You will, immediately, pay our Costs and Servicing Fees, including without limitation investigating the title to the Property and preparing and registering the Charge.

SECTION 5 YOUR TITLE TO THE PROPERTY

5.01 If you are the owner of the Property, you promise and declare that, as of the date of this Charge and as at each subsequent advance of the Obligations Secured:

- (a) you are the registered legal owner and beneficial owner of the Property and have good and marketable freehold title to the Property;
- (b) you have the right to give us the Charge and to enter into the Agreements;
- (c) there are no encumbrances or other claims or interests on the title to the Property other than those disclosed on the registered title to the Property; and
- (d) there are no limitations or restrictions on your title to the Property except building by-laws, zoning regulations and registered restrictions, all of which have been and will continue to be complied with.

5.02 If you are a tenant of the Property, you promise and declare that, as of the date of this Charge and as at each subsequent advance of the Obligations Secured:

- (a) the Property is leased to you under a lease, a copy of which you have provided to us;
- (b) the lease is a binding and existing lease and all information you have provided to us concerning it is true;
- (c) all rents payable and other amounts due under the lease have been paid;
- (d) you have permission or the right to assign, sublease and mortgage or charge the lease; and
- (e) except as expressed in the lease, there are no limitations, restrictions or encumbrances on your interest under the lease other than building by-laws, zoning regulations and registered restrictions, all of which have been and will continue to be complied with.

5.03 You agree not to further transfer, mortgage, charge, hypothecate, lease or encumber the Property without our prior written consent.

5.04 You promise not to do anything that will interfere with our charge upon your interest in the Property and you agree to sign any documents or do anything further that we think is necessary to charge to us your interest in the Property.

5.05 If we agree in writing that the Charge is not a first charge on the Property, you agree not to increase the principal amount owing under any prior charge or to re-borrow any amount repaid under any prior charge without first obtaining our written approval, unless the prior charge is held by us. We may withhold our approval for any reason. You promise not to default under any prior charge. You consent to us giving notice to the holder of any other charge on the Property of the existence of this Charge and of all the terms of this Charge and the Agreements.

SECTION 6 YOUR RESPONSIBILITIES

6.01 Payment

- (a) You agree to pay us the Obligations Secured on demand, and to comply with all your other obligations under this Charge and under the Agreements.

6.02 Insurance

- (a) You will insure without delay and keep insured in our favour and until the Charge is discharged the Buildings against loss or damage by fire and other perils usually covered by a standard extended coverage insurance policy and against any other perils we request from time to time (including without limitation earthquake insurance).
- (b) Such insurance must be provided by a company approved by us for the full replacement cost of the Buildings (the maximum amount for which the Buildings can be insured) in Canadian dollars. Your policy must be in a form satisfactory to us and must include extended perils coverage and the Canadian standard mortgage clause satisfactory to us stating that loss under the policy is payable to us. You shall, at our request, transfer to us all insurance policies and receipts of payment you have on the Buildings and any proceeds from that insurance. Co-insurance is not permitted.
- (c) In our opinion, if you do not comply with this Subsection 6.02 before your insurance expires or is terminated, or if you do not:
 - (i) maintain insurance on the Buildings; or
 - (ii) deliver a copy of any insurance policy and/or receipt of payment to us within five (5) calendar days after we make a request; or
 - (iii) provide us with evidence of any renewal or replacement of the insurance or insurance broker at least thirty (30) calendar days before your insurance expires or is terminated; or
 - (iv) provide us with a policy that contains an assurance by the insurer to notify us in writing not less than thirty (30) calendar days prior to any material change, cancellation, failure to renew or termination of any policy;
 we can, but are not obliged to, insure any of the Property or Buildings.
- (d) We may take out insurance under an individual policy or the Property may be insured under a blanket insurance policy issued to us. If we take out such insurance, we will insure the Property only for the amount owing under the Obligations Secured. You will pay our Costs and Servicing Fees as set out in Subsection 6.02(n).
- (e) If the insurance you obtain is not acceptable to us in our reasonable estimation, we can require you to replace it with insurance which is acceptable.
- (f) If the Property includes a condominium unit, you will ensure the full compliance by the Condominium Corporation with its duties and obligations under the *Condominium Act*, 1998 (Ontario) and the declaration and by-laws of the Condominium Corporation. You will also ensure that the Condominium Corporation will at all times comply with the terms of all insurance policies, the insurance provisions of the Condominium Corporation's declaration and any insurance trust agreement. You will also ensure that the insurance taken out by the Condominium Corporation complies with the obligations of this Subsection 6.02. Furthermore, you will ensure that the Condominium Corporation assigns and delivers to us certificates of insurance or, if required by us, certified copies of each insurance policy, as soon as possible after placing the required insurance.
- (g) If the Property includes a condominium unit, in addition to the insurance which the Condominium Corporation must obtain, you must:
 - (i) insure your condominium unit;
 - (ii) insure all improvements which you or previous owners have made to your condominium unit;
 - (iii) insure your common or other interest in the Buildings (whether presently existing or built in the future, both during construction and afterwards) which are part of the condominium property or assets of the Condominium Corporation, if the Condominium Corporation fails to insure the Buildings or assets as required or if we require you to do so; and
 - (iv) assign your insurance policies to us and (as far as permitted by law) your interest in the policies held by the Condominium Corporation.
- (h) Insurance proceeds may, to the extent permitted by law, in whole or in part and at our sole discretion, be:
 - (i) applied to rebuild or repair the Property;
 - (ii) paid to you or paid to any other Person who owns or did own the Property, as established by the registered title to the Property; or
 - (iii) applied to reduce any part of the Obligations Secured, whether due or not yet due.
- (i) You will not take or fail to take any action that may jeopardize insurance coverage for the Property without our prior written consent, including without limitation leaving the Property unoccupied in contravention of any insurance policy(ies) applicable to the Property. If you are in default under the Charge, the Agreements or the Obligations Secured and if we post a notice on the Property requesting that you contact us and you fail to do so within five (5) calendar days following posting of the notice, you agree that you will be deemed to have left the Property unoccupied for the applicable period and we shall be at liberty to enter or take possession of the Property, at our option, and if we do enter or take possession, that we are not and shall not be deemed to be a mortgagee in possession.
- (j) All policies of insurance must show any loss payable:

- (i) to us;
 - (ii) to a trustee approved in writing by us pursuant to an insurance trust agreement approved by us; or
 - (iii) to both (if the Property includes a condominium unit).
- (k) The terms of any insurance trust agreements, once approved in writing by us, may not be altered without our further written approval.
- (l) The Charge also charges all insurance proceeds as security for the Obligations Secured. If the Property includes a condominium unit, the Charge also charges your interest in any insurance trust and any insurance proceeds relating to the Property held by the trustee.
- (m) If there is any loss or damage to the Property, you must furnish at your own expense all necessary proofs of claims and do all necessary acts to enable us to obtain payment of the insurance proceeds. You also empower us to complete and file any necessary proofs of claims or loss on your behalf. Production of the Charge will be sufficient authority for the insurer to pay any loss to us.
- (n) You will immediately pay our Costs and Servicing Fees related to and with respect to insurance, including without limitation investigating any insurance matters, administering insurance cancellations, paying insurance premiums, dealing with insurance claims or taking out any insurance under an individual or blanket insurance policy issued to us. You will pay our Costs and Servicing Fees immediately. If you do not, we may declare that you are in default of this Charge or add these amounts to your Obligations Secured, or do both. If we add these amounts to your Obligations Secured, interest will be charged at the interest rate provided for in the applicable Agreement until they are repaid.

6.03 Taxes

- (a) You will make tax payments to us in accordance with this Subsection 6.03 on account of the property taxes payable on your Property so that we may pay the taxes when they become due.
- (b) We can deduct from any advance of the Obligations Secured enough money to pay all taxes due which have not been paid.
- (c) The tax payments will be made on the same dates that your regular mortgage loan payments are to be paid to us. Your tax installments will consist of the estimated annual taxes divided by the number of regular mortgage loan payments you are required to make annually. We may change the amount of the tax payments you make and the frequency of the tax installments from time to time to reflect changes in the annual taxes on your Property or to reflect an amount that exceeds our estimate of your taxes.
- (d) The tax payments should enable us to pay all taxes on or before the annual due date for the taxes. If your taxes are payable in installments, the tax payments should enable us to pay each and every installment of taxes on your Property on or before the date on which the final installment is due.
- (e) If, however, the annual due date or the final installment date for the payment of your taxes is less than one year from the interest adjustment date indicated in the applicable Agreement, you will pay us equal tax payments during that period and during the next 12 months. These equal tax payments will be based on our estimate of the total taxes payable for both periods so that we will receive enough money from you to pay all taxes for both of those periods.
- (f) You will send us immediately upon their receipt, all assessment notices, tax bills or tax notices which you receive. Failure to do so may result in additional charges or fees from the taxing authority.
- (g) We may estimate your Property taxes for the year based on information received from you. We may revise the estimate from time to time. You will pay to us on demand any amount by which the actual taxes on your Property exceed our estimate of your taxes or exceed the amount we have accumulated to pay your taxes and failure to do so may result in additional charges, fees or penalties from the taxing authority. Or, at our option, we may increase the tax payment to cover this amount. You will be responsible for any additional charges, fees or penalties from the taxing authority.
- (h) We will pay your taxes from the tax payments we receive from you as long as you are not in default under this Charge. We are not obliged to make tax payments on the due dates or more often than once a year. If you have not paid us enough for taxes, we may still pay the taxes. This will create a debit balance in your tax account. Any debit balance is immediately payable by you. Until paid, any debit balance will be added to the Obligations Secured and will be a charge against your Property. We are under no obligation to advise you that a debit balance has been created. We will charge you interest on the debit balance in your tax account at the interest rate provided for in the applicable Agreement until the debit balance is paid to us in full.
- (i) We will pay you interest on any credit balance in your tax account. The interest we pay will not be less than that paid by The Bank of Nova Scotia on their savings-chequing accounts with the same credit balance.
- (j) We may apply the money in your tax account towards payment of any amount you owe in connection with the Obligations Secured that you fail to pay us when it is due.
- (k) We may agree not to require you to make property tax payments through us. If this is the case, you agree to pay all taxes directly to the taxing authority when due and to provide us with a copy of a receipt or other acceptable evidence of payment within thirty (30) days after the due date. We may also verify payment of property taxes

directly with the taxing authority. Despite our agreeing not to require you to make property tax payments through us, we can, on notice, at any time, require you to make tax payments to us in accordance with this Subsection 6.03 on account of the property taxes payable on your Property so that we may pay the taxes when they become due. You agree to execute all necessary documents required by us.

- (l) Whether the taxes are paid through us or by you, you will immediately pay our Costs and Servicing Fees related to and with respect to taxes, including without limitation collecting money for and paying your property taxes, amounts charged by the taxing authority for providing information about your property taxes, for sending us your property tax invoices or for accepting property tax payments from us on your behalf. You will pay our Costs and Servicing Fees immediately. If you do not, we may declare that you are in default of this Charge or add these amounts to your tax account, or do both. If we add these amounts to your tax account, interest will be charged at the interest rate provided for in the applicable Agreement until they are repaid. If you do not have a tax account, we may add these amounts to your Obligations Secured and interest will be charged at the interest rate provided for in the applicable Agreement until they are repaid.

6.04 Other Charges

- (a) You agree to pay all taxes, charges, mortgages, liens, common expenses, contributions, levies, assessments, claims and other encumbrances on the Property when they are due. If you do not pay any of these amounts when they are due, we can pay them. We can also, without prior notice to you, pay off any liens, common expenses contributions, levies, assessments, claims or encumbrances against your Property which we consider to have priority over the Charge. If your obligation under the Charge is to comply with an obligation to another Person, and the other Person claims that you have not complied, we can do what we choose to cause compliance as if such claim is valid and even if you dispute it. We are entitled to rely on any statement we receive for the purpose of making any payment required to protect our interest in your Property and will not be required to undertake any further investigation. These statements will be considered conclusive evidence of the amount owing.
- (b) If we pay on your behalf any taxes, charges, mortgages, liens, contributions, levies, assessments, claims or other encumbrances or any common expenses, you will pay our Costs and Servicing Fees immediately.
- (c) You will also pay immediately all our Costs and Servicing Fees related to collecting any payments not received from you when due.

6.05 Keeping the Property in Good Condition

- (a) You agree to keep the Property in good condition and to make any repairs that are needed. You also agree not to do or fail to do anything, or let anyone else do or fail to do anything, that lowers the value of the Property or negatively affects the marketability of your Property. We can inspect the Property at any reasonable time, and charge the Costs and Servicing Fees of any inspections to you.
- (b) If you do not keep the Property in good condition, or if you or anyone else does or fails to do anything that lowers the value of the Property or negatively affects the marketability of your Property, or fail to comply with this Subsection 6.05, we can make any repairs which we consider necessary and charge our Costs and Servicing Fees of any such repairs to you. You will pay our Costs and Servicing Fees immediately.
- (c) Despite whether you did or did not obtain the governmental approvals that apply to your Property, you will not make any Improvements to the Property without our prior written consent. In either case, we may withhold our approval in our sole discretion.
- (d) You or any party using your Property with your permission will not use the Property for any business purposes without our prior written consent.
- (e) You or any party using your Property with your permission may not use the Property for illegal purposes or illegal substances.
- (f) You or any party using your Property with your permission will not use the Property to cultivate or store marijuana.

6.06 Leasehold Interests

- (a) If you are a tenant of the Property, you promise to:
 - (i) pay the rents and other amounts due under the lease as they fall due;
 - (ii) comply with all of the other terms of the lease and not to do or fail to do anything that would cause the lease to be terminated or fall into default;
 - (iii) not surrender the lease;
 - (iv) not make any change in the lease without first obtaining our written consent;
 - (v) give us a true copy of any notice or request you receive concerning the lease; and
 - (vi) notify us immediately if your landlord advises you of early termination or takes any steps to effect early termination of the lease.
- (b) We can but are not obliged to appoint an agent to assign your lease and the last day of the term of your lease and the last day of any renewal term of your lease on your behalf and in your name. We may appoint an agent to transfer your interest in your Property as required to enforce any of our rights under this Charge, including without limitation our right to sell your Property under power of sale. The agent is to be your agent and not ours and the

agent's default is considered to be solely your default.

- (c) We are not obliged to collect any rent or other income from the Property nor to comply with any term of any lease or agreement. If we choose to exercise any of our rights with respect to the rents, then our rights in the rents will take priority over all other parties claiming an interest in the rents.
- (d) We shall have the right to cure any default by you under the lease but are not required to do so. You will pay our Costs and Servicing Fees immediately.

SECTION 7 APPLYING YOUR PAYMENT

7.01 We may allocate your payments to any Obligations Secured both before and after default.

7.02 Subject to the rights of any third party, any money we obtain by enforcing our rights, after paying our Costs and Servicing Fees, will be applied as follows:

- (a) first, to any mortgage loan(s) insured by mortgage default insurance (including without limitation any mortgage default insurance obtained by us after a mortgage loan is advanced);
- (b) second, to any uninsured mortgage loan(s);
- (c) third, to any line(s) of credit;
- (d) fourth, to any term loan(s) other than mortgage loans;
- (e) fifth, to any credit card(s);
- (f) sixth, to any overdraft(s); and
- (g) seventh, to any other loans and credit accounts not listed in items (a) through (f).

7.03 If there is more than one loan in any category listed in Subsection 7.02, the money we obtain will be applied among such loans at our sole discretion.

SECTION 8 PREPAYMENT

8.01 Your right to prepay, if any, the Obligations Secured is set out in the Agreements.

8.02 If there is a default under the Charge or the Agreements and the entire balance of the Obligations Secured is accelerated and becomes immediately due and payable prior to the maturity date in the applicable Agreement, you shall pay us, in addition to the full balance of the Obligations Secured, a bonus equal to three (3) months of interest on the mortgage loan amounts, at the interest rate provided for in the applicable Agreement. The said bonus shall be payable notwithstanding any enforcement action already taken by us and we shall have no obligation to discharge the Charge until such payment is made.

8.03 Where a default under the Charge or the Agreements continues to or is made after the maturity date in the applicable Agreement, you shall still pay us, in addition to the full balance of the amount owing on the Obligations Secured, a bonus equal to three (3) months of interest on the mortgage loan amounts, at the interest rate provided for in the applicable Agreement, and we shall have no obligation to discharge the Charge until such payment is made, notwithstanding any enforcement action already taken by us. In the event your Property is sold by us, we shall be entitled to recover the bonus of three (3) months of interest on the mortgage loan amounts, at the interest rate provided for in the applicable Agreement, from the proceeds of any sale of your Property or other proceedings for enforcement of the Charge or the Agreements, even if the sale of your Property occurs after the maturity date in the applicable Agreement. Nothing herein shall be deemed to affect or in any way limit our rights to recover by action or otherwise the Obligations Secured upon default or maturity of the Obligations Secured.

SECTION 9 BUILDING MORTGAGES

9.01 If any portion of the Obligations Secured is to finance an Improvement, you must so inform us in writing immediately and before any advances of such portion of the Obligations Secured. You must comply with all of your obligations under the Construction Lien Act (Ontario) including without limitation the obligation to maintain holdbacks. You must also provide us immediately with copies of all contracts and subcontracts relating to the Improvement and any amendments to them. You agree that any Improvement shall be made only with our prior written consent and according to contracts, plans and specifications first approved in writing by us in advance. If we consent, you must complete all such Buildings and/or Improvements as quickly as possible and provide us with proof of payment of all contracts from time to time as we require. If you do not complete the Improvement, we may do so and our Costs and Servicing Fees will form a part of the Obligations Secured and will bear interest at the interest rate provided for in the applicable Agreement. You will pay our Costs and Servicing Fees immediately. We will make advances pursuant to the applicable Agreement to you based on the progress of the Improvement, until either completion and occupation or sale of the Property. We will determine, in our sole and absolute discretion, whether or not any advances will be made, when they will be made and in what amount. You authorize us to provide information about the Charge to any Person claiming a construction lien on the Property.

9.02 We do not assume any responsibility for the construction of any Buildings on your Property or the completion of any Improvements to your Property or for any contractual terms or arrangements made between you and the builder or any contractors/subcontractors. The fact that we have made an advance does not constitute any representation or warranty by us with respect to the condition of the Buildings on your Property or the completion of any Improvements to your Property or any compliance with any contractual terms or arrangements made between you and the builder or any contractors/subcontractors.

9.03 Costs and Servicing Fees relating to inspections, appraisals and other external experts which we require are your responsibility and may be deducted from advances.

SECTION 10 TRANSFER OF LEASES AND RENTS

10.01 As additional and separate security for the Obligations Secured, you assign to us all existing and future rents and leases relating to the Property. In particular, you transfer and assign to us as security:

- (a) all leases, lease agreements and their renewals;
- (b) all rents and other money payable under the terms of all such leases and agreements, however, we may allow you to receive such rents so long as there is no default by you in making your payments to us or in complying with your other obligations to us under the Charge or any of the Agreements; and
- (c) all of your rights under such leases and agreements.

10.02 In addition, you confirm and agree that:

- (a) you must obtain our prior written consent for any future leases of the Property or for the renewal of any lease (other than a renewal provided for in any lease already approved by us);
- (b) nothing we do under this Section 10 shall put us in possession of the Property;
- (c) however, if you default under the Charge or any of the Agreements we have the right to take possession of, inspect, collect rents or manage the Property;
- (d) we are not obliged to collect any rent or other income from the Property nor to comply with any term of any lease or agreement; and
- (e) if we choose to exercise any of our rights with respect to the rents, then our rights in the rents will take priority over all other parties claiming an interest in the rents.

SECTION 11 APPOINTING A RECEIVER

11.01 If you do not repay all of the Obligations Secured when they become due and payable in accordance with Section 13 of this Charge or if any one or more of the events listed in Subsections 13.01(a) through (g) occurs, we can, in writing, appoint a receiver (which includes a receiver and manager) to collect any income from the Property and to otherwise exercise its or our rights as set out in this Charge. We can also, in writing, appoint a new receiver in place of any receiver appointed by us. The receiver is considered to be your agent and not ours and his defaults are considered to be solely your defaults.

11.02 The receiver has the right but not the obligation to:

- (a) use any available remedy (taken in your name or our name) to collect the income from the Property;
- (b) take possession of the Property or part of it;
- (c) manage the Property, maintain it in good condition and complete any Improvements if applicable; and
- (d) lease the Property on whatever terms considered appropriate.

11.03 From the income collected from your Property, or the proceeds of sale of your Property, the receiver may:

- (a) retain a commission of 5% of the total money received or any higher rate permitted by a judge or other authorized officer;
- (b) retain enough money to pay disbursements spent on collecting the income;
- (c) pay all taxes, insurance premiums, expenses of keeping the Property in good condition or completing any Improvements, interest on those payments, and all charges that have priority over the Charge and interest on those charges at the interest rate provided for in the applicable Agreement; and
- (d) pay us all interest that is due and payable under the Obligations Secured and then, at our option, pay us all or part of the Obligations Secured, whether due or not yet due.

11.04 Nothing done by the receiver puts us in possession of the Property or makes us accountable for any money except for money actually received by us.

SECTION 12 PROTECTING OUR SECURITY AND INSPECTIONS

12.01 We (including, in this Section 12, the mortgage default insurer, if the Charge is insured) may inspect the Property and any Buildings on it when we consider it appropriate. We may do this for any purpose but particularly to conduct environmental testing, site assessments, appraisals, occupancy checks, investigations or studies which we consider appropriate. You will pay our Costs and Servicing Fees immediately. If we do the things permitted under this Section 12 or any other provision in these Standard Charge Terms, we will not be considered to be in possession, management or control of the Property. This also applies to our agents.

12.02 In all cases, you will protect and indemnify us against all actions, claims, lawsuits, expenses, costs, or other demands relating to marijuana, hazardous or illegal substances on your Property, and any breach of your obligations under this Section 12.

12.03 You agree that you have made reasonable investigations and enquiries and that no part of your Property now contains, nor has it ever contained, and agree that it will never contain in the future, marijuana, hazardous or illegal

substances, or be used for an illegal purpose.

12.04 If marijuana, hazardous or illegal substances are found on your Property, regardless of the source or cause, you must, with our prior written consent, immediately carry out all work required to remove the marijuana, hazardous or illegal substances from your Property and repair the damage to your Property. The plans and proposals for doing the work and repairs must have been prepared in consultation with us and have been approved, in writing, by us in advance. When the work is completed, you must provide us with confirmation in writing that the work is completed. This confirmation must be in a form acceptable to us. You are responsible for all of the Costs and Servicing Fees associated with this work, including without limitation providing evidence that the work has been completed. You will pay our Costs and Servicing Fees immediately.

12.05 If we do not consent to your repairing the damage, completing the work or if you fail to meet one or more of your obligations under this Section 12, you agree that we may do all or any part of the work we feel is appropriate. However, we are not obliged to do so. If we do, you will be responsible for all of the Costs and Servicing Fees associated with this work. You will pay our Costs and Servicing Fees immediately.

SECTION 13 IMMEDIATE PAYMENT

13.01 You will immediately, at our option, pay to us all of the Obligations Secured if:

- (a) any part of the Obligations Secured is not paid when it is due;
- (b) you fail to comply with any of your obligations under the Charge or under any Agreement;
- (c) you become insolvent or bankrupt;
- (d) any lien is registered against the Property or we receive written notice of any lien that is created as a result of unpaid property taxes, unpaid condominium maintenance fees, Judgments or construction liens or other similar encumbrances;
- (e) your Property is abandoned;
- (f) any buildings being erected or Improvements done on your Property remain unfinished without work being done on them for thirty (30) consecutive calendar days; or
- (g) you, or any party using your Property with your permission, uses your Property for illegal purposes.

SECTION 14 DELAY IN ENFORCEMENT

14.01 We can delay enforcing any of our rights under the Charge or the Agreements without losing any of those rights, and we can release others from their obligations under the Charge or any of the Agreements without releasing any one of you.

14.02 No delay or extension of time granted by us to you or any other Person in exercising the enforcement of any of our rights under the Charge and Agreements, nor any Agreement referred to in Section 17 shall affect our rights to:

- (a) receive all payments you are obliged to make to us, when they are due and payable;
- (b) demand that you repay the Obligations Secured and all interest which is due and payable, on any default by you;
- (c) have you comply with all of your obligations to us under the Charge and the Agreements; or
- (d) have any other Person comply with the obligations that Person has to us under the Charge and the Agreements.

14.03 In some cases, we may not enforce our rights on a particular default. However, by doing so, we are not forgiving any existing default or any other defaults in the future.

14.04 In addition, if in these Standard Charge Terms we reserve the right to make a payment or do something on your behalf, we may do so but are not obliged to do so.

SECTION 15 ENFORCING OUR RIGHTS

15.01 We can take immediate possession of your Property if you do not repay all of the Obligations Secured after they become due and payable in accordance with Section 13 of this Charge or if any one or more of the events listed in Subsections 13.01(a) through (g) occurs. In addition to the foregoing and to our rights set out in Section 11 we may enforce, at our option, any one or more of the following remedies in any order:

- (a) Sue you - We may take such action as is necessary to obtain payment of the Obligations Secured.
- (b) Foreclose - We may commence court proceedings to foreclose your right, title and equity of redemption to all or part of the Property. If we obtain a final order of foreclosure, your Property will by law become our Property. We may also ask the court to order the sale of the Property. If the court makes such an order, it will supervise the sale proceedings. The net proceeds of the sale will be applied to reduce the Obligations Secured. Any balance remaining after all claims have been satisfied will be paid to you in accordance with applicable law. If the amount we receive from the sale of the Property is less than the Obligations Secured, you must pay us the difference.
- (c) Power of Sale - Upon giving you thirty five (35) days' notice or as required by law, we may sell the Property or lease it or pursue any other remedy available to us under Ontario law.

15.02 If you default in any obligation under the Charge or the Agreements (including without limitation any default referred to in this Section 15), we can enforce our rights and we can enter on the Property at any time, without the permission of any Person, and make all arrangements that we consider advisable to:

- (a) inspect, lease, collect rents or manage the Property;
- (b) repair or put in order any Buildings on the Property; or
- (c) complete the construction of any Buildings on the Property.

15.03 We can also take whatever action is necessary to take possession, recover and keep possession of the Property.

15.04 After we are in a position to sell or lease the Property, we can sell it, by public auction or private sale, or lease it at any time, in any way, and on any terms which we think are reasonable whether in cash or part cash and credit. We may, with or without entering on the Property, lease the Property without notice to you. If we think it is reasonable, we may cancel, terminate, amend or dispute any lease or enter into new leases without being responsible for any resulting loss.

15.05 We may apply the net proceeds of the sale or lease to reduce any part of the Obligations Secured, after paying all expenses and Costs and Servicing Fees. We will only be accountable for the money remaining after payment of all our expenses and Costs and Servicing Fees when we actually receive it. If the money remaining, after paying all expenses and Costs and Servicing Fees, does not satisfy the Obligations Secured in full, you must pay us the difference.

15.06 You will not interfere with our possession of your Property, if we enter into possession of your Property while enforcing our rights, nor with the possession of anyone to whom your Property is sold or leased.

15.07 You agree not to make any claims concerning the Property against anyone who buys it or leases it from us, or anyone who buys or leases the Property after that time. If you do have any claims concerning the Property, you agree to make them only against us and only for money damages.

15.08 If we obtain a court order or judgment (a "Judgment") against you for your failure to comply with any of your obligations to us under any of the Agreements or the Charge, the Judgment will not result in a merger of the terms of the Judgment with our other remedies or rights to enforce your other obligations under the Charge or the Agreements. We will continue to be entitled to receive interest on the Obligations Secured in the manner established and at the interest rate provided for in the applicable Agreement. The rate of interest payable on any Judgment shall be calculated and payable in the same way as interest is calculated in the applicable Agreement and at the same rate that interest is payable in the applicable Agreement until the Judgment has been paid in full.

15.09 If you have not removed your personal belongings from the Property before we take possession, you authorize us to remove and dispose of your belongings in any manner that we, in our absolute discretion, deem appropriate, without notice to you. We have no obligation to move, dispose or store your personal belongings and we shall have no liability for, and you hereby release us from such liability, for any damages, losses, claims or expenses whatsoever arising out of our handling of your personal property, whether negligent or otherwise, including but not limited to moving or not moving, disposing or storing those belongings. You will be responsible for all Costs and Servicing Fees incurred by us in dealing with those belongings. You will pay our Costs and Servicing Fees immediately.

15.10 If we enforce our rights under the Charge or the Agreements, we will not be considered to have taken possession, management or control of the Property.

15.11 When the Charge or Agreements go into default as a result of an event that is outside your control, you are in default of the Charge and the Agreements.

15.12 If there is more than one of you, a default is yours even if the default applies only to one of you or was caused by only one of you.

15.13 You will immediately pay all our Costs and Servicing Fees of enforcing or protecting our security or any of our rights under the Charge or the Agreements. Our Costs and Servicing Fees include, without limitation, our Costs and Servicing Fees, the cost of taking or keeping possession of the Property, an allowance for our time and services utilized in so doing, our legal fees in an amount that represents full indemnity and all other Costs and Servicing Fees related to enforcing or protecting our security or any of our rights under the Charge or the Agreements. These Costs and Servicing Fees will form part of the Obligations Secured and will bear interest at the interest rate provided for in the applicable Agreement. You will pay our Costs and Servicing Fees immediately.

15.14 For the purpose of this Section 15, we, our, and us, includes the mortgage default insurer if the Charge is insured.

SECTION 16 DEALING WITH THE PROPERTY

16.01 In the event of:

- (a) a sale, conveyance, mortgage, hypothecate, charge or other encumbrance, lease or transfer of the Property; and/or
- (b) a claim, a lien, execution, court order, restraint order, injunction, or certificate of pending litigation, whether we are or are not a party, is registered, filed or obtained against the Property,

then, at our option, we may declare that you are in default and all of the Obligations Secured shall forthwith become due and payable. We can do this even if one or more of the Agreements do not contemplate immediate payment. If we do not require you to repay the Obligations Secured, our rights under this Charge or against anyone who has guaranteed the Obligations Secured are not affected.

SECTION 17 AMENDMENTS

17.01 We may, from time to time, enter into one or more written agreements with you to amend the Agreements or the Charge by extending the time for payment, renewing for further periods of time, changing the interest rate, increasing the balance or otherwise altering the provisions of the Agreements or the Charge. You will be required to meet all of our credit

and other requirements at that time. You may also be required to pay additional fees and premiums related to mortgage default insurance. You will immediately pay our Costs and Servicing Fees for a search of the title records at the appropriate Land Titles or Registry Office, where applicable. It will not be necessary to register any Agreements on title in order to retain priority of the Charge for the full amount of the Obligations Secured. Any reference in this set of Standard Charge Terms to the Charge will mean this Charge, as amended by any such Agreements. Any renewals and/or amendments are at our sole discretion.

17.02 You agree to pay all money owing under any mortgage loan or other term loan forming part of the Obligations Secured on the maturity date(s) set out in the applicable Agreement(s) or, if we have offered to renew such mortgage loan or other term loan, to enter into a renewal agreement with us on or before the maturity date(s) set out in the applicable Agreement(s). If you do not, provided that we have not advised you that we will not renew such mortgage loan or other term loan, you agree that: (i) any mortgage loan will be automatically renewed into a fixed rate six month closed term at our posted rate with a Scotiabank Flexible Package and Flexible Prepayment type (as described in the applicable renewal agreement) unless we otherwise indicate in the renewal agreement; and (ii) any term loan will be automatically renewed on the terms we indicate in the applicable renewal agreement, in each case including, without limitation, all the other terms and conditions stated in the applicable renewal agreement. For purposes of Section 10 of the *Interest Act* (Canada), the date of your mortgage loan or term loan will be the date the applicable renewal takes effect.

17.03 If there are any executions, encumbrances or other claims or interests registered, filed or obtained against your Property in addition to this Charge, we may require them to be discharged, withdrawn or formally postponed. You will be required to pay all Costs and Servicing Fees to prepare, execute and register such discharges, withdrawals or postponements before we offer to renew or amend the Charge or the Agreements. This is required in order to preserve the priority of this Charge.

SECTION 18 GIVING NOTICE

18.01 Any written notice under this Charge or the Agreements may be given to you and is considered to have been received where notice has been given to you by one or more of the following means:

- (a) personal service at your last known address;
- (b) regular mail at your last known address;
- (c) electronic communication including, without limitation, by electronic mail, text message or message sent via our online banking platform;
- (d) publication in a newspaper published in the county, town, city or district where your Property is located;
- (e) leaving it with an adult on your Property; or
- (f) posting it on your Property.

18.02 Where notice is given by any of the above methods we consider you to have received the notice on the same date it is given or published or, if we send it by mail, we consider you to have received the notice within five (5) calendar days of the date of mailing. We are not required to provide notice to you at an alternate address unless you have, in writing, designated the alternate address to receive the notice.

18.03 Written notice shall be considered to have been received by us when it is received at our address indicated on the Charge and any other address as we may notify you in writing.

18.04 If there is more than one of you:

- (a) written notice to any one of you shall be considered to be notice to all of you; and
- (b) any one of you can provide instructions to us (including without limitation in connection with any renewal of a mortgage loan or term loan) or designate an alternate address for service that will be binding on all of you.

SECTION 19 EFFECT ON OTHER AGREEMENTS, OBLIGATIONS AND SECURITY

19.01 The Charge does not change or release you from any of your obligations under the Agreements with us. Also, the Charge does not affect any other security we hold for the repayment of the Obligations Secured or any other rights we may have to enforce repayment of the Obligations Secured.

SECTION 20 CONDOMINIUM PROVISIONS

20.01 In this section, The *Condominium Act*, 1998 is called the "Act". Expressions used below which are the same as those in the Act have the same meaning as those in the Act, except that the expression "condominium property" has the same meaning as the word "property" in the Act.

20.02 You will comply with the Act and with the declaration, by-laws and rules of the Condominium Corporation relating to the Property and provide us with proof of your compliance from time to time as we may request.

20.03 You will pay the common expenses for your Property to the Condominium Corporation on the due date. In addition to our other rights and remedies contained in the Charge, you will pay us immediately all our Costs and Servicing Fees in relation to any by-law, resolution, rule or other matter (other than one for which only a vote of the majority present at the meeting is required) or the enforcement of our right to have the Condominium Corporation or any owner comply with the Act, declaration, by-laws and rules and our exercising any voting rights we may have. These costs will bear interest at the interest rate provided for in the applicable Agreement and will form a part of the Obligations Secured.

20.04 You irrevocably authorize us to exercise your rights in all matters concerning the Act and the condominium property, including without limitation all voting and rights of consent which you may have as owner of the condominium property. You also authorize us to exercise your rights to demand the Condominium Corporation to purchase the unit and common interest, where provided under the Act, elect to have the value of the unit and common interest or that of the condominium property determined by arbitration and receive your share of the Condominium Corporation's assets and the proceeds from the sale of the unit and common interest or of the condominium property or any part of the common elements.

20.05 If we do not exercise your rights, you may do so according to any instructions we may give you. Before making such a demand or election you must obtain our prior written approval. You must do this even if we do not have the right to make the demand or election as between ourselves and the Condominium Corporation and even if we had previously arranged for you to exercise that right.

20.06 We are not liable for any action we may take in doing what you have authorized us to do or for any failure to act and any action we may take will not put us in possession of the Property.

20.07 You authorize us to inspect the Condominium Corporation's records and remedy any failure of yours to comply with the Act or the declaration, by-laws and rules of the Condominium Corporation. You will forward to us, if we require, any notices, assessments, by-laws, rules and financial statements of the Condominium Corporation you receive (or are entitled to receive) from the Condominium Corporation.

20.08 The Obligations Secured will become payable immediately, at our option, if:

- (a) the Condominium Corporation fails to comply with the Act or the declaration, by-laws or rules of the Condominium Corporation;
- (b) the Condominium Corporation fails to insure all the condominium units and common elements according to law and according to any additional requirements of ours or do all that is necessary to collect insurance proceeds;
- (c) the Condominium Corporation makes any substantial modification to the common elements or the Condominium Corporation's assets without our prior written approval;
- (d) there has been substantial damage and the owners have voted for termination of the Condominium Corporation;
- (e) a sale of the condominium property or any part of the common elements is authorized; or
- (f) the Property ceases to be governed by the Act.

20.09 If the Property ceases to be governed by the Act, all the terms of the Charge continue to apply to the Property. You authorize us to agree with anyone to a partition of the condominium property. We can pay or receive money to ensure that the partition is appropriate and you will reimburse us, immediately, for any money we have paid. We can also execute all documents and do all acts needed to carry out the partition. Your share of the Condominium Corporation's assets and the proceeds from the sale of the unit and common interest or of the condominium property or any part of the common elements shall be paid to us, unless we notify you to the contrary in writing, and you will do all things necessary to accomplish this. Any money received by us, after payment of all our expenses, may be applied to reduce any part of the Obligations Secured. Any balance remaining after all claims have been satisfied will be paid by you.

20.10 You will not sell or transfer any parking, storage or bicycle unit that forms part of your Property while still retaining ownership of the living accommodation. If you sell or transfer the living accommodation to someone, you will also sell or transfer the parking, storage or bicycle unit to them.

20.11 In addition to any other rights under the Charge and the Agreements, you authorize us at any time to be able to enter upon the condominium complex and, if the Charge is in default, enter into the condominium unit. You will pay our Costs and Servicing Fees for so doing immediately.

SECTION 21 RELEASING THE PROPERTY FROM THE CHARGE

21.01 We may establish, at our sole discretion, the terms for releasing our interest in all or part of the Property; that is, we may discharge or partially discharge the Charge from the Property, whether we receive value for our release or not. If we partially discharge the Charge from the Property at any time, the rest of the Property will continue to secure the Obligations Secured. We are only accountable for money actually received by us. If we release part of the Property at any time from the Charge, we will either prepare, execute and register a partial discharge of our Charge and you or your representative will be provided with confirmation of partial discharge, or, at our sole option, we will prepare and provide you with an executed but unregistered official partial discharge document. You will give us a reasonable time in which to prepare, review, execute and register the partial discharge document and you will pay our usual Costs and Servicing Fees for preparing, reviewing and executing the partial discharge document and, where we elect to register the partial discharge of our Charge, our usual Costs and Servicing Fees for registering the partial discharge document. You will also pay all our legal fees in an amount that represents full indemnity and other Costs and Servicing Fees that we incur in connection with the partial discharge of our Charge. You will pay our Costs and Servicing Fees immediately. In the event that we provide you with an executed but unregistered partial discharge document, you will be responsible for registering the document and for all costs relating to such registration.

21.02 If the Property is subdivided before our interest in the Property comes to an end, the Charge will apply to each part into which the Property is subdivided. This means that each part will secure repayment of the total amount of the Obligations Secured you owe us, even if we release another part of the Property from the Charge.

21.03 If any part of the Property or any land adjoining the Property is taken by the exercise of any power of expropriation or similar power, the entire compensation which you may be entitled to receive shall, at our option, be applied to reduce the

Obligations Secured, including without limitation any penalty, fee or interest to which we have a right under this Charge or in the relevant legislation.

21.04 We can release you, any guarantor or any other Person from performing any obligation contained in the Charge or any other security document without releasing any part of the Property secured by the Charge or any other security document. Any such release shall not release any other party from their obligations under the Charge or the Agreements.

SECTION 22 DISCHARGE OR ASSIGNMENT OF CHARGE

22.01 When our interest in your Property comes to an end and you request that we discharge our Charge, we will either prepare, execute and register a full discharge of our Charge and provide you with confirmation of discharge, or, at our sole option, we will prepare and provide you with an executed but unregistered discharge document. You will give us a reasonable time in which to prepare, review, execute and register the discharge document and you will pay our usual Costs and Servicing Fees for preparing, reviewing and executing the discharge document and, where we elect to register the discharge of our Charge, our usual Costs and Servicing Fees for registering the discharge document. You will also pay all legal fees in an amount that represents full indemnity and other Costs and Servicing Fees that we incur in connection with the discharge of our Charge. You will pay our Costs and Servicing Fees immediately. In the event that we provide you with an executed but unregistered discharge document, you will be responsible for registering the document and for all costs and fees relating to such registration.

22.02 When our interest in your Property comes to an end and you request that we assign your registered Charge, and we are required by law to assign your registered Charge, we will prepare and execute an assignment of the registered Charge. You will give us a reasonable time in which to prepare, review and execute the assignment of the registered Charge and you will pay our usual Costs and Servicing Fees for preparing, reviewing, and executing the assignment of the registered Charge. You will also pay all legal fees in an amount that represents full indemnity and other Costs and Servicing Fees that we incur in connection with the assignment of the registered Charge. You will pay our Costs and Servicing Fees immediately. You will be responsible for registering the assignment of the registered Charge and for all costs and fees relating to such registration. We may, but are not required to, provide you or any other party with any notice of the assignment of the registered Charge. We have no obligation to assign or transfer the Agreements.

22.03 Any assignment or transfer of the registered Charge will be on a non-recourse basis.

SECTION 23 WHO IS BOUND BY THE CHARGE

23.01 You agree to observe and be bound by all of the terms and obligations contained in the Charge. The Charge will also be binding on your heirs, personal representatives and any Person to whom the Property is transferred, and shall benefit us and our successors and assigns. All Persons who sign or who are otherwise bound by the Charge are jointly and severally bound to comply with all obligations under the Charge.

SECTION 24 HEADINGS

24.01 The headings in the body of the Charge form no part of the Charge. They are inserted for convenience only. You agree that all of the provisions stated in this set of Standard Charge Terms form a part of the Charge.

SECTION 25 STATUTORY COVENANTS EXCLUDED

25.01 The covenants set out in Section 7(1) of the *Land Registration Reform Act* (Ontario) are excluded from the Charge.

25.02 The provisions relating to defeasance set out in Section 6(2) of the *Land Registration Reform Act* (Ontario) are excluded from the Charge. You agree that the Charge does not cease to operate if the Obligations Secured are reduced to zero at any time, or from time to time, but it remains in full force and effect.

SECTION 26 HOME WARRANTY PLAN/PROGRAM

26.01 If a home warranty plan/program or any other regulatory program applicable to new homes under a regulatory authority applies to your Property, you agree to meet all of its requirements. You also agree to reimburse us for any Costs and Servicing Fees that we incur in meeting your obligations or enforcing your rights on your behalf, if we choose to do so. You will pay our related Costs and Servicing Fees immediately.

26.02 Where you have purchased the Property from a builder, or where a general contractor is building the Property, we must be satisfied that the builder/contractor and the housing unit are registered under a home warranty plan/program or any other regulatory program applicable to new homes prior to disbursement of funds. You will provide evidence satisfactory to us, in the form prescribed under the home warranty plan/program or other regulatory program applicable to new homes, and any other evidence we may require until we are satisfied, in our sole and absolute discretion, that the Property is completed and is ready to be occupied. If you are acting as the contractor and are not a builder, you will provide proof, issued by the appropriate authority, and any other evidence we may require until we are satisfied in our sole and absolute discretion that the Property is ready to be occupied. You will immediately pay any related Costs and Servicing Fees to satisfy our requirements.

SECTION 27 OUR PRIORITY

27.01 Our Charge has priority for the Obligations Secured over every interest in the Property created in favour of any other Person after our Charge was entered into. Our Charge has priority even if an Agreement with us for the Obligations Secured is entered into after our Charge was entered into, and even if that Agreement is not registered. Our providing a mortgage statement does not constitute consent to any encumbrance or interest.

SECTION 28 FINAL REPORT

28.01 Where you have retained a solicitor and the solicitor is required to submit a Report on Title in a form that is satisfactory to us, in our sole and absolute discretion, including without limitation originals if requested and with the applicable enclosures, together with the form provided by the title insurance provider if applicable, together with evidence of the registered Charge, and the solicitor fails to do so within thirty (30) calendar days after the final advance is made, we are entitled to retain another solicitor or title insurer, if applicable, to satisfy our requirements at your expense. You will pay our Costs and Servicing Fees immediately.

SECTION 29 CONFLICT

29.01 If there is any conflict between the terms of the Charge and the terms of the Agreements, the Agreements will prevail to the extent of such conflict.

SECTION 30 CHANGE OF CORPORATE CONTROL OR STATUS

30.01 If you are a corporation, you agree that:

- (a) you will provide us, in a form satisfactory to us, with such information relating to the ownership of your shares as we may from time to time require; and
- (b) you will not transfer, issue or redeem any of your shares or amalgamate, merge or consolidate with any other corporation, without our prior written consent.

SECTION 31 REPRESENTATIONS AND WARRANTIES

31.01 If you are a corporation, you represent and agree on a continuous basis while any Obligations Secured remain outstanding that:

- (a) you are duly organized, validly existing and in good standing under the laws of your governing jurisdiction;
- (b) you have full power, authority and legal right to own your interest in the Property and are duly qualified to do your business and are in good standing in each jurisdiction where qualification is necessary for your business and you have not commenced any dissolution or reorganization proceedings;
- (c) you have full power, authority and legal right to enter into the this Charge and the Agreements and to do all acts and execute and deliver all other documents as are required to be done, observed or performed by you under this Charge and/or the Agreements;
- (d) you have taken all necessary action and proceedings to authorize the execution, delivery and performance of the Charge and the Agreements and to observe and perform the provisions of each;
- (e) neither the execution and delivery of the Charge and the Agreements, nor compliance with the terms and conditions of any of them,
 - (i) has resulted or will result in a violation of the constating documents governing you, including without limitation any unanimous shareholders' agreement, or any resolution passed by your board of directors or shareholders;
 - (ii) has resulted or will result in a breach of or constitute a default under applicable laws or any agreement or instrument to which you are a party or by which you or the Property or any part of the Property is bound; or
 - (iii) requires any approval or consent of any Person except such as has already been obtained.

31.02 You further agree that all statements, information or documents which you have given or made to us, or which you give or make to us in the future, in applying for the Obligations Secured, or in any Agreement, including without limitation the Charge, are true and accurate. If we discover that any statement, information or document which you have given or made to us, or which you give or make to us in the future, in applying for the Obligations Secured, or in any Agreement, including without limitation the Charge, is untrue and/or inaccurate, you will be in default of your obligations under the Charge, the Agreements and the Obligations Secured and the entire balance of the Obligations Secured will, at our option, immediately become due and payable, regardless of whether you knew that the statement, information or document was untrue and/or inaccurate at the time it was given or made to us and regardless of whether we relied or did not rely on the truth or accuracy of any such statement, information or document.

31.03 If there is more than one of you and any untrue and/or inaccurate statement, information or document is given or made to us by only one of you, all of you will be considered to be in default of your obligations under the Charge, the Agreements and the Obligations Secured, and we will have the right to demand immediate payment of the entire balance of the Obligations Secured from any or all of you, at our option.

SECTION 32 COSTS AND SERVICING FEES

32.01 Costs and Servicing Fees include costs, servicing fees for our time and expenses for all aspects of the administration of the Charge and the Agreements including, without limitation, a fee or allowance for:

- (a) administering the account for the collection and payment of taxes and tax matters;
- (b) investigating any insurance matters, administering insurance cancellations, paying insurance premiums, dealing with insurance claims or taking out any insurance under an individual or blanket insurance policy issued to us;
- (c) investigating the status of realty tax matters and administering tax payments;

- (d) generally, any matter connected with the administration of the Charge, the Agreements and your Property including, without limitation, inquiring into compliance, dealing with or enforcing any obligation contained in the Charge or Agreements and including, without limitation, preparation, processing and administration of legal actions and enforcements, requests by you or third parties, taxes, condominium fees, and condominium matters, insurance, repair and construction, environmental matters, leases and other encumbrances and managing or selling your Property;
- (e) investigating the status of any condominium fees, common expenses and other condominium matters;
- (f) administering condominium fees, common expenses and other condominium matters;
- (g) collecting money for and making payments with respect to condominium fees, common expenses and other condominium matters;
- (h) investigating the title to the Property;
- (i) collecting any payments not received from you when due;
- (j) paying, on your behalf, any charges, mortgages, liens, claims, or other encumbrances or any common expenses, levies, assessments, and contributions;
- (k) making any repairs which we consider necessary or completing any construction;
- (l) curing any default under a lease referred to in the Charge or the Agreements;
- (m) conducting any inspections or appraisals and engaging any other external experts, appraisers, consultants, service providers or representatives, including without limitation legal representatives;
- (n) conducting any environmental testing, site assessments, appraisals, occupancy checks, investigations or studies;
- (o) consulting on and approving any plans and proposals related to your Property;
- (p) removing, moving, disposing, storing or dealing with any chattels, fixtures or personal belongings on the Property;
- (q) enforcing or protecting our security or any of our rights under the Obligations Secured;
- (r) taking or keeping possession of the Property;
- (s) preparing, reviewing, executing, or registering the Charge, a discharge of the Charge, a partial discharge of the Charge, or any other discharge, withdrawal or postponement of the Charge;
- (t) preparing, reviewing, and executing the assignment of the registered Charge and any matters in connection with the assignment of the registered Charge;
- (u) meeting your obligations or enforcing your rights under a home warranty plan/program or any other regulatory program applicable to new homes on your behalf; and
- (v) retaining a solicitor, or title insurer, if applicable, with respect to any title matter relating to the Property.

32.02 Our servicing fees shall be the amounts established disclosed and generally applied by us from time to time and may be ascertained upon inquiry to us. We have the right to change the fees we charge from time to time without notifying you.

32.03 In addition, costs include, without limitation, legal fees in an amount that represents full indemnity and all other costs related to enforcing or protecting our security or any of our rights under the Charge or any Agreements.

32.04 You will pay our Costs and Servicing Fees under the Charge and Agreements immediately. If you do not, we may declare that you are in default or add these amounts to the Obligations Secured, or do both. If we add these amounts to the Obligations Secured, interest will be charged at the interest rate provided for in the applicable Agreement until they are repaid.

SECTION 33 ADDITIONAL COSTS AND SERVICING FEES

33.01 In addition to the Costs and Servicing Fees outlined in the Charge and the Agreements, you also agree to pay to us immediately our Costs and Servicing Fees in connection with the administration and processing of any requests by you or third parties related to your Charge or Property.

33.02 For greater certainty, the charging of an administration and processing fee does not prevent us from engaging external experts, appraisers, consultants, service providers or representatives, including without limitation legal representatives, to assist with a matter related to your Property and/or your Charge and you will be responsible for any and all expenses, Costs and Servicing Fees, including without limitation legal fees in an amount that represents full indemnity, associated therewith.

SECTION 34 ASSIGNABILITY

34.01 We may, at our option, sell, assign or deposit all or any part of the Obligations Secured, any Agreement and/or this Charge to one or more third parties (including without limitation a mortgage default insurer if any mortgage loan secured by this Charge is insured or a title insurer, if title insurance has been obtained in connection with this Charge), without notice to you or your consent. This Charge, any Agreement and/or any Obligations Secured once sold, assigned or deposited may be repurchased or reacquired by us, whether or not in default, without notice to you or your consent. If any part of the Obligations Secured is so sold, assigned or deposited and we retain any part of the Obligations Secured, we have the right to require you to provide us with another charge to be registered on the Property with respect to the Obligations Secured retained by us.

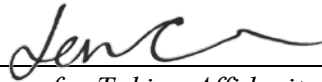
34.02 In addition, we may also disclose information about you, the Charge, the Agreements and the Obligations Secured to a mortgage default insurer or other insurer, or other third party from whom we may obtain benefits that protect our security. You consent to insurers and other third parties that provide benefits or services to us for the Charge obtaining information about you from credit bureaus and other lenders to evaluate you and the Charge.

SECTION 35 SEVERABILITY

35.01 If any provision of this Charge is held to be illegal, invalid, or unenforceable, that provision will be fully severable and this Charge will be construed and enforced as if such illegal, invalid or unenforceable provision had never been part of this Charge and the remaining provisions of this Charge shall remain in full effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance from the Charge. In lieu of the illegal, invalid or unenforceable provision there shall be added automatically as part of this Charge a provision as similar in terms to the illegal, invalid or unenforceable provision as may be possible to be legal, valid and enforceable.

EXHIBIT EE

This is **Exhibit “EE”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

ACKNOWLEDGEMENT AND DIRECTION

TO: All lawyers in the firm of Miller Thomson LLP, Barristers & Solicitors
and/or their authorized agents and designees

RE: **THE BANK OF NOVA SCOTIA MORTGAGE LOAN TO UPPER CANADA GROWERS LTD. AND UCG LAND INC.; NOTICE OF ASSIGNMENT OF RENTS TO BE REGISTERED AGAINST THE LANDS IDENTIFIED IN SCHEDULE 'A' ATTACHED HERETO** ("the transaction")
(Insert brief description of transaction)

This will confirm that:

- We have reviewed the information set out in this Acknowledgement and Direction and in the documents described below (the "Documents"), and that this information is accurate and complete;
- You, your agent or employee are authorized and directed to sign, deliver and/or register electronically on our behalf the Documents in the form attached;
- The effect of the Documents have been fully explained to us and we understand that we are parties to and bound by the terms and provisions of these Documents to the same extent as if we had signed them;
- We are in fact the parties named in the Documents described in this Acknowledgement and Direction and we have not misrepresented our identities to you;
- The undersigned, hereby irrevocably authorize and direct Miller Thomson LLP to amend the documentation where necessary and to make minor non-material amendments to the documentation and this shall be your full and sufficient authority for so doing;
- The parties agree that the execution and delivery of this document, notice of acceptance thereof and delivery of all such notices and communications may be made by facsimile machine and/or electronic machine to the parties or their solicitors, and shall be binding on all parties as if it was their original signatures; and
- In the event of any investigation by the Director of Land Registration appointed under subsection 6(1) of the *Registry Act* (the "Director") regarding suspected fraudulent or unlawful activity or registration in connection with the Documents attached to this Acknowledgement and Direction, we hereby consent to you releasing to the Director a true copy of this Acknowledgement and Direction, upon request by the Director.
- By signing this document, you are agreeing that the property described herein shall remain free and clear of all encumbrances, liens, mortgages, charges, security interest, and other financing agreement of any kind subordinate to our interest in the property except those approved in writing by us throughout the term of this document and any renewal or renewals thereof and any such encumbrances which may arise without our express consent will be immediately discharged by you.

DESCRIPTION OF ELECTRONIC DOCUMENTS

The Document(s) described in the Acknowledgement and Direction are the document(s) selected below which are attached hereto as "Document in Preparation" and are:

- ☐ A Transfer of the land described above.
☐ A Charge of the land described above.
☒ Other documents set out in Schedule attached hereto

DATED this 29th day of November, 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

Properties

PIN 75198 - 0187 LT
Description PART LT 58 CONCESSION 1 OR FRONT COLCHESTER, PART 2 12R5006 SAVE AND EXCEPT PART 1 12R28819; TOWN OF ESSEX
Address HARROW

PIN 75194 - 0023 LT
Description PT LT 16 CON GORE OR 2ND RANGE COLCHESTER PT 1 12R11909, EXCEPT PT 1, 12R14883; ESSEX
Address FERRIS ROAD
HARROW

PIN 75199 - 0257 LT
Description PT LT 12 CON GORE OR 2ND RANGE COLCHESTER BEING PTS 2,3 AND 4 ON PL 12R25796; TOWN OF ESSEX
Address 1340 COUNTY ROAD 13
HARROW

PIN 75194 - 0156 LT
Description PT LT 4 PL 178 COLCHESTER AS IN R843148; ESSEX
Address RIDGE ROAD
HARROW

PIN 75194 - 0198 LT
Description 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.
Address COUNTY ROAD 50
HARROW

PIN 75187 - 0007 LT
Description PT LT 9 PL 178 COLCHESTER PT 2 & 3, 12R7446; T/W & S/T R613698; ESSEX AMENDED BY LO 2003/01/21.
Address COUNTY ROAD 50
HARROW

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

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.

Party To(s)**Capacity****Share**

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

Statements

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, BNS CHARGE to which this notice relates is deleted Schedule:

File Number

Party To Client File Number : 0084265.65

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.

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

EXHIBIT FF

This is **Exhibit “FF”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in dark ink, appearing to read 'Jen C', written above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

Properties

<i>PIN</i>	75198 - 0187 LT
<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>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>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>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>Description</i>	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.
<i>Address</i>	COUNTY ROAD 50 HARROW
<i>PIN</i>	75187 - 0007 LT
<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

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

<i>Name</i>	UCG LAND INC.
<i>Address for Service</i>	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.

Party To(s)

Capacity

Share

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

Statements

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, CE1161676 registered on 2023/11/30 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Farah Alyasa Rohoman	255 Queens Ave., Suite 2010 London N6A 5R8	acting for Applicant(s)	Signed	2023 11 28

Tel 519-931-3500

Fax 519-858-8511

I have the authority to sign and register the document on behalf of all parties to the document.

Farah Alyasa Rohoman	255 Queens Ave., Suite 2010 London N6A 5R8	acting for Party To(s)	Signed	2023 11 28

Tel 519-931-3500

Signed By

Fax 519-858-8511

I have the authority to sign and register the document on behalf of all parties to the document.

Submitted By

MILLER THOMSON LLP

255 Queens Ave., Suite 2010
London
N6A 5R8

2023 11 30

Tel 519-931-3500

Fax 519-858-8511

Fees/Taxes/Payment

<i>Statutory Registration Fee</i>	\$69.95

<i>Total Paid</i>	\$69.95

File Number

Party To Client File Number : 0084265.85

GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS INDENTURE made this 29th day of November, 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.

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

EXHIBIT GG

This is **Exhibit “GG”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

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

November 15, 2024

Stuart Brotman
Direct Line / Fax +1 416 868 3425
sbrotman@fasken.com

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.

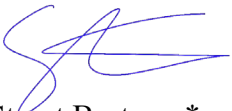
BNS reserves all of its rights, remedies and claims under the Credit Agreement, the Guarantees, all related documents, its security and at law and equity. Nothing contained in this letter or in any discussions or meetings that may occur between BNS, UCG, UCG Land, or any of them, or any of their respective 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

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 S6 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.

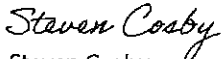
Except as set out above, all of the terms and conditions of the CFA continue to be applicable and are in full force and effect.

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
Director


Jeremy Lee
Associate Director

Accepted by:

BORROWERS

Upper Canada Growers Ltd.

By: Robert Haynes
Title: President / CEO.
Date: 2024-08-28

By: Megan Haynes
Title: Vice President
Date: 2024-08-28

UCG Land Inc.

By: Robert Haynes
Title: Vice President
Date: 2024-08-28

By: Megan Haynes
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 Haynes
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 Haynes
Title: Secretary
Date: 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.

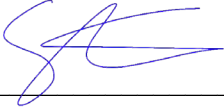
Take notice that:

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: _____

A handwritten signature in blue ink, appearing to be 'SA', written over a horizontal line.

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

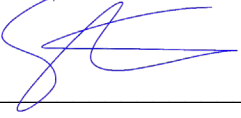
an insolvent person.

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

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

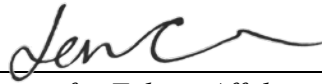
Fax: 1-833-902-8388

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 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

EXHIBIT HH

This is **Exhibit “HH”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)



Tel: 416 865 0210
Fax: 416 865 0904
www.bdo.ca

BDO Canada Limited
20 Wellington St. E. Suite 500
Toronto ON M5E 1C5 Canada

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

BDO Canada Limited is an affiliate of BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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

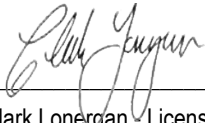
To whom it may concern,

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



Tel: 416 865 0210
Fax: 416 865 0904
www.bdo.ca

BDO Canada Limited
20 Wellington St. E. Suite 500
Toronto ON M5E 1C5 Canada

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

BDO Canada Limited is an affiliate of BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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:
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
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

District of:
 Division No. -
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 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
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

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
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 Propane5475 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

District of:
 Division No. -
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 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
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

District of:
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- 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
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

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
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

District of:
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- 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
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

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
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

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
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

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
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

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
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

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
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



Tel: 416 865 0210
Fax: 416 865 0904
www.bdo.ca

BDO Canada Limited
20 Wellington St. E. Suite 500
Toronto ON M5E 1C5 Canada

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

A handwritten signature in black ink, appearing to read "Clark Lonergan". The signature is fluid and cursive, with the first name "Clark" and last name "Lonergan" clearly distinguishable.

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

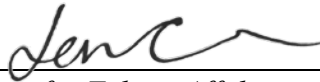
Official Receiver



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

EXHIBIT II

This is **Exhibit “II”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE

JUSTICE

)
)
)

THURSDAY, THE 6TH

DAY OF FEBRUARY, 2025



Court File No. 32-3175819
Estate No. 32-3175819
BK-25-03175820-0032

**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
BK-25-03175819-0032

**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 at the courthouse at 45 Main Street East #500, in Hamilton, Ontario.

ON READING the affidavit of Robert Haynes sworn on January 29, 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 29, 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, 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 Talya Bertler, sworn January 29, 2025 and the Affidavit of Service of David Seifer, sworn January 29, 2025, filed, and on being advised of the support of the DIP Lender (as defined herein) for this Order:

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
BK-25-03175820-0032

**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
BK-25-03175819-0032

**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, Estate No. 32-3175820 and Court No. BK-25-03175819-0032), and hereby dispenses with further filing thereof in the NOI Proceeding of LandCo (Court File No. 32-3175819, Estate No. 32-3175819, and Court No. BK-25-03175820-0032).

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 Appendix “1” 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.

Justice J. Henderson

Issued and Entered Electronically by

Register T. Lecuyer

**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
BK-25-03175820-0032

**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
BK-25-03175819-0032

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

Proceeding commenced at Hamilton

**ORDER
(INITIAL PROPOSAL ORDER)**

DICKINSON WRIGHT LLP

199 Bay Street, Suite 2200
Commerce Court West
Toronto ON, M5L 1G4

John D. Leslie

Tel: 416-646-3801

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David Z. Seifer

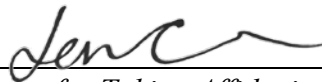
Tel: 416-646-6867

Email: DSeifer@dickinson-wright.com

Counsel for UCG Land Inc. and Upper Canada Growers Ltd.

EXHIBIT JJ

This is **Exhibit “JJ”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is written above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

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

THE HONOURABLE

JUSTICE

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)
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THURSDAY, THE 6TH

DAY OF FEBRUARY, 2025



Court File No. 32-3175819
Estate No. 32-3175819
BK-25-03175820-0032

**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
BK-25-03175819-0032

**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 at the courthouse at 45 Main Street East #500, in Hamilton, Ontario.

ON READING the affidavit of Robert Haynes sworn on January 29, 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 29, 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, 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 Talya Bertler, sworn January 29, 2025 and the Affidavit of Service of David Seifer, sworn January 29, 2025, filed, and on being advised of the support of the Bank of Nova Scotia (the “**DIP Lender**”) for this Order:

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.

Justice J. Henderson

Issued and Entered Electronically by

Register T. Lecuyer

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**

Court File No. 32-3175819
Estate No. 32-3175819
BK-25-03175820-0032

**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
BK-25-03175819-0032

**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

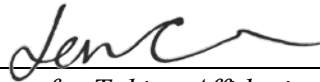
Tel: 416-646-6867

Email: DSeifer@dickinson-wright.com

Counsel for UCG Land Inc. and Upper Canada Growers Ltd.

EXHIBIT KK

This is **Exhibit “KK”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is written above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

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

THE HONOURABLE
JUSTICE SHEARD

)
)
)

TUESDAY, THE 25TH
DAY OF MARCH, 2025

Court File No. 32-3175819
Estate No. 32-3175819
BK-25-03175820-0032

**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
BK-25-03175819-0032

**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

THIS MOTION, made by Upper Canada Growers Ltd. and UCG Land Inc. (collectively, 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) extending the time for the Companies to file proposals under section 50.4(9) of the BIA to and including May 16, 2025; (b) approving the second report of BDO Canada Limited in its capacity as proposal trustee of the Companies (in that capacity, the "**Proposal Trustee**") dated March 14, 2025 (the "**Second Report**") and approving the actions of the Proposal Trustee described in the Second Report; and (c) approving the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Second Report and the fee affidavits appended to the

Second Report, was heard this day by Zoom videoconference at the courthouse at 45 Main Street East, in Hamilton, Ontario.

ON READING the affidavit of Robert Haynes sworn March 14, 2025 and the Second Report, and on hearing the submissions of the respective counsel for the Companies, the Proposal Trustee, and such other counsel and parties present, no one else appearing although duly served as appears from the Affidavit of Service of Talya Bertler sworn March 14, 2025, filed,

SERVICE

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

EXTENSION OF STAY PERIOD

2. **THIS COURT ORDERS** that, pursuant to subsection 50.4(9) of the BIA, the time for the Companies to file proposals is extended up to and including May 16, 2025.

APPROVAL OF THE REPORT, ACTIONS, AND FEES OF THE PROPOSAL TRUSTEE

3. **THIS COURT ORDERS** that the Second Report and the conduct and activities of the Proposal Trustee described therein are hereby approved, provided 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.

4. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee up to and including February 28, 2025, as set out in the Second Report and the fee affidavit of Clark Lonergan sworn March 14, 2025, appended to the Second Report, be and are hereby approved.

5. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee's independent legal counsel, Aird & Berlis LLP, up to and including February 28, 2025, as

set out in the Second Report and the fee affidavit of Ian Aversa sworn March 13, 2025, appended to the Second Report, be and are hereby approved.

SERVICE OF DOCUMENTS

6. **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>.

7. **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).

8. **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

9. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

10. **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.

11. **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.

12. **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.

L. Sheard J.

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
BK-25-03175820-0032

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF UPPER CANADA GROWERS LTD., IN THE CITY OF
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Court File No. 32-3175820
Estate No. 32-3175820
BK-25-03175819-0032

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

PROCEEDING COMMENCED AT
HAMILTON

ORDER

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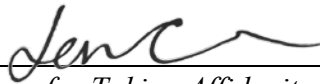
TALYA R. BERTLER (90315H)

Tel: (416) 646-6867
Email: dseifer@dickinsonwright.com

Lawyers for Upper Canada Growers Ltd. and UCG Land
Inc.

EXHIBIT LL

This is **Exhibit “LL”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

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

&

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

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

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
UPPER CANADA GROWERS LTD.

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
UCG Land Inc.

FIRST REPORT OF BDO CANADA LIMITED,
IN ITS CAPACITY AS THE PROPOSAL TRUSTEE
January 29, 2025

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LIST OF APPENDICES

- Appendix A - Certificates of Filing of a Notice of Intention to Make a Proposal
- Appendix B - Affidavits of Mailings and Creditors' Packages
- Appendix C - Companies' Initial Cash Flow projections for the period ended April 12, 2025
- Appendix D - Trustee's Report on Cash Flow Statements

INTRODUCTION

1. On January 17, 2025 (the “**Filing Date**”), Upper Canada Growers Limited (“**UCG OpCo**”) and UCG Land Inc. (“**LandCo**” together with UCG OpCo as “**UCG**” or the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO Canada Limited (“**BDO**”), a Licensed Insolvency Trustee, was named proposal trustee (the “**Proposal Trustee**”) in each of the Companies’ proposal proceedings (collectively, the “**Proposal Proceedings**”). Copies of the respective certificates of filing of a Notice of Intention to Make a Proposal (the “**Certificates of Filing**”) issued by the Office to the Superintendent of Bankruptcy (the “**OSB**”) are attached hereto as **Appendix “A”**.

PURPOSE

2. The purpose of this first report of the Proposal Trustee (the “**First Report**”) is to advise the Court with respect to:
 - (a) an overview of the Companies;
 - (b) the circumstances leading to the Companies’ decision to commence the Proposal Proceedings;
 - (c) the Companies’ creditors;
 - (d) the Companies’ operations and communications with stakeholders since the commencement of these Proposal Proceedings;
 - (e) the Proposal Trustee’s activities since its appointment;
 - (f) an overview of the Companies’ 13-week cash flow forecasts (the “**Cash Flow Forecasts**”), inclusive of the Initial Cash Flows (herein defined), for the period January 17, 2025 to April 11, 2025 (the “**Cash Flow Period**”), together with projections and the Proposal Trustee’s comments regarding the reasonableness thereof;
 - (g) the Companies’ motion for:
 - (i) an order (the “**Initial Proposal Order**”) to:
 - I. administratively consolidate the estates or Proposal Proceedings of the Companies;
 - II. extend 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. approve the First Report, and the actions, conduct and activities of the Proposal Trustee described in the First Report;
 - IV. enhancing certain powers of the Proposal Trustee;
 - V. authorizing the Companies to enter into an interim financing term sheet with the Bank of Nova Scotia (“BNS”) dated on or about January 28, 2025, as interim lender (the “DIP Term Sheet”);
 - VI. granting the super-priority Administration Charge, Directors’ Charge and the DIP Charge (each herein defined); and
 - VII. approving the key employee retention plan;
- (ii) an order (the “SISP Order”) approving the sale and investment solicitation process (the “SISP”) appended at Exhibit Y of the Haynes Affidavit (as defined below), and authorizing the Proposal Trustee to conduct the SISP; and
- (h) the Proposal Trustee’s recommendations on the relief being sought by the Companies.
3. The Proposal Trustee understands that the Companies will be relying on the affidavit of Robert Haynes (“Mr. Haynes”) sworn January 29, 2025 (the “Haynes Affidavit”) in support of the relief sought in the Initial Proposal Order and the SISP Order.
 4. The Haynes Affidavit, and all other materials filed with the Court in these Proposal Proceedings are accessible on the Proposal Trustee’s website at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/upper-canada-growers-ltd> the “Proposal Trustee’s Website”).

TERMS OF REFERENCE

5. In preparing this First Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Companies, discussions with management of the Companies (“Management”), and information from other third-party sources (collectively, the “Information”). Except as described in this First Report, in respect of the Cash Flow Forecasts:
 - (a) the Proposal Trustee has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the

Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“GAAS”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and

- (b) some of the information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.
6. Future oriented financial information referred to in this First Report was prepared based on Management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variation could be significant.
 7. Unless otherwise indicated, the Proposal Trustee’s understanding of factual matters expressed in this First Report concerning the Companies and their business is based on the Information, and not independent factual determinations made by the Proposal Trustee.
 8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

OVERVIEW OF THE COMPANIES

9. This First Report should be read in conjunction with the Haynes Affidavit for additional background and financial information with respect to the Companies. Any terms not expressly defined herein are otherwise defined in the Haynes Affidavit.
10. UCG OpCo is a privately held corporation, provincially incorporated pursuant to the *Business Corporations Act* (Ontario), R.S.O. 1990 c. B.16 (the “OBCA”) on June 10, 2016, which operates nursery and orchard business in Southwestern Ontario (primarily in Harrow, ON). The primary business activities are:
 - (a) the acquisition and multiplication of disease-free rootstock for resale to fruit farmers in Canada and the USA (which historically accounted for approximately 40% of sales); and
 - (b) the development and maintenance of fruit orchards (mostly apple) through the resale of the Companies’ own root stock products and third-party infrastructure

for the purpose of harvesting and selling the fruit to the Ontario wholesale market (which historically accounted for approximately 60% of sales).

11. Once the orchards are developed by UCG OpCo, it 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 (2) years and then ramps up from approximately 50% of capacity in year 3 to approximately 90% capacity by year 5.
12. LandCo is a privately held corporation, provincially incorporated pursuant to the OBCA on October 17, 2016, which operates as a real estate holding company for the land and buildings located in Harrow, ON that are used by UCG OpCo in its nursery and orchard business. These holdings consist mainly of the following assets:
 - (a) approximately 62 acres of land;
 - (b) two (2) commercial greenhouses;
 - (c) one (1) high-tech laboratory;
 - (d) one (1) climate-controlled warehouse (cooler); and
 - (e) an office building with attached storage facility.
13. The Companies are related and, as of early 2024, share management, back-office and accounting functions, and have the same non-independent directors, being Mr. Haynes, Megan Haynes, Manish Nayar and Mohit Nayar.
14. All business activities are managed through UCG OpCo, which is operated primarily by Robert Haynes (President), and his son, Jason, and daughter, Megan (collectively the “**Haynes Family**”).
15. The Haynes Family own approximately 45% of the common voting shares of UCG OpCo, and approximately 50% of common voting shares of LandCo (indirectly through a corporation, 2706756 Ontario Inc. “**270 Ontario**”).
16. Manish Nayar and Mohit Nayar are indirect shareholders of the Companies, due to (i) their ownership interest in Oya Solar Inc. (“**Oya**”), which owns approximately 45% of the common shares of UCG OpCo; (ii) Manish Nayar’s ownership of Manish Nayar Holdings Inc. (“**Manish HoldCo**”), which owns approximately 42% of the common shares of LandCo; and (iii) Mohit Nayar’s ownership of BBC Investments Ltd. (“**BBC**”), which owns approximately 8% of the common shares of LandCo.

17. Oya and Manish HoldCo each hold a special share that provides these entities with enhanced controlling powers over the Companies until such time when certain payments or dividends are made to them pursuant to the shareholder agreements (the “**Special Shareholder Powers**”). These enhanced powers include:
 - (a) if a board vote is tied, Manish Nayar shall carry a second casting vote;
 - (b) unless otherwise approved by Manish Nayar, cheques and other banking documents must be executed by two (2) directors, one (1) of whom must be Manish Nayar; and
 - (c) Manish Nayar is to be lead negotiator on all financing, strategic decisions outside of the day-to-day operations of the business.
18. Neither Manish Nayar nor Mohit Nayar are active in the day-to-day operations of the business.
19. Additionally, Randy Rumsby, Chanphal Prom and Cassidy Cain own approximately 3% of the non-voting class A shares in UCG OpCo. Only Cassidy Cain remains active in the management of UCG OpCo.
20. The Companies are primarily financed by BNS with the BNS Credit Facilities (as defined below) which are cross-collateralized and cross-guaranteed by both UCG OpCo and LandCo.

CIRCUMSTANCES LEADING UP TO THE PROPOSAL PROCEEDINGS

21. As outlined in the Haynes Affidavit, 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 OpCo’s orchard division.
22. The capacity of UCG OpCo’s 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 orchard infrastructure. In the years 2021 through 2023, UCG OpCo 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.
23. In 2024, the Companies were unable to reach a binding agreement with the orchard partner they had selected and, therefore, were unable to plant an orchard and make the corresponding estimated sales of approximately \$7,000,000 and profit of approximately \$2,500,000.

24. In 2024, the Companies funded their business by drawing additional funds on the BNS Credit Facilities (as described below), which culminated in an over-advance on these facilities of approximately \$3,600,000 in excess of their limits.
25. On or around November 15, 2024, BNS issued to the Companies Notices of Intention to Enforce Security pursuant to section 244 of the BIA and Notices of Intent to Realize Security pursuant to section the *Farm Debt Mediation Act (Canada)* (collectively, the “NITES”).
26. The Companies’ balance sheets, as of November 30th, 2024 (the last month for which the Companies have internal financial statements), are summarized in the chart below:

Summary Balance Sheet (as at November 30, 2024)		
	UCG OPCO.	UCG Landco.
Current Assets		
Accounts Receivable	1,509,354	1,039,052
Inventory	13,648,844	-
Due from Related Parties	1,395	3,769,119
Prepaid Expenses	9,303,269	-
Other	37,110	118,851
Total Current Assets	24,499,972	4,927,022
Property, Plant and Equipment	3,325,107	12,382,600
Total Assets	27,825,079	17,309,622
Current Liabilities		
Accounts Payable & Accruals	4,043,683	36,383
Loans Payable	15,564,065	7,847,603
Deposits	606,448	1,536,561
Other	-	278,385
Due to related parties	4,111,095	2,043,233
Total Current Liabilities	24,325,291	11,742,165
Long Term Debt	1,136,991	4,734,498
Total Debt	25,462,282	16,476,663
Equity	2,362,797	832,959
Total Debt and Equity.	27,825,079	17,309,622

27. The Companies were limited in their ability to pay down their debts on account of the following:
 - (a) UCG OpCo’s working capital was primarily comprised of tree inventory (approximately \$13,600,000), of which only a portion (approximately \$3,500,000) can be sold annually as it matures (based on age and only generally in the spring due to market and weather conditions). Absent a significant equity injection, the outstanding accounts receivable balance of approximately \$1,500,000 provided the only liquidity to fund ongoing business operations, which was insufficient to fund outstanding trade vendor obligations and debt servicing requirements totaling approximately \$24,500,000 (current liabilities);

- (b) LandCo. had current assets of only approximately \$4,900,000, which consisted mainly of a receivable from UCG OpCo that could not be monetized due to UCG OpCo's current financial position. Given the cross collateralization of the debts and the senior secured position of BNS, additional debt financing on the assets of LandCo was not a viable option; and
 - (c) the Companies' significantly undercapitalized balance sheet, with only \$3,100,000 of combined equity.
28. In early December 2024, the Companies presented a turnaround plan to BNS that included a cash flow forecast, which showed that additional capital of approximately \$8,500,000 was needed through the forecast period ending July 2026. BNS was not supportive of the plan and communicated their desire to exit their banking relationship with the Companies.
29. Additionally, trade suppliers were stretched, which resulted in past-due accounts payable of approximately \$3,700,000 leading up to the NOIs. Without the Proposal Proceedings, the Companies would not have the liquidity necessary to pay these suppliers for goods and services previously provided.
30. After a brief period (approximately 4 weeks) of funding some of the operations of the business through their own money and cash receipts, the shareholders of the Companies decided 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.

CREDITORS

Secured Claims

31. Pursuant to the Companies' books and records and registrations against them on the Ontario Personal Property Security Act ("PPSA"), we note the following secured creditors:

Bank of Nova Scotia

32. BNS established certain credit facilities in favour of the Companies, pursuant to an agreement dated May 13, 2024 (the "**BNS Credit Facilities**"), which consisted of the following items:

Loan #	Type of Loan	Borrower(s)	Currency	Facility Amount	Outstanding Amount \$CAD*
Loan 1	Operating Line	Upper Canada Growers Ltd.	CAD	\$7,500,000	7,500,249
	Overdraft	Upper Canada Growers Ltd.	CAD		3,009,482
	Overdraft	Upper Canada Growers Ltd.	CAD		63,958
	Overdraft	UCG Land Inc.	USD		559,837
Loan 2	Visa Card	Upper Canada Growers Ltd.	CAD	\$250,000	-
Loan 3	Visa Card	Upper Canada Growers Ltd.	USD	\$50,000	-
Loan 4	Revolving term	Upper Canada Growers Ltd.	CAD	\$20,000,000	1,895,197
		Upper Canada Growers Ltd.	CAD		450,871
		Upper Canada Growers Ltd.	CAD		1,257,791
		UCG Land Inc.	CAD		7,315,200
Total				27,800,000	22,052,585

* Amounts as at January 16, 2025 (USD overdraft of \$44,334 included in the Operating Line at \$63,958 CAD)

33. In addition to the loans above, BNS provided a Letter of Credit in favour of Royal Bank of Canada (“RBC”) in the amount of \$4,808,387 as security for five (5) mortgages provided by RBC to LandCo. (the “BNS LC”). It is expected that RBC will call on the BNS LC, at which point the BNS LC amount will be added to the debts owed to BNS for an aggregate balance of approximately \$26,800,000.
34. BNS also holds a Guaranteed Investment Certificate (“GIC”) in the amount of \$1,601,422 (as at January 16, 2025) as collateral against the BNS Credit Facilities. As of the date of this First Report, the Proposal Trustee understands that the Companies have directed BNS to collapse the GIC and apply its funds against the outstanding BNS Credit Facilities.
35. Additionally, BNS holds, among other things, a general security interest against all of the Companies’ assets, which has been registered under the *Personal Property Security Act* (Ontario) (the “PPSA”). As of the date of this First Report, the Companies are indebted to BNS in the approximate amount of \$20,500,000 net of the GIC but prior to consideration of the balance of the BNS LC.
36. In connection with the BNS Credit Facilities, the Companies and others granted various additional security, including collateral mortgages and general assignments of rents in favour of BNS.

Royal Bank of Canada

37. Prior to entering into the BNS Credit Facilities, RBC was the Companies’ primary source of debt capital. Due to a lower cost of capital on certain mortgages provided by RBC (the “RBC Mortgages”), the Companies maintained them instead of setting up new mortgages with BNS.

38. To facilitate the banking transition to BNS, and the requirement for the BNS Credit Facilities to have a first lien charge on all of the Companies' assets, the BNS LC was granted as collateral to RBC for the RBC Mortgages.
39. The balances of the mortgages provided by RBC, as at January 17, 2025, are as follows:

Property Description	Principal Balance	Accrued Interest	Total
RBC Loan	2,495,886	1,202	2,497,088
Bunkhouse	346,328	-	346,328
Northshore Grape Farm	1,063,544	1,279	1,064,823
Electrical & Lab Upgrades	578,092	695	578,787
Essex Land	249,554	474	250,028
Total			4,737,054

Other Secured Creditors

40. Agriculture Credit Canada ("ACC"): is owed \$1,058,236 per UCG OpCo's books and records. ACC has registered a security interest under the PPSA in respect of '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'.
41. Farm Credit Canada ("FCC"): is owed \$304,608.31 per UCG OpCo's books and records. FCC has registered a security interest under the PPSA in respect of inventory, equipment, accounts and other items. However, there is no general description of the collateral. FCC filed a statement of claim with the Court on September 23, 2024 against the Companies, Mr. Haynes, Megan Haynes and Jason Haynes, in which it claimed \$210,000 plus interest. On November 12, 2024, FCC obtained judgment from the Court in the amount of \$484,100.18. The Proposal Trustee followed up with counsel to FCC with regards to FCC's security registration. On January 24, 2025, counsel to FCC wrote to the Proposal Trustee confirming that FCC's debt was unsecured and FCC would initiate the process of discharging its security registration under the PPSA.
42. Kubota Canada Ltd. ("Kubota"): is owed \$743,939 per UCG OpCo's books and records and has registered a security interest under the PPSA in respect of 13 pieces of equipment.
43. Ford Credit Canada ("Ford Credit"): is owed \$183,283 per UCG OpCo's books and records and has registered a security interest under the PPSA in respect of 5 pieces of equipment
44. Meridian Onecap Credit Corp. ("Meridian"): is owed \$152,245 per UCG OpCo's books and records and has registered a security interest under the PPSA in respect of 1 piece of equipment.

45. CWB National Leasing Inc. (“CWB”): is owed \$1,493.74 per UCG OpCo’s books and records and has registered a security interest under the PPSA in respect of 1 piece of equipment.
46. Toyota Industries Commercial Finance Canada Inc. (“Toyota”): is owed \$60,791 per UCG OpCo’s books and records and has registered a security interest under the PPSA in respect of 1 piece of equipment
47. The Proposal Trustee has not obtained an independent, written opinion from its legal counsel, Aird & Berlis LLP (“A&B”), with respect to the validity and enforceability of the BNS Credit Facilities and/or the other secured debts and their related security documents noted above, as there is no pressing need to do so, and incur the associated costs, at this time.

Various Related Party Loans

48. The Haynes Family (Rob, Megan and Jason) are responsible for the operation of the business, with Rob leading the group as CEO. Over the years, they have injected their own funds into the business on an unsecured basis. Per UCG OpCo’s books and records, they are collectively owed approximately \$110,000 on these loans.
49. Pursuant to the Companies’ internal financial statements as at November 30, 2024, an additional approximate \$2,300,000 is stated as being owed to Manish Nayar, 2403727 Ontario Inc. (“240 ON”) and Burncrest Capital Corp. (“Burncrest”) (240 and Burncrest being entities which Management believes are affiliated with Manish Nayar and Mohit Nayar). These debts consist of approximately \$2,000,000 in UCG OpCo and approximately \$300,000 in LandCo.
50. The validity of the related party debts and association with the related parties have not been determined by the Proposal Trustee at this time.

Government Remittances and Municipal Property Taxes

51. 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.
52. The Proposal Trustee understands that the Companies are up to date on filing harmonized sales tax (the “HST”) returns with Canada Revenue Agency (the “CRA”) through December 2024 and have a \$70,500 refund owing from CRA to UCG OpCo and approximately \$143,750 owing to CRA from LandCo.
53. Property taxes included in the Companies’ accounts payable listings total \$80,460.

Unsecured Creditors

54. As previously outlined, UCG OpCo administered payments for both Companies and accounted for paying LandCo expenses through an offset to an intercompany payable account it has with LandCo for the rent of LandCo's real-property assets. Accordingly, the books and records of UCG OpCo may contain trade debts associated with LandCo and will need to be examined further should a claims process be conducted.
55. Pursuant to UCG OpCo's books and records, there were approximately 111 different unsecured creditors identified with debts totalling approximately \$3,700,000.
56. Additionally, Management identified approximately \$250,000 of debts owing to CRA from LandCo, which were included as unsecured liabilities on the listing of known creditors submitted as part of LandCo's NOI filing.
57. The respective affidavit of mailing and associated creditor package for the Companies are attached hereto as **Appendix "B"**.

UPDATE ON THE COMPANIES' ACTIVITIES

58. Since the Filing Date, the Companies have been taking steps and focusing on stabilizing operations. Management, with the assistance of the Proposal Trustee, has engaged in various discussions with stakeholders, suppliers, customers, and employees. As of the date of this First Report, the Companies have maintained their business operations without significant disruption or issues.

PROPOSAL TRUSTEE'S ACTIVITIES TO DATE

59. The Proposal Trustee established the Proposal Trustee's Website for these Proposal Proceedings. All court documents and certain other relevant documents will continue to be posted as they are made available.
60. In accordance with its obligations under the BIA, on January 22, 2025, the Proposal Trustee prepared and sent a notice to all known creditors, which included information about the Proposal Proceedings, by prepaid ordinary mail and email where unknown, based on the contact information of such known creditors who have a claim against the Companies of more than \$250.
61. In accordance with subsection 50.4(2)(c) of the BIA, the Proposal Trustee assisted the Companies in the preparation of their respective cash-flow projections and related assumptions for the 13-week period ending April 12, 2025, together with Management's report

on the cash-flow projection (the “**Initial Cash Flows**”). Copies of the Initial Cash Flows are attached hereto as **Appendix “C”**.

62. In accordance with subsection 50.4(2)(b) of the BIA, the Proposal Trustee reviewed the Initial Cash Flows and assessed their reasonableness.

63. The Proposal Trustee also completed statutory forms and e-filed such reports with the OSB.

64. Furthermore, since the issuance of the Certificates of Filing, the Proposal Trustee, among other things, has:

- (a) participated in various calls with the Companies’ internal accounting/finance consultants to gain a better understanding of the Companies’ books and records, current treasury functions, payroll, etc.;
- (b) participated in various meetings with the Companies’ CFO, Shannon Ford, and operations teams regarding operating footprint, labour force and sales going forward;
- (c) assisted the Companies with stakeholder communications, including through the preparation of various scripts and frequently asked questions;
- (d) responded to calls, e-mails and letters received from creditors and other parties with respect to the Proposal Proceedings;
- (e) participated in various discussions with BNS and its legal counsel regarding interim financing and terms for the DIP (as defined below);
- (f) participated in discussions with the Companies’ orchard partners and other material trade vendors;
- (g) created the SISP procedures and timelines;
- (h) participated in various discussions with Management and staff of the Companies regarding preparation of materials for a SISP;
- (i) created a weekly monitoring protocol with the Companies in order for the Proposal Trustee to be able to review and report on the Companies’ weekly cash receipts and disbursements;
- (j) reviewed the Companies’ actual receipts and disbursements; and
- (k) prepared this First Report, including reviewing the Companies’ assets and operations, reviewing various financial reports, appraisals and valuations and conducting other related analysis.

CASH FLOW PROJECTIONS

65. Based on the Proposal Trustee's review of the Initial Cash Flows, there were no material assumptions that seem unreasonable in the present circumstances. However, the Proposal Trustee notes that UCG OpCo administers and manages the operations and treasury functions for the integrated businesses, and LandCo's cash flow forecast has no transactions and has a \$nil cash balance. The Proposal Trustee's reports on the Initial Cash Flows (the "**Trustee's Report on Cash-Flow Statement(s)**") are attached hereto as **Appendix "D"**.
66. The Initial Cash Flows indicated that UCG OpCo has a cash deficit of approximately \$2,300,000 for the forecasted period. BNS has agreed to fund up to \$150,000 ("**Emergency Funding**") under its BNS Credit Facilities with the residual \$2,200,000 (\$2,400,000 peak funding requirement in week 12) required to be funded from additional debtor-in-possession ("**DIP**") funding.
67. Based on the foregoing, the Companies cannot operate their business and seek a restructuring without the additional DIP funding.
68. The Cash Flow Forecasts project that during the Cash Flow Period, the Companies should have sufficient liquidity, based on the Emergency Funding provided by BNS, positive timing variances experienced to date, and the DIP funding from the new DIP Loan (herein defined) which is subject to Court approval.

THE RELIEF AND ORDER BEING SOUGHT BY THE COMPANIES

Proposed Consolidation of the Estates

69. The Initial Proposal Order seeks an administrative consolidation of the two Proposal Proceedings. The Companies are related parties with a single business enterprise and a common senior, secured creditor (i.e. BNS). Additionally, the Companies process substantially all their treasury functions through UCG OpCo. Finally, 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. The relief is sought by the Companies to avoid a duplicity of proceedings and unnecessary costs.
70. In the view of the Proposal Trustee, the Companies' creditors will not be prejudiced by the proposed administrative consolidation of the Proposal Proceedings. Rather, the consolidation is the most efficient, cost effective and practical approach to manage the Proposal Proceedings.

Proposed Stay Extension

71. Under the BIA, the initial stay of proceedings will expire on February 15, 2025 (the “**Stay Period**”).
72. The Companies seek an extension of time to file a proposal for an additional 45 days to and including April 1, 2025 (“**Proposed Stay Extension**”). The Proposed Stay Extension should permit the Proposal Trustee to commence and advance the SISP. Without the Proposed Stay 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.
73. It is the Proposal Trustee’s view, based on the Initial Cash Flows and assuming the DIP Loan (herein defined) and related charge are approved by the Court, that the Companies will have sufficient liquidity to commence and advance the SISP and satisfy post-filing obligations as they come due during the Proposed Stay Extension.
74. Based on the information presently available, the Proposal Trustee believes that the Companies’ creditors will not be materially prejudiced by the Proposed Stay Extension. Furthermore, the Proposal Trustee is not aware of any creditor who opposes the requested extension of the Stay Period.

Proposed Priority Charges

75. The Initial Proposal Order provides for three (3) priority charges (collectively, the “**Charges**”) on all of the current and future assets, undertakings, and properties of the Companies, wherever located, including all proceeds thereof, which Charges rank in the following order:
- (a) first, the Administration Charge (defined below);
 - (b) second, the DIP Charge (defined below); and
 - (c) third, the Directors’ Charge (defined below).
76. The Proposal Trustee understands that the Companies have provided their secured creditors with notice of their Motion Record.

ADMINISTRATION CHARGE

77. The Initial Proposal Order provides for a charge up to a maximum amount of \$500,000 (the “**Administration Charge**”) in favour of counsel to the Companies, the Proposal Trustee and its independent counsel and counsel to BNS (the “**Professional Group**”), as security for the professional fees and disbursements incurred prior to and after the commencement of the

Proposal Proceedings. Professional fee obligations secured by the Administration Charge will be paid in the ordinary course from funding provided by the DIP Loan.

78. As set out in the Haynes Affidavit, the Companies believe that the Administration Charge is essential to a successful restructuring.
79. In terms of the provision of professional services, it is envisioned that the Proposal Trustee will oversee and implement the Proposal Proceedings and SISP and will call upon counsel as appropriate to carry out its obligations relating thereto. A summary of essential services to be provided includes:
 - (a) the administration and monitoring of the Proposal Proceedings, including preparing reports to creditors, the Official Receiver, and this Court as may be required by the BIA, and reviewing the Companies' cash-flows and related financial disclosure;
 - (b) implementing the SISP over an approximate 5-month period, including drafting the solicitation package (including various documents), preparing the virtual data room ("VDR"), assisting potential bidders with the due diligence process, reviewing bids and negotiating and drafting definitive agreement(s);
 - (c) preparing, drafting and filing all court materials, including the motion for an order approving any proposed investment in Companies and/or sale of the Companies' assets;
 - (d) providing general corporate and specialized restructuring advice to the Companies; and
 - (e) assisting the Companies in the preparation of their financial reporting as may be required under the BIA.
80. Because of their institutional knowledge of the Companies' business and their specialized experience in proposal proceedings generally, the services to be provided by the Professional Group are critical to the success of the Companies' restructuring. Further, the Professional Group has worked, and will work, cooperatively to avoid any unwarranted duplication of work.
81. Fees and disbursements of the Proposal Trustee and its counsel, A&B, payable pursuant to the Administration Charge, will be subject to taxation or court approval pursuant to the Initial Proposal Order.
82. The fees and disbursements secured by the Administration Charge will be paid in the normal course as outlined in the Cash Flow Forecast.

83. The Proposal Trustee is of the view that given the current liquidity constraints of the Companies, the proposed Administration Charge is required and reasonable in the circumstances. The Proposal Trustee is of the view that the Administration Charge is necessary for the effective participation of the professionals in the Proposal Proceedings, and believes the quantum of the Administration Charge is reasonable in the circumstances based upon a review and assessment of the anticipated professional costs to be incurred during this matter.

DIP CHARGE

84. The Companies are seeking approval of the DIP Term Sheet pursuant to which BNS, in its capacity as the proposed lender under the DIP Term Sheet (the “**DIP Lender**”), has offered to make available DIP funding available to the Companies under a new credit facility up to a maximum amount of \$2,700,000 (the “**DIP Loan**”) in order to provide sufficient liquidity for the Companies, and for the Proposal Trustee to complete a Court-approved SISP.
85. In addition to the approval of the DIP Loan, the Initial Proposal Order also provides for the creation of a related charge (the “**DIP Charge**”) to secure the maximum allowed borrowings pursuant to the DIP Loan.
86. The material items, terms and conditions of the DIP Term Sheet include the following:
- (a) principal amount: up to a maximum amount of \$2,700,000 (the “**Maximum Amount**”);
 - (b) purpose of the loan: to fund, pursuant to a budget (the “**DIP Budget**”) approved by BNS, each of the following: (i) the working capital needs of the Companies; (ii) the DIP Lender’s fees and expenses; (iii) the professional fees and expenses incurred by the Companies and the Proposal Trustee and its legal counsel in respect to the Proposal Proceedings; (iv) the pre-filing fees of the Proposal Trustee, A&B, and counsel to BNS; (v) the pre-filing fees of the Companies’ financial advisor up to a maximum of \$50,000; (vi) the costs associated with the SISP; and (vii) such other costs and expenses of the Companies as maybe agreed upon, in writing;
 - (c) interest rate: 10% per annum, payable on the Maturity Date (defined herein);
 - (d) commitment fee: equal of \$50,000;
 - (e) DIP Charge and Court Approval: the DIP Loan is to be secured by a Court-ordered priority charge over all of the Companies’ present and after-acquired property, assets and undertakings, subject only to the Administration Charge. The DIP Loan

will be available to the Companies subject to certain conditions including the issuance of the Initial Proposal Order by no later than 5:00 pm on February 6, 2025, approving the DIP Term Sheet, the DIP Loan and the DIP Charge; and

(f) repayment: the DIP Loan is to repaid on the maturity date (the “**Maturity Date**”), which is defined as the earlier of:

- (i) July 17, 2025, being six (6) months after the initiation of the Proposal Proceedings;
- (ii) the implementation of a proposal within the Proposal Proceedings (a “**Proposal**”), which has been approved by the BNS and by the requisite majorities of the Companies’ creditors and sanctioned by an order entered by the Court (the “**Sanction Order**”);
- (iii) conversion of the Proposal Proceedings into a proceeding under the *Companies’ Creditors Arrangement Act (Canada)*;
- (iv) the completion of a sale or sales of all or substantially all of the Companies’ assets, or of all or substantially all of the shares of the Companies, or of all or substantially all of the Companies’ business;
- (v) an Event of Default which has not been waived by the DIP Lender and in respect of which it has elected, in its sole discretion, to accelerate the obligations of the Companies’ under the DIP Loan; and
- (vi) the date on which the Proposal Proceedings are terminated.

87. A copy of the DIP Term Sheet is attached as **Exhibit X** in the Haynes Affidavit.

88. The Proposal Trustee believes the terms offered by the DIP Lender are reasonable and competitive in the circumstances.

89. Furthermore, the Proposal Trustee is of the view that the Companies’ request for approval of the DIP Term Sheet/DIP Loan and the DIP Charge is required and reasonable in order to provide the Companies the necessary financing to maintain ongoing operations and conduct the SISP. Absent approval of this financing, 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, which would result in the loss of value and jobs and be detrimental to all of the Companies’ creditors and stakeholders.

DIRECTORS' CHARGE

90. As part of these Proposal Proceedings, the Companies are seeking a charge up to a maximum amount of \$150,000 for the Companies' directors and officers (the "**Directors' Charge**"), ranking in priority to all other claims and encumbrances, with the exception of the Administration Charge and the DIP Charge. The Directors' Charge is intended to address potential claims that may be brought against the directors and officers of the Companies after the Filing Date, including with respect to HST arrears, wages, vacation pay, and source deductions.
91. The Companies' ordinary course operations give rise to potential director liability, including on account of payroll obligations. The Directors' Charge is crucial to the continued involvement of the Companies' directors and officers during the Proposal Proceedings, who would otherwise resign from their roles before a significant portion of the liability can be triggered.
92. The Proposal Trustee believes that the directors and officers are crucial to maintaining the Companies' operations, assisting the Proposal Trustee with the SISP, and increasing the prospects of a successful restructuring—all of which will maximize value for the Companies' creditors.
93. The quantum of the Directors' Charge was developed with the assistance and support of the Proposal Trustee, taking into account the anticipated payroll and other exposures that give rise to director and officer liability for the applicable period. As such, the quantum of the Directors' Charge is reasonable in the circumstance as, among other things, there is also no existing coverage for directors and officers under the Companies' existing insurance policies.

PROPOSED SALES INVESTMENT AND SOLICITATION PROCESS

94. Any terms not expressly defined in this section are otherwise defined in the SISP.
95. The Proposal Trustee, in consultation with the Companies and the DIP Lender, developed the SISP, which is intended to solicit interest in and opportunities for an investment in or sale of all or substantially all of the Property or Business of the Companies. A copy of the SISP's detailed process and procedure is appended at **Exhibit Y** to the Haynes Affidavit.
96. The Proposal Trustee is qualified to administer the SISP for the following reasons:
 - (a) they have considerable experience conducting similar sales processes;
 - (b) they have extensive industry and institutional contacts, ensuring that the opportunity will be broadly publicized;

- (c) they are independent of the Companies; and
- (d) they will ensure that the SISP is thorough, transparent, and run efficiently for the benefit of the Companies' stakeholders.

Sales Process Summary & Proposed Timeline

97. The SISP shall commence immediately following the issuance of the Initial Proposal Order. The table below sets out subsequent key deadlines in the SISP that interested parties should note (terms within the table are defined in subsequent paragraphs):

Milestone	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
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

98. The SISP serves to solicit and identify parties that wish to make a formal offer to purchase or make an investment in the Companies or their Property or Business (the **"Opportunity"**).
99. The Opportunity may include one or more of a restructuring, recapitalization or other form of reorganization of the business and affairs of the Companies, as a going concern or a sale of all, or substantially all of the Property.
100. The Proposal Trustee will develop a list of potential bidders (the **"Known Potential Bidders"**). This list will be comprised of those that have previously shown interest in transacting with the Companies, and other potential strategic and financial parties whom the Companies believe may be interested in the Opportunity.
101. The Proposal Trustee will also prepare a process summary describing the Opportunity (the **"Teaser Letter"**) and a non-disclosure agreement (the **"NDA"**).

102. The Proposal Trustee will send the Teaser Letter and NDA to all Known Potential Bidders, and to any other party 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.
103. Any party who wishes to participate in the SISP (a “**Potential Bidder**”) must provide to the Proposal Trustee an executed NDA and a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.
104. The Proposal Trustee, with the approval of 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 the NDA to the Proposal Trustee and provided information as to their financial wherewithal to close a Transaction, such access to due diligence material and information relating to the Property as the Proposal Trustee deems appropriate.
105. To be considered for inclusion in the next round of the process, Expressions of Interest (“**EOI**”) must be received by the Proposal Trustee no later than 5:00 PM (Eastern Time) on March 28, 2025, or as may be modified in the bid process letter that may be circulated by the Proposal Trustee to Potential Bidders. The EOI should describe in sufficient detail all material matters relating to the proposed transaction. While EOIs 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 acquiring the Companies, or any of them, including the identity of any entity that controls such acquiring entity;
 - (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 proposed 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 with the Companies;
- (f) assumptions and intentions with respect to retention of Management and employees;
- (g) any regulatory, shareholder, lender or other third-party approvals that would be required or potentially required, the estimated timetable required to conclude a proposed transaction, and whether the EOI is conditional on any other items;
- (h) any conditions to closing or any other terms and conditions that would be required in order to complete the proposed transaction;
- (i) contact Information for those persons who should be contacted with respect to the EOI; and
- (j) any other matters that may be helpful in the evaluation of the EOI and completion of the proposed transaction in a timely manner.

106. An EOI will be evaluated based upon several factors including, without limitation: (i) the Purchase Price and the net value provided by such bid, (ii) the identity, circumstances and ability of the Potential Bidder to successfully complete such transactions, (iii) factors affecting the speed, certainty and value of the transaction, (iv) the assets included or excluded from the bid, (v) any related restructuring costs, and (vi) the likelihood and timing of consummating such transaction, each as determined by the Proposal Trustee and the DIP Lender.

107. The Proposal Trustee shall notify each Potential Bidder who submitted an EOI in writing 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 deems appropriate, with the approval of the DIP Lender.

108. Potential Bidders with Selected EOIs who wish to make a formal offer to purchase or make an investment in the Companies or their Property (each, a “**Bidder**”) shall submit a binding Letter of Intent (a “**LOI**”) that complies with all of the following requirements of the Proposal Trustee and is received by the Proposal Trustee no 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 to Potential Bidders, with the approval of the Proposal Trustee and its stakeholders (the “**LOI Deadline**”):

- (a) the LOI must be a binding offer to make:

- (i) a Sale Proposal to acquire all, substantially all or a portion of the Companies' assets or shares of the Companies; and/or
 - (ii) an Investment Proposal for an investment in the restructuring, recapitalization or reorganization of the Companies (shares, preferred shares, debt purchase, etc.);
- (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 Companies and is consistent with 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 (as defined below), provided that if such Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the proposed transaction with the Successful Bidder;
- (d) the LOI includes, in the case of a Sale Proposal, a completed purchase agreement with a comparison to the form of asset purchase agreement contained in the VDR, 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 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 Company receiving the required approvals or amendments relating to the supply management, distribution and licence agreements required to operate the business;
- (g) the LOI fully discloses the identity of each entity that will be entering into the proposed 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 valuation;
 - (ii) a description of the assets that are expected to be subject to the proposed transaction and any assets 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 the conditions and approvals required to complete the closing of the proposed transaction;
 - (v) 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;
 - (vi) any other terms or conditions of the Sale Proposal that the Bidder believes are material to the proposed transaction; 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 the 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 Company in Canadian dollars;
 - (iii) the underlying assumptions regarding the pro forma capital structure;
 - (iv) a specific indication of the sources of capital for the Bidder and the structure and financing of the proposed transaction;
 - (v) a description of the conditions and approvals required to complete the closing of the proposed transaction;

- (vi) 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;
 - (vii) any other terms or conditions of the Investment Proposal; and
 - (viii) 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 the Successful Bidder.
- (j) the LOI includes acknowledgements and representations of the Bidder that the Bidder:
- (i) has had an opportunity to conduct any and all due diligence regarding the Property, and the Companies 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 Company, or the Property, or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Company;
- (k) the LOI is received by the LOI Deadline; and
- (l) the LOI contemplates closing the transaction set out therein no later than June 13, 2025, subject to obtaining Court approval.

109. Following the LOI Deadline, the Proposal Trustee and the DIP Lender will assess the LOIs received. The Proposal Trustee 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).

110. The Proposal Trustee 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.

111. The Proposal Trustee, in consultation with the DIP Lender, may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant LOIs to be a Qualified Bid.
112. In the event that the Proposal Trustee is not satisfied with the number or terms of the Qualified Bids, the Proposal Trustee may, in consultation with the DIP Lender, extend the Bid Deadline, or may seek Court approval for amendments to the SISP.
113. The Proposal Trustee may aggregate separate Bids from unaffiliated Bidders to create one Qualified Bid.
114. A Qualified Bid will be evaluated based upon several factors including, without limitation: (i) the Purchase Price and the net value provided by such bid, (ii) the identity, circumstances and ability of the Bidder to successfully complete such transactions, (iii) the proposed transaction documents, (iv) factors affecting the speed, certainty and value of the transaction, (v) the assets included or excluded from the bid, (vi) any related restructuring costs, and (vii) the likelihood and timing of consummating such transaction, each as determined by the Proposal Trustee and the DIP Lender.
115. The Proposal Trustee, in consultation with the DIP Lender, will:
- (a) review each Qualified Bid in 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 likelihood of the Bidder's ability to close a transaction by June 13, 2025 (including factors such as the transaction structure and execution risk, conditions to, timing of, and certainty of closing, termination provisions, availability of financing and financial wherewithal to meet all commitments and required governmental or other approvals);
 - (iv) the likelihood of the Court's approval of the Successful Bid, if required;
 - (v) the net benefit to the Companies; and
 - (vi) any other factors the Company may, consistent with its fiduciary duties, reasonably deem relevant; and
 - (b) identify and select the highest or otherwise best bid received (the "**Successful Bid**", and the Bidder making such bid, the "**Successful Bidder**"), and notify or inform the Successful Bidder that its bid or Qualified Bid is the Successful Bid.

116. The Successful Bidder shall complete and execute all agreements, contracts, instruments or other documents including the Definitive Transaction Agreement evidencing and containing the terms and conditions upon which the Successful Bid was made by Wednesday, May 14, 2025, unless extended by the Proposal Trustee, in consultation with and approval from the DIP Lender, subject to the milestones or deadlines set forth in paragraph 12 of the SISP.
117. A Court date will be scheduled to hear a motion to approve any Transaction with the Successful Bidder (the “**Sale Approval Motion**”). At the Sale Approval Motion, the Proposal Trustee or the Companies shall seek, among other things, approval from the Court to consummate the Successful Bid. All Qualified Bids other than the Successful Bid, if any, shall be deemed to be rejected by the Proposal Trustee and/or Sales Agent on and as of the date of approval of the Successful Bid by the Court.

KEY EMPLOYEE RETENTION PLAN

118. The primary objective of the proposed Key Employee Retention Plan (“**KERP**”) is to incentivize key employees and independent contractors in management roles (collectively, the “**KERP Recipients**”) who are vital to the ongoing operations of the Companies to (i) continue in their current roles in order to maintain the Companies’ business while they seek a restructuring solution, (ii) compensate them for their expanded roles during these Proposal Proceedings, and (iii) aid in the consummation of a transaction if identified through a SISP.
119. The proposed KERP Recipients are instrumental to the Companies’ ongoing stability and marketing efforts, both prior to and during the SISP, and have been approved by Management and the Companies’ stakeholders.
120. The KERP is for a total amount of \$168,250 covering ten (10) KERP Recipients identified by the Companies’ senior management as critical to the ongoing operation of the business and the Companies’ marketability in the SISP. The payments represent approximately 16% of the estimated total earnings of the KERP Recipients. A copy of the KERP is appended as **Tab 3** to the Motion Record of the Companies.
121. To qualify for their respective payments, KERP Recipients must continue to work for the Companies until the earlier of such time as the SISP is finished through a consummated transaction, or the date on which the Proposal Proceedings are terminated by way of Court order therein.
122. The Proposal Trustee is of the view that the KERP is necessary and is fair and reasonable in these circumstances.

ENHANCED POWERS OF THE PROPOSAL TRUSTEE

123. The Companies seek to enhance the Proposal Trustee's powers. Specifically, the proposed enhanced powers authorize and empower, but do not require, the Proposal Trustee to, among other things:

- (a) exercise any powers which may be properly exercised by a board of directors or any officers of the Companies to cause the Companies, through the Companies' employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") (then engaged, if any), to, without limitation:
 - (i) take any and all actions and steps, and execute all agreements, documents and writings, on behalf of, and in the name of, the Companies in order to facilitate the performance of any of the Companies' powers or obligations (collectively, the "**Companies' Powers & Obligations**"):
 - (ii) engage, retain, or terminate the services of any officer, employee, consultant, agent, representative, advisor, or other persons or entities, as the Proposal Trustee deems necessary or appropriate to assist with the exercise of the Proposal Trustee's powers and duties and/or the Companies' Powers & Obligations. For greater certainty, any such officer, employee, consultant, agent, representative, advisor, or other persons or entities engaged or retained pursuant to this paragraph shall thereafter be deemed to be Assistants under the Initial Proposal Order;
 - (iii) perform such other functions or duties, and enter into any agreements or incur any obligations, as the Proposal Trustee considers necessary or desirable in order to facilitate or assist the winding-down or liquidation of the Companies, the realization and/or sale of all of the Companies' current and future assets, undertakings and properties of every nature and kind whatsoever and wherever situate, including all proceeds thereof (the "**Property**") or the opportunity to invest by way of equity or debt in the Companies' business (the "**Business**"), the distribution of any net proceeds of the Property (the "**Proceeds**"), or any other related activities, including, without limitation, in connection with terminating this Proposal Proceedings;
 - (iv) exercise any rights of the Companies;

- (v) grant the Proposal Trustee access to all books and records that are the property of the Companies or that are in the Companies' possession or control (the "**Books and Records**");
 - (vi) initiate, prosecute, and/or continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Companies, the Property, or the Proceeds, and, subject to further order of this Court, to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
 - (vii) 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, in order to confirm the appointment of an authorized representative of the Companies (which may be a representative of the Proposal Trustee) for such purposes;
 - (viii) 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);
 - (ix) claim any and all insurance refunds or tax refunds to which the Companies are entitled on behalf of the Companies; and
 - (x) 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 employments for the Companies' former employees, in either case, based solely upon the information in the Books and Records and on the basis that the Proposal Trustee shall incur no liability or obligation to any person with respect to such returns, remittances, statements, records or other documents.
- (b) monitor the Companies' receipts and disbursements;
 - (c) subject to certain protections in favour of the Proposal Trustee as set out in the Initial Proposal Order, review, and approve (if the Proposal Trustee deems the disbursement necessary or appropriate to maintain or facilitate the Business) all disbursements of the Companies of \$25,000 or greater;

- (d) report to this Court, at such times and intervals as the Proposal Trustee may deem appropriate, with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (e) assist the Companies, to the extent required by the Companies, in their dissemination to BNS and its counsel on a bi-weekly basis of financial and other information as agreed to between the Companies and BNS, which may be used in these proceedings including reporting on a basis to be agreed with BNS, including but not limited to as the foregoing may be required under the DIP Term Sheet;
- (f) advise the Companies in their preparation of the Companies' cash flow statements and reporting reasonably required by BNS, which information shall be reviewed with the Proposal Trustee and delivered to BNS and its counsel on a periodic basis, but not less than bi-weekly, or as otherwise agreed to by BNS, including but not limited to as the foregoing may be required under the DIP Term Sheet;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Companies, to the extent that is necessary to adequately assess the Companies' business and financial affairs or to perform its duties arising under the Initial Proposal Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Proposal Trustee deems necessary or advisable respecting the exercise of its powers and performance of its obligations under the Initial Proposal Order;
- (i) perform such other duties as are required by the Initial Proposal Order or by this Court from time to time; and
- (j) take any steps reasonably incidental to the exercise by the Proposal Trustee of the powers listed above or the performance of any statutory obligations.

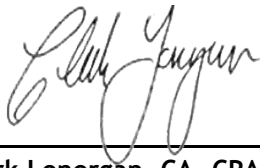
124. The Proposal Trustee is of the view that the proposed enhanced powers in favour of the Proposal Trustee are appropriate given the operational challenges still impacting the Companies; the uncertainty associated with the Special Shareholder Powers and who might be otherwise in control of the business; and the significant workload and demands that are currently placed on Management to both assist the Proposal Trustee with the administration of the Proposal Proceedings and operating the Companies' business.

CONCLUSIONS AND RECOMMENDATIONS

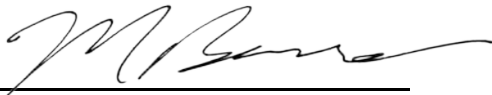
125. For the reasons previously stated in this First Report, the Proposal Trustee supports the relief being sought by the Companies in the Initial Proposal Order and the SISP Order.

All of which is respectfully submitted this 29th day of January 2025.

**BDO CANADA LIMITED, in its capacity
as Proposal Trustee of Upper Canada Growers
Ltd. and UCG Land Inc. and not in its corporate
or personal capacity.**



**Clark Lonergan, CA, CPA, CIRP, LIT
Partner/Senior Vice President**



**Michael Basso, CA, CPA, CIRP, LIT
Partner/Senior Vice President**

EXHIBIT MM

This is **Exhibit “MM”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is written above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY & INSOLVENCY

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

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

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

SECOND REPORT OF THE PROPOSAL TRUSTEE
March 14, 2025

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LIST OF APPENDICES

- Appendix A - First Report of the Proposal Trustee dated January 29, 2025 (without appendices)
- Appendix B - Initial Court Order dated February 6, 2025
- Appendix C - SISP Order dated February 6, 2025
- Appendix D - Original Cash Flow Forecasts for the period January 17, 2025 to April 12, 2025
- Appendix E - Cash Flow Variance Analysis for the 8-week period ending March 8, 2025
- Appendix F - Extended Cash Flow Forecasts for the period of January 17, 2025 to May 17, 2025
- Appendix G - Fee Affidavit of Clark Lonergan, sworn March 14, 2025
- Appendix H - Fee Affidavit of Ian Aversa, sworn March 13, 2025

INTRODUCTION

1. On January 17, 2025 (the “**Filing Date**”), Upper Canada Growers Ltd. (“**UCG OpCo**”) and UCG Land Inc. (“**LandCo**” and, together with UCG OpCo, “**UCG**” or the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO Canada Limited (“**BDO**”), a Licensed Insolvency Trustee, was named proposal trustee (the “**Proposal Trustee**”) in each of the Companies’ proposal proceedings (collectively, the “**Proposal Proceedings**”).
2. On January 29, 2025, the Proposal Trustee prepared a report (the “**First Report**”) to the Ontario Superior Court of Justice (the “**Court**”) in advance of the Companies’ motion to the Court on February 6, 2025. A copy of the First Report, without appendices, is attached hereto as **Appendix “A”**.
3. On February 6, 2025, the Court issued an order (the “**Initial Order**”) granting the following material relief:
 - (a) administratively consolidating the two Proposal Proceedings;
 - (b) extending the time to file a proposal pursuant to s 50.4(9) of the BIA, up to and including April 1, 2025;
 - (c) approving the First Report, and the actions, activities and conduct of the Proposal Trustee described therein;
 - (d) enhancing certain powers of the Proposal Trustee to facilitate the SISP and to mitigate any potential dispute between shareholders;
 - (e) approving the interim financing funded (the “**DIP Facility**”) by the Companies’ senior secured lender, Bank of Nova Scotia (“**BNS**”), and granting an interim financing charge to secure the Companies’ obligations under DIP Facility;
 - (f) granting an administrative charge to secure payment of the fees and disbursements of the Proposal Trustee and other key insolvency professionals;
 - (g) granting a directors’ charge to secure the Companies’ obligation to indemnify the directors and officers for post-filing liabilities that may arise; and
 - (h) approving a key employee retention program (“**KERP**”) and granting a related charge on the Companies’ assets to secure payment of amounts owing under the KERP.

4. Additionally, on February 6, 2025, the Court issued an order (the “**SISP Order**”) approving the Sale and Investment Solicitation Process (the “**SISP**”) to be administered by the Proposal Trustee.
5. Copies of the Initial Order and the SISP Order are attached hereto as **Appendix “B”** and **Appendix “C”** respectively.

PURPOSE

6. The purpose of this second report of the Proposal Trustee (the “**Second Report**”) is to advise the Court with respect to:
 - (a) the Companies’ operations since the date of the First Report;
 - (b) the Proposal Trustee’s activities since the First Report;
 - (c) an update on the SISP;
 - (d) the Companies’ actual cash flow results for the 8-week period ended March 8, 2025, versus the same budgeted period as outlined in the Companies’ cash flow forecasts for the period January 17, 2025 to April 12, 2025 (the “**Original Cash Flow Period**”), separately for each of the Companies (the “**Original Cash Flow Forecasts**”), projections and the Proposal Trustee’s comments regarding the variances. Copies of the Original Cash Flow Forecasts are attached hereto as **Appendix “D”**;
 - (e) the fees and disbursements of the Proposal Trustee and its counsel;
 - (f) the Companies’ motion to seek an order (the “**Proposed Order**”) to:
 - (i) extend the time for the Companies to file proposals under section 50.4(9) of the BIA by 45 days to and including May 16, 2025;
 - (ii) approve the Second Report, and the actions, activities and conduct of the Proposal Trustee described therein; and
 - (iii) approve the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Second Report and the fee affidavits appended to the Second Report (the “**Fee Affidavits**”); and
 - (g) the Proposal Trustee’s recommendations on the relief being sought by the Companies.

7. The Proposal Trustee understands that the Companies will be relying on the affidavit of Mr. Robert Haynes sworn March 14, 2025 (the “**Second Haynes Affidavit**”) in support of the relief sought in the Proposed Order.
8. The Second Haynes Affidavit, along with all other materials filed with the Court in these Proposal Proceedings, is accessible on the Proposal Trustee’s websites at: www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/upper-canada-growers-ltd (the “**Proposal Trustee’s Website**”).
9. This Second Report should be read in conjunction with the Second Haynes Affidavit. Additional background and financial information with respect to the Companies was provided in the First Report and the Affidavit of Robert Haynes sworn January 29, 2025.

TERMS OF REFERENCE

10. In preparing this Second Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Companies, discussions with management of the Companies (“**Management**”), and information from other third-party sources (collectively, the “**Information**”). Except as described in the Second Report in respect of the Extended Cash Flow Forecasts:
 - (a) the Proposal Trustee has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“**GAAS**”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
 - (b) some of the Information referred to in this Second Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.
11. Future oriented financial information referred to in this Second Report was prepared based on Management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable,

the actual results will vary from the projections, even if the assumptions materialize, and the variation could be significant.

12. Unless otherwise indicated, the Proposal Trustee's understanding of factual matters expressed in this Second Report concerning the Companies and their business is based on the Information, and not independent factual determinations made by the Proposal Trustee.
13. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

THE COMPANIES' OPERATIONS

14. Since the First Report, the Companies' Management has been taking steps and focusing on stabilizing the operations. Management, with the assistance of the Proposal Trustee, has engaged in various discussions with stakeholders, suppliers, customers, and employees. As of the date of this Second Report, the Companies have maintained their business operations without significant disruption or issues.
15. Further details concerning the Companies' activities are set forth in the Second Haynes Affidavit.

PROPOSAL TRUSTEE'S ACTIVITIES

16. Since the date of the First Report, the Proposal Trustee has undertaken the following activities:

Proposal Proceedings

- (a) attended the Companies' first motion on February 6, 2025;
- (b) uploaded all court materials and certain other relevant documents, including the SISP update, to the Proposal Trustee's Website;
- (c) engaged with its legal counsel, Aird & Berlis LLP ("A&B"), regarding matters related to these Proposal Proceedings;
- (d) monitored the Companies' receipts and disbursements on a weekly basis;
- (e) continued to respond to calls, e-mails and letters received from creditors and other parties;
- (f) reviewed the Companies' actual cash receipts and disbursements and variances to the DIP budget for the same time period as outlined in the Original Cash Flow Forecasts;

- (g) corresponded with BNS regarding the bi-weekly reporting as outlined in the DIP Facility;
- (h) assisted Management with the Companies' interim funding requests;
- (i) assisted the Companies in preparing an extension to the Original Cash Flow Forecasts through May 17, 2025 (the "**Extended Cash Flow Forecasts**"), copies of which can be found in **Appendix "E"**;
- (j) assisted the Companies in responding to information requests from orchard partners, namely Essex Farmland Holdings LP and Bonnefield Canadian Farmland LP V Master, regarding maintenance and capital expenditure plans for their respective orchards;
- (k) assisted Management in meeting and corresponding with Aginvest Farmland IV Inc. and Aginvest Farmland IV LP. (together as "**Aginvest**") regarding the purchase and sale agreement dated January 24, 2024 and the related land lease dated April 16, 2024, both as between the Companies and Aginvest;
- (l) assisted Management in analyzing a number of operational matters, including:
 - (i) the purchase and resale of grape rootstock;
 - (ii) deposits received to date for 2025 and 2026 sales;
 - (iii) matters related to headcount and timing of the return of employees (including those in the foreign worker program); and
 - (iv) capital expenditure requirements and timing of payments for certain irrigation system issues;
- (m) continued to assist Management with other supplier, customer and stakeholder communications;
- (n) prepared this Second Report;
- (o) attended to other matters pertaining to the administration of these Proposal Proceedings;

SISP

- (p) supervised and assisted with activities related to the SISP;
- (q) reviewed and refined the perspective purchaser list;

- (r) reviewed and assisted in drafting the Teaser Letter (herein defined), confidential information memorandum (the “**CIM**”), and non-disclosure agreement (the “**NDA**”);
 - (s) set up a virtual data room (“**VDR**”), and compiled financial and operational information to aid potential purchasers in their due diligence process;
 - (t) prepared, with the Companies’ assistance, long term financial forecasts models under multiple business operation scenarios;
 - (u) contacted three commercial real-estate companies to request sale proposals for all of the Companies’ real-property assets;
 - (v) corresponded with various potential bidders on their due diligence questions; and
 - (w) provided updates to BNS and the Companies regarding the SISP.
17. The Proposal Trustee is requesting approval of this Second Report and the activities of the Proposal Trustee described herein.

SALES PROCESS UPDATE

18. Immediately following the issuance of the SISP Order on February 6, 2025, which included the Court’s approval of the SISP, Proposal Trustee, among other things, has:
- (a) prepared a list of 174 companies, consisting of 68 strategic and 106 financial parties which the Proposal Trustee, in consultation with Management, identified as being possibly interested in the SISP (the “**Known Potential Bidders**”);
 - (b) prepared a process summary (the “**Teaser Letter**”) describing the opportunity;
 - (c) prepared a CIM, with the assistance of Management, detailing the financial and operational information of the Companies;
 - (d) worked with Management to populate the VDR with financial and operational documents that may be required for the due diligence process; and
 - (e) sent the Teaser Letter and NDA to the potentially interested parties.
19. A summary of the status of the 174 Known Potential Bidders who were emailed the opportunity, is as follows:

Buyer Type	Total Contacted	Not Interested	Interested (Expecting NDAs)	NDAs Signed	In Data Room
Strategic Buyers	68	5	3	4	4
Financial Buyers	106	14	2	11	11
Total	174	19	5	15	15

20. Expressions of Interest (“EOIs”) from the Known Potential Bidders are due by the March 28, 2025 EOI bid deadline (the “EOI Bid Date”). These EOIs will be assessed by the Proposal Trustee and the Companies, in consultation with BNS, shortly thereafter, after which time, the respective parties will be notified if they have been selected to participate in the next phase of the SISP.

CASH FLOW PROJECTIONS

21. The Proposal Trustee has reviewed the actual cash flow from operations for the eight-week period ending March 8, 2025, through monitoring the banking activities of the Companies.
22. The Companies’ actual cash flows from operations for the eight-week period ending March 8, 2025 exceeded the corresponding Original Cash Flow Forecasts amounts for that same period by approximately \$710,000. This positive variance is largely due to:
- (a) approximately \$431,000 in delayed payment to professionals due to timing differences, which are expected to reverse in the coming weeks; and
 - (b) approximately \$270,000 of lower operating costs due mainly to timing differences, which are expected to reverse in coming weeks.
23. A summary of the variance analysis regarding the same are attached hereto as **Appendix “F”**.
24. The Extended Cash Flow Forecasts project that the Companies should have sufficient financing to operate and for the Proposal Trustee to implement the SISP, given the positive timing variances experienced to date and remaining available funding from the DIP Facility (approximately \$1,200,000). Consistent with the Original Cash Flow Forecasts, approximately \$1,500,000 has been advanced to the Companies from the DIP Facility to date.

APPROVAL OF THE PROPOSAL TRUSTEE’S FEES AND DISBURSEMENTS

25. The Proposal Trustee and its legal counsel, A&B, have been paid their fees and disbursements at their standard rates and charges by the Companies from time to time, as part of the costs of the Proposal Proceedings.

26. The Proposal Trustee and A&B have maintained records of their professional time and costs. The Proposal Trustee now requests approval of its interim fees and disbursements for the period from January 1, 2025 to February 28, 2025, and the interim fees and disbursements for A&B for the period from January 16, 2025 to March 7, 2025.
27. The total interim fees and disbursements of the Proposal Trustee for the period of January 1, 2025 to February 28, 2025 total \$327,712.06 (excluding HST), comprising fees in the amount of \$326,140.50 and disbursements in the amount of \$1,571.56, as more particularly described in the affidavit of Clark Lonergan sworn March 14, 2025 (the “**Lonergan Fee Affidavit**”), a copy of which is attached hereto as **Appendix “G”**.
28. The total interim fees and disbursements of A&B for the period of January 16, 2025 to March 7, 2025 total \$55,645.00 (excluding HST), comprising fees in the amount of \$55,303.00 and disbursements in the amount of \$342.00, as more particularly described in the affidavit of Ian Aversa sworn March 13, 2025 (the “**Aversa Fee Affidavit**”), a copy of which is attached hereto as **Appendix “H”**.
29. The Proposal Trustee respectfully submits that the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Lonergan Fee Affidavit and Aversa Fee Affidavit, are reasonable in the circumstances and have been validly incurred in the course of these Proposal Proceedings. Accordingly, the Proposal Trustee respectfully requests the approval of the fees and disbursements of the Proposal Trustee and those of its counsel, as set out in this Second Report.

THE RELIEF AND ORDER BEING SOUGHT BY THE COMPANIES

Proposed Stay Extension

30. Under the BIA, the current stay of proceedings will expire April 1, 2025 (the “**Stay Period**”).
31. The Companies seek an extension of time to file a proposal for an additional approximate 45 days to and including May 16, 2025 (“**Proposed Stay Extension**”). The Proposed Stay Extension should continue to permit the Proposal Trustee and its Sales Agent (as defined in the SISP) to advance the SISP. Without the Proposed Stay 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.
32. It is the Proposal Trustee’s view, based on the Extended Cash Flow Forecasts, that the Companies will have sufficient liquidity to continue the SISP and to satisfy post-filing obligations as they come due during the Proposed Stay Extension.

33. Based on the information presently available, the Proposal Trustee believes that the Companies' creditors will not be materially prejudiced by the Proposed Stay Extension. Furthermore, the Proposal Trustee is not aware of any creditor who opposes the Proposed Stay Extension.

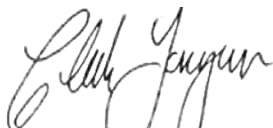
CONCLUSION AND RECOMMENDATIONS

34. The Proposal Trustee confirms that the Companies have acted, and continue to act, in good faith and with due diligence.

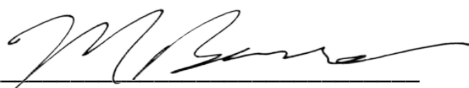
35. For the reasons stated in this Second Report, the Proposal Trustee supports the relief sought by the Companies in connection with the March 25, 2025 motion.

All of which is respectfully submitted this 14th day of March 2025.

**BDO CANADA LIMITED, in its capacity
as Proposal Trustee of Upper Canada Growers
Ltd. and UCG Land Inc. and not in its corporate
or personal capacity.**



Clark Lonergan, CA, CPA, CIRP, LIT
Partner/Senior Vice President



Michael Basso, CA, CPA, CIRP, LIT
Partner/Senior Vice President

EXHIBIT NN

This is **Exhibit “NN”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', with a horizontal line extending to the right.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

**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.

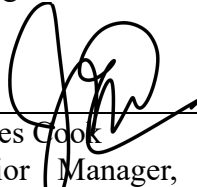
[remainder of page left intentionally blank; signature pages follow]

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**

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

**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	)	[●], 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)

DICKINSON WRIGHT LLP
199 Bay Street, Suite 2200
Commerce Court West
Toronto ON, M5L 1G4

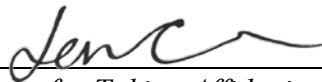
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Email: DSeifer@dickinson-wright.com

Counsel for UCG Land Inc. and Upper Canada Growers Ltd.

EXHIBIT OO

This is **Exhibit “OO”** referred to in the Affidavit of James Cook of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 5th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Jen C', is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Jennifer L. Caruso (LSO #79321K)

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

THE BANK OF NOVA SCOTIA

Applicant

- and -

UPPER CANADA GROWERS LTD. and UCG LAND INC.

Respondents

AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended, and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, as amended

CONSENT TO ACT

BDO Canada Limited hereby consents to act as the Court-appointed receiver of the Respondents in this proceeding should such an Order be granted by the Court.

May 5, 2025

BDO CANADA LIMITED, in its capacity as proposed court-appointed receiver of the Respondent and not in its personal or corporate capacity

Per:

DocuSigned by:

Clark Lonergan

E3CC158198EC49A...

Name: Clark Lonergan

Title: Partner/Senior Vice President

THE BANK OF NOVA SCOTIA

UPPER CANADA GROWERS LTD. and UCG LAND INC.

Applicant

Respondents

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at Hamilton**

**AFFIDAVIT OF JAMES COOK
(Sworn May 5, 2025)**

FASKEN MARTINEAU DuMOULIN LLP
Barristers and Solicitors
333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto ON M5H 2T6

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Jennifer L. Caruso (LSO: 79321K)
jcaruso@fasken.com
Tel. 416 865 4471

Lawyers for the Applicant

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE
JUSTICE

)
)
)

THURSDAY, THE 15TH
DAY OF MAY, 2025

THE BANK OF NOVA SCOTIA

Applicant

- and -

UPPER CANADA GROWERS LTD. and UCG LAND INC.

Respondents

**AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of
the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and
section 101 of the *Courts of Justice Act*, R.S.O. 1990, c C.43, as amended**

**ORDER
(Appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing BDO Canada Limited (“**BDO**”) as receiver and manager (in such capacity, the “**Receiver**”) without security, of all of the assets, undertakings and properties of Upper Canada Growers Ltd. and UCG Land Inc. (the “**Debtors**”) acquired for, or used in relation to a business carried on by the Debtors, including the real property described in Schedule “A” hereto (the “**Real Property**”) and was heard this day at 45 Main Street East, #500, Hamilton, Ontario, and by videoconference.

ON READING the Affidavit of James Cook sworn May 5, 2025 and the exhibits thereto (the “**Cook Affidavit**”), and the third report dated May 6, 2025 (the “**Third Report**”) of BDO in

its capacity as proposal trustee (in such capacity, the “**Proposal Trustee**”) in proceedings under Part III of the BIA in respect of the Debtors bearing court file numbers BK-25-03175819-0032 and BK-25-03175820-0032 (together, the “**Proposal Proceedings**”) in the Ontario Superior Court of Justice in Bankruptcy and Insolvency in Hamilton, Ontario (the “**Bankruptcy Court**”), and in its capacity as proposed receiver in these proceedings, and on hearing the submissions of counsel for the Applicant, the Debtors, and BDO, and such other parties listed on the participant information form or counsel slip, as applicable, no one else appearing although duly served as appears from the Lawyer’s Certificate of Service dated [●] and on reading the consent of BDO to act as the Receiver, filed,

SERVICE & DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used but not otherwise defined herein have the meanings given to them in the Cook Affidavit.

APPOINTMENT

3. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, BDO is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the “**Property**”), including the Real Property.

RECEIVER’S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter

instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case, if applicable, notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and
- (s) to engage Avison Young Canada to market and sell the Real Property on substantially the terms set out in the listing letter attached as Appendix J to the Third Report, with such modifications as the Receiver deems appropriate in consultation with the Applicant,

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. **THIS COURT ORDERS** that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of

the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

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

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

the Ontario *Environmental Protection Act*, the Ontario *Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER’S LIABILITY

18. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, including, but not limited to, any illness or bodily harm resulting from a party or parties contracting COVID-19, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER’S ACCOUNTS

19. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the “**Receiver’s Charge**”) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and the Receiver’s Charge shall have the priority set out in paragraphs 28 and 29 hereof.

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

21. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its

fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, and shall have the priority set out in paragraphs 28 and 29 hereof.

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

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

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

PRE-EXISTING CHARGES ESTABLISHED IN PROPOSAL PROCEEDINGS

26. **THIS COURT ORDERS** that the Administration Charge, the DIP Charge, and the Directors’ Charge (collectively, the “**Proposal Proceedings Charges**”), each as defined and

established pursuant to the initial proposal order dated February 6, 2025 made by the Bankruptcy Court in the Proposal Proceedings and attached as Exhibit “II” to the Cook Affidavit (the “**Initial Proposal Order**”), shall continue to be in full force and effect as modified by this Order and subject to the terms hereof.

27. **THIS COURT ORDERS** that, as of the date hereof, the Proposal Proceedings Charges shall have priority set out in paragraphs 28 and 29 hereof, and shall be subject to the following limitations:

- (a) the DIP Charge shall secure the maximum aggregate amount of \$2,700,000 plus interest, fees, and expenses;
- (b) the Administration Charge shall only secure the payment of professional fees and disbursements in an aggregate amount not to exceed \$500,000 incurred before the effective time of this Order by (i) BDO in its capacity as Proposal Trustee of the Debtors, and (ii) Aird & Berlis LLP in its capacity as legal counsel to the Proposal Trustee, at their respective standard rates and charges; and
- (c) the Directors’ Charge shall be limited to the maximum aggregate amount of \$150,000 and shall secure only payment of valid claims under the indemnity provided for in paragraph 26 of the Initial Proposal Order arising after the NOI Filing Date (as defined in the Initial Proposal Order) and before the effective time of this Order.

PRIORITY OF CHARGES CREATED BY THIS ORDER

28. **THIS COURT ORDERS** that the priorities of the Receiver’s Charge, the Receiver’s Borrowing Charge, and the Proposal Proceedings Charges (collective, the “**Charges**”), as among them, with respect to the Property shall be as follows:

First – the Receiver’s Charge and the Administrative Charge, ranking *pari passu*;

Second – the DIP Charge;

Third – the Receiver’s Borrowings Charge; and

Fourth – the Directors’ Charge.

29. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and shall rank in priority to all other security interests, trusts (including any statutory deemed or constructive trust), liens, charges and encumbrances, statutory or otherwise, in favour of any Person, subject to paragraph 28 hereof and sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

SERVICE AND NOTICE

30. **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, including with respect to service of the Notice of Application of the Application Record, 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 Protocol with the following URL: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/upper-canada-growers-ltd>.

31. **THIS COURT ORDERS** that the Receiver and its 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 Debtors’ 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).

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

GENERAL

33. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to file a copy of this Order with the Bankruptcy Court to be added to the court file for each of the Proposal Proceedings.

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

35. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as the Proposal Trustee or a trustee in bankruptcy of the Debtors.

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

37. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within

proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

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

40. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Hamilton time) on the date of this Order, and this Order shall be immediately enforceable at such time and thereafter without the need for entry and filing.

41. **THIS COURT ORDERS AND DIRECTS** that, as soon as practicable, the Land Registry Office for the Land Titles Division of Essex (No. 12) accept this Order for registration on title to the Real Property described in Schedule "A" hereto.

SCHEDULE “A”

“Property” includes all of the present and future legal and beneficial right, title, estate and interest in and to:

- a) PART LT 58 CONCESSION 1 OR FRONT COLCHESTER, PART 2 12R5006 SAVE AND EXCEPT PART 1 12R28819, TOWN OF ESSEX, PIN 75198-0187 (LT);
- b) PT LT 16 CON GORE OR 2ND RANGE COLCHESTER PT 1 12R11909, EXCEPT PT 1, 12R14883, ESSEX, PIN 75194-0023 (LT);
- c) PT LT 4 PL 178 COLCHESTER AS IN R843148; ESSEX, PIN 75194-0156 (LT);
- d) 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
- e) 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).

SCHEDULE “B”
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. **THIS IS TO CERTIFY** that BDO Canada Limited (“**BDO**”), the receiver (the “**Receiver**”) of the assets, undertakings and properties of Upper Canada Growers Ltd. and UCG Land Inc. (the **Debtors**”) acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the “**Property**”) appointed by Order of the Ontario Superior Court of Justice (the “**Court**”) dated the 15th day of May, 2025 (the “**Order**”) made in an application having Court file number CV-25-00090131-0000, has received as such Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

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

DATED the ____ day of _____, 2025.

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

Per: _____

Name:

Title:

THE BANK OF NOVA SCOTIA

UPPER CANADA GROWERS LTD. and UCG LAND INC.

Applicant

Respondents

Court File No. CV-25-00090131-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Hamilton

**ORDER
(APPOINTING RECEIVER)**

FASKEN MARTINEAU DuMOULIN LLP

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Lawyers for the Applicant

TAB 4

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

~~Court File No.~~ _____

Court File No. CV-25-00090131-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE) ~~WEEKDAY~~THURSDAY, THE #15TH
)
JUSTICE) DAY OF ~~MONTH~~MAY, ~~20YR~~2025

PLAINTIFF⁺

THE BANK OF NOVA SCOTIA

~~Plaintiff~~Applicant

- and -

UPPER CANADA GROWERS LTD. and UCG LAND INC.

Respondents

DEFENDANT

AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of
the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and
section 101 of the *Courts of Justice Act*, R.S.O. 1990, c C.43, as amended

~~Defendant~~

ORDER
(~~appointing~~Appointing Receiver)

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

THIS ~~MOTION~~APPLICATION made by the ~~Plaintiff~~²Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing ~~[RECEIVER'S NAME]~~BDO Canada Limited ("BDO") as receiver ~~and manager~~ (in such ~~capacities~~capacity, the "Receiver") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~ (the "Debtor"Upper Canada Growers Ltd. and UCG Land Inc. (the "Debtors")) acquired for, or used in relation to a business carried on by the ~~Debtor~~Debtors, including the real property described in Schedule "A" hereto (the "Real Property") and was heard this day at ~~330 University Avenue, Toronto~~45 Main Street East, #500, Hamilton, Ontario, and by videoconference.

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

ON READING the Affidavit of James Cook sworn May 5, 2025 and the exhibits thereto (the "Cook Affidavit"), and the third report dated May 6, 2025 (the "Third Report") of BDO in its capacity as proposal trustee (in such capacity, the "Proposal Trustee") in proceedings under Part III of the BIA in respect of the Debtors bearing court file numbers BK-25-03175819-0032 and BK-25-03175820-0032 (together, the "Proposal Proceedings") in the Ontario Superior Court of Justice in Bankruptcy and Insolvency in Hamilton, Ontario (the "Bankruptcy Court"), and in its capacity as proposed receiver in these proceedings, and on hearing the submissions of counsel for the Applicant, the Debtors, and BDO, and such other parties listed on the participant information form or counsel slip, as applicable, no one else appearing although duly served as appears from the Lawyer's Certificate of Service dated [] and on reading the consent of BDO to act as the Receiver, filed,

SERVICE & DEFINITIONS

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

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

2. **THIS COURT ORDERS** that capitalized terms used but not otherwise defined herein have the meanings given to them in the Cook Affidavit.

APPOINTMENT

3. ~~2.~~**THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, ~~[RECEIVER'S NAME]~~BDO is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the ~~Debtor~~Debtors acquired for, or used in relation to a business carried on by the ~~Debtor~~Debtors, including all proceeds thereof (the ~~"Property"~~"Property"), including the Real Property.

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

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

- (c) to manage, operate, and carry on the business of the ~~Debtor~~Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the ~~Debtor~~Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the ~~Receivers~~Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the ~~Debtor~~Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the ~~Debtor~~Debtors and to exercise all remedies of the ~~Debtor~~Debtors in collecting such monies, including, without limitation, to enforce any security held by the ~~Debtor~~Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the ~~Debtor~~Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the ~~Receiver's~~Receiver's name or in the name and on behalf of the ~~Debtor~~Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the ~~Debtor~~Debtors, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ The authority hereby

~~⁴ This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A~~

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

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

- (i) without the approval of this Court in respect of any transaction not exceeding \$~~_____~~100,000, provided that the aggregate consideration for all such transactions does not exceed \$~~_____~~500,000; and

- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case, if applicable, notice under subsection 63(4) of the Ontario *Personal Property Security Act*, ~~for~~ section 31 of the Ontario *Mortgages Act*, as the case may be,⁵ shall not be required, ~~and in each case the Ontario Bulk Sales Act shall not apply;~~

~~bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

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

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the ~~Debtor~~Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the ~~Debtor~~Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the ~~Debtor~~Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the ~~Debtor~~Debtors may have; ~~and~~
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; ~~and~~ and
- (s) to engage Avison Young Canada to market and sell the Real Property on substantially the terms set out in the listing letter attached as Appendix J to the Third Report, with such modifications as the Receiver deems appropriate in consultation with the Applicant,

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

6. ~~5.~~ **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the ~~Debtor~~Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that ~~Person's~~Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph ~~56~~ or in paragraph ~~67~~ of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE ~~DEBTOR~~DEBTORS OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

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

material respects identical to the prior use of such information by the ~~Debtor~~Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. ~~16.~~ **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the ~~Receiver's~~Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

18. ~~17.~~ **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, including, but not limited to, any illness or bodily harm resulting from a party or parties contracting COVID-19, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

~~RECEIVER'S~~RECEIVER'S ACCOUNTS

19. ~~18.~~ **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "~~Receiver's~~" "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and ~~that the Receiver's~~ Receiver's Charge shall ~~form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.~~ ⁶have the priority set out in paragraphs 28 and 29 hereof.

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

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

FUNDING OF THE RECEIVERSHIP

22. ~~21.~~ **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$~~_____~~ 500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it

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

may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the ~~"Receiver's"~~"Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, ~~in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.~~ and shall have the priority set out in paragraphs 28 and 29 hereof.

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

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

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

PRE-EXISTING CHARGES ESTABLISHED IN PROPOSAL PROCEEDINGS

26. **THIS COURT ORDERS** that the Administration Charge, the DIP Charge, and the Directors' Charge (collectively, the "Proposal Proceedings Charges"), each as defined and established pursuant to the initial proposal order dated February 6, 2025 made by the Bankruptcy Court in the Proposal Proceedings and attached as Exhibit "II" to the Cook Affidavit (the "Initial Proposal Order"), shall continue to be in full force and effect as modified by this Order and subject to the terms hereof.

27. THIS COURT ORDERS that, as of the date hereof, the Proposal Proceedings Charges shall have priority set out in paragraphs 28 and 29 hereof, and shall be subject to the following limitations:

- (a) the DIP Charge shall secure the maximum aggregate amount of \$2,700,000 plus interest, fees, and expenses;
- (b) the Administration Charge shall only secure the payment of professional fees and disbursements in an aggregate amount not to exceed \$500,000 incurred before the effective time of this Order by (i) BDO in its capacity as Proposal Trustee of the Debtors, and (ii) Aird & Berlis LLP in its capacity as legal counsel to the Proposal Trustee, at their respective standard rates and charges; and
- (c) the Directors' Charge shall be limited to the maximum aggregate amount of \$150,000 and shall secure only payment of valid claims under the indemnity provided for in paragraph 26 of the Initial Proposal Order arising after the NOI Filing Date (as defined in the Initial Proposal Order) and before the effective time of this Order.

PRIORITY OF CHARGES CREATED BY THIS ORDER

28. THIS COURT ORDERS that the priorities of the Receiver's Charge, the Receiver's Borrowing Charge, and the Proposal Proceedings Charges (collective, the "**Charges**"), as among them, with respect to the Property shall be as follows:

First – the Receiver's Charge and the Administrative Charge, ranking *pari passu*;

Second – the DIP Charge;

Third – the Receiver's Borrowings Charge; and

Fourth – the Directors' Charge.

29. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and shall rank in priority to all other security interests, trusts (including any statutory deemed or constructive trust), liens, charges and encumbrances, statutory or otherwise, in favour of any Person, subject to paragraph 28 hereof and sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

SERVICE AND NOTICE

30. ~~25.~~ **THIS COURT ORDERS** that the ~~E-Service Protocol of the~~ Guide Concerning Commercial List E-Service (the “~~Protocol~~ Guide”) is approved and adopted by reference herein and, in this proceeding, the service of documents, including with respect to service of the Notice of Application of the Application Record, made in accordance with the ~~Protocol~~ Guide (which can be found on the Commercial List website at ~~http~~ https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol-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 ~~of Civil Procedure~~. Subject to Rule 3.01(d) of the Rules ~~of Civil Procedure~~ and paragraph ~~21~~ 13 of the ~~Protocol~~ Guide, service of documents in accordance with the ~~Protocol~~ Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ~~_____~~ https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/upper-canada-growers-ltd.

31. **THIS COURT ORDERS** that the Receiver and its 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 Debtors’ 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).

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

GENERAL

33. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to file a copy of this Order with the Bankruptcy Court to be added to the court file for each of the Proposal Proceedings.

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

35. ~~28.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as the Proposal Trustee or a trustee in bankruptcy of the ~~Debtor~~Debtors.

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

37. ~~30.~~ **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within

proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

39. ~~32.~~ **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' ¹ notice to the Receiver, the Applicant and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

40. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Hamilton time) on the date of this Order, and this Order shall be immediately enforceable at such time and thereafter without the need for entry and filing.

41. **THIS COURT ORDERS AND DIRECTS** that, as soon as practicable, the Land Registry Office for the Land Titles Division of Essex (No. 12) accept this Order for registration on title to the Real Property described in Schedule "A" hereto.

SCHEDULE "A"

"Property" includes all of the present and future legal and beneficial right, title, estate and interest in and to:

- a) PART LT 58 CONCESSION 1 OR FRONT COLCHESTER, PART 2 12R5006 SAVE AND EXCEPT PART 1 12R28819, TOWN OF ESSEX, PIN 75198-0187 (LT);
- b) PT LT 16 CON GORE OR 2ND RANGE COLCHESTER PT 1 12R11909, EXCEPT PT 1, 12R14883, ESSEX, PIN 75194-0023 (LT);
- c) PT LT 4 PL 178 COLCHESTER AS IN R843148; ESSEX, PIN 75194-0156 (LT);
- d) 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
- e) 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).

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~ BDO Canada Limited ("BDO"), the receiver (the "Receiver") of the assets, undertakings and properties ~~[DEBTOR'S NAME]~~ of Upper Canada Growers Ltd. and UCG Land Inc. (the Debtors) acquired for, or used in relation to a business carried on by the ~~Debtor~~ Debtors, including all proceeds thereof (collectively, the **"Property"**) appointed by Order of the Ontario Superior Court of Justice (~~Commercial List~~) (the "Court") dated the 15th day of May, 2025 (the "Order") made in an ~~action~~ application having Court file number CL CV-25-00090131-0000, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

DATED the ____ day of _____, ~~20~~2025.

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

Per: _____

Name:

Title:

|

|

THE BANK OF NOVA SCOTIA

UPPER CANADA GROWERS LTD. and UCG LAND INC.

Applicant

Respondents

Court File No. CV-25-00090131-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Hamilton

ORDER
(APPOINTING RECEIVER)

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Summary report: Litera Compare for Word 11.9.1.1 Document comparison done on 06/05/2025 9:23:42 AM	
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Intelligent Table Comparison: Active	
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Document Author:	
Modified DMS: iw://cloudimanager.com/CANADA/313500810/5	
Document Author: Stuart Brotman	
Changes:	
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~~Delete~~	222
~~Move From~~	7
<u>Move To</u>	7
<u>Table Insert</u>	2
~~Table Delete~~	0
<u>Table moves to</u>	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	484

TAB 5

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

THE BANK OF NOVA SCOTIA

Applicant

- and -

UPPER CANADA GROWERS LTD. and UCG LAND INC.

Respondents

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(as at May 6, 2025)

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*Licensed Insolvency Trustee in the proposal proceedings of UPPER CANADA GROWERS LTD.
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Asta Alberry

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Applicant

Respondents

Court File No. CV-25-00090131-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Hamilton

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