

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

THE HONOURABLE) MONDAY, THE 18TH DAY
)
JUSTICE STEELE) OF DECEMBER, 2023

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
SOURCE ONE FINANCIAL CORPORATION**

**ORDER
(Proposal Approval)**

THIS MOTION, made by BDO Canada Limited (“**BDO**”), in its capacity as proposal trustee (the “**Proposal Trustee**”) in the *Bankruptcy and Insolvency Act* (“**BIA**”) proposal proceedings of Source One Financial Corporation (the “**Company**”), for an Order, among other things, approving the Proposal filed with the Official Receiver on November 1, 2023 in the form attached hereto as **Schedule “A”** (the “**Proposal**”) was heard this day via Zoom judicial video conference.

ON READING the Motion Record of the Proposal Trustee, including the First Report to the Court of the Proposal Trustee dated December 7, 2023 (the “**Report**”), the Fee Affidavit of Peter Naumis sworn December 7, 2023 (the “**BDO Fee Affidavit**”) and the Fee Affidavit of Kyle

Plunkett sworn December 7, 2023 (the “**AB Fee Affidavit**”), and on hearing the submissions of counsel for the Proposal Trustee, counsel for the Company, and no one else appearing although properly served as appears from the affidavit of Cristian Delfino, sworn December 11, 2023, filed,

SERVICE

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

DEFINITION

2. **THIS COURT ORDERS** that all capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Proposal.

APPROVAL OF THE PROPOSAL

3. **THIS COURT ORDERS** that the Proposal be and is hereby approved.

4. **THIS COURT ORDERS AND DECLARES** that, as of the Implementation Date at the time or times and in the manner set forth in the Proposal: (i) the Proposal and all associated steps, compromises, settlements, satisfactions, releases, discharges, transactions and arrangements contemplated thereby are approved, binding, and effective in accordance with the provisions of the Proposal and the *BIA*; and (ii) the treatment of Claims of Affected Creditors under the Proposal shall be final and binding for all purposes on the Company, the Affected Creditors, and all Persons affected by the Proposal and their respective heirs, executors, administrators and other legal representatives, successors and enure to the benefit of the Company.

5. **THIS COURT ORDERS** that pursuant to and in accordance with the Proposal, as of the Implementation Date and subject to section 50(14) of the *BIA*, each and every present and former director of the Company (collectively, the “**Directors**”) will be released from any and all claims against them that arose before the Date of Filing and that relate to the obligations of the Company where such persons are by law liable in their capacity as directors for the payment of such obligations. For greater certainty, the Directors shall be released of all claims, actions and remedies available pursuant to sections 95 to 101 of the *BIA* and any provincial statute relating to preferences, settlements, fraudulent conveyances, transfers at undervalue or similar impeachable transactions.

IMPLEMENTATION OF THE PROPOSAL

6. **THIS COURT ORDERS** that the Proposal Trustee be and is hereby authorized, directed and empowered to perform its functions and to fulfill its obligations under the Proposal to facilitate the implementation of the Proposal and distributions to creditors thereunder.

7. **THIS COURT ORDERS** that the Company, the Proposal Trustee and any other Person required to make distributions, payments, deliveries or allocations or take any steps or actions related thereto pursuant to the Proposal on behalf of the Company or otherwise, are hereby authorized and directed to complete such distributions, payments, deliveries or allocations and to take any such related steps or actions, as the case may be, in accordance with the terms of the Proposal, and such distributions, payments, deliveries and allocations contemplated by the Proposal and such steps and actions related thereto, are hereby approved.

8. **THIS COURT ORDERS** that the Company is authorized and directed to take all actions necessary or appropriate to enter into, adopt, execute, deliver, implement, and consummate all

matters contemplated under the Proposal and all agreements, transactions, and documents contemplated by the Proposal.

9. **THIS COURT ORDERS** that any payment, distribution or transfer of any money, property or other consideration pursuant or in connection with the Proposal will be free and clear of any charge, mortgage, lien, pledge, claim, restriction, hypothec, adverse interest, security interest or other encumbrance whether created or arising by agreement, statute or otherwise at law, attaching to property, interest and rights, including without limitation, and notwithstanding anything to the contrary in the Company's articles, any shareholder agreement or otherwise in law, on the Implementation Date, immediately following payment of the Funded Proposal Payment, (a) all Existing Shares shall be automatically cancelled and cease to exist; (b) the Company shall issue new common shares as contemplated by the Proposal; and, (c) so as to facilitate the forgoing, the Company be and is hereby authorized to take such steps as are necessary and appropriate, including but not limited to filing amendments to its articles to allow for such cancellation and issuance of shares as contemplated by the Proposal.

BANKRUPTCY

10. **THIS COURT ORDERS AND DECLARES** that notwithstanding: (i) the pendency of these *BIA* proposal proceedings; (ii) any applications for a bankruptcy, receivership or other order now or hereafter issued pursuant to the *BIA*, the *Companies' Creditors Arrangement Act* (Canada) ("*CCAA*") or otherwise in respect of the Company and any bankruptcy, receivership or other order issued pursuant to any such applications; and (iii) any assignment in bankruptcy made or deemed to be made in respect of the Company, the transactions contemplated by the Proposal will be binding on any trustee in bankruptcy or receiver that may be appointed in respect of the Company

or its assets and will not be void or voidable by creditors of the Company, nor will the Proposal, or the payments, distributions and transfers contemplated pursuant thereto constitute nor be deemed to constitute a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *BIA*, the *CCAA* or any other applicable federal or provincial legislation, nor will the Proposal constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

WAGE EARNER PROTECTION PROGRAM ACT

11. **THIS COURT ORDERS AND DECLARES** pursuant to section 5(5) of the *Wage Earner Protection Program Act (Canada)*, SC 2005, c 47, s1 (“**WEPPA**”) that the Company meets the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 and its former employees are eligible to receive payment pursuant to paragraph 5(1)(b)(iv) of *WEPPA*.

APPROVAL OF REPORT

12. **THIS COURT ORDERS** that the Report, and the actions, conduct and activities of the Proposal Trustee as set out 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.

APPROVAL OF FEES

13. **THIS COURT ORDERS** that the professional fees and disbursements of BDO in its capacity as Proposal Trustee for the period from September 27, 2023 to December 6, 2023, in the amount of \$58,096.50 plus disbursements of \$558.91 and HST of \$7,620.41, for a total of

\$66,275.41, as set out in the BDO Fee Affidavit attached as Appendix “XI” to the Report, are hereby approved.

14. **THIS COURT ORDERS** that the professional fees and disbursements of Aird & Berlis LLP, counsel to the Proposal Trustee, for the period from October 13, 2023 to November 30, 2023, in the amount of \$29,793.50 plus disbursements of \$13.15 and HST of \$3,873.82, for a total of \$33,680.47, as set out in the AB Fee Affidavit attached as Appendix “XII” to the Report, are hereby approved.

15. **THIS COURT ORDERS** that the Proposal Trustee’s and AB’s estimated remaining fees and disbursements to completion of the Proposal Trustee’s duties, in the total amount of \$40,000, are hereby approved.

ADDITIONAL PROVISIONS

16. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada and as against all Persons against whom it may otherwise be enforced.

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

18. **THE COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction, to give effect to this Order and to assist the parties and their respective 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 parties and to the

Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to grant representative status to the Proposal Trustee in any foreign proceeding.

SCHEDULE "A"

District of Ontario
Division No. 9 - Mississauga
Court File No.: BK-23-02995640-0032
Estate File No.: 32-2995640

(ONTARIO)
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
[COMMERCIAL LIST]

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF SOURCE ONE FINANCIAL CORPORATION
OF THE CITY OF BURLINGTON,
IN THE REGIONAL MUNICIPALITY OF HALTON,
IN THE PROVINCE OF ONTARIO**

PROPOSAL
(under section 50 of the *Bankruptcy and Insolvency Act*)
(October 31, 2023)

Source One Financial Corporation hereby submits the following Proposal under the provisions of the Act.

PART I
INTERPRETATION

Definitions

1. In this Proposal:
 - (a) “**Act**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
 - (b) “**Administrative Fees and Expenses**” means the fees and expenses of the Trustee incidental to the NOI and the preparation and facilitation of the Proposal and any amendments thereto, including, without limitation, fees incurred by the Trustee in the administration of the Funded Proposal Payment; and, the legal fees and expenses of the Proposal Trustee and the Company before and following execution, acceptance and approval of this Proposal and in connection with the NOI and the preparation of this Proposal, as well as advice to the Company in connection therewith;

- (c) “**Affected Creditors**” means Creditors with Proven Unsecured Claims and for certainty shall include Proven Claims of His Majesty in Right of Canada and any province for all amounts other than Crown Claims or Secured Claims; and, shall not include Crown Claims, Secured Claims or Preferred Claims, each of which are addressed separately hereunder;
- (d) “**Approval Order**” means an order of the Court (i) approving this Proposal to be granted pursuant to the provisions of the Act and (ii) declaring that the Company qualifies as a former employer under s. 5(5) of WEPPA;
- (e) “**Business Day**” means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario;
- (f) “**Claim**” means any right of any Person with indebtedness, liability or obligation of any kind against the Company which indebtedness, liability or obligation is in existence at the Date of Filing, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by surety or otherwise and whether or not such a right is executory in nature including, without limitation, the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause, chose in action, whether existing at present or commenced in the future based in whole or in part on facts which exist prior to or at the time of Date of Filing;
- (g) “**Common Shares**” means common shares in the capital of the Company;
- (h) “**Company**” means Source One Capital Corporation;
- (i) “**Court**” means the Ontario Superior Court of Justice (Commercial List) in Bankruptcy and Insolvency;
- (j) “**Court Approval Date**” means the date on which the Approval Order is issued and entered by the Court;
- (k) “**Creditor**” means any Person having a Claim;
- (l) “**Creditors Meeting**” means the meeting of the Affected Creditors called for the purpose of considering and voting upon this Proposal;
- (m) “**Crown Claims**” means Claims of His Majesty in right of Canada or any province of all amounts of a kind contemplated by section 60(1.1) of the Act;
- (n) “**Date of Filing**” means October 6, 2023, the date on which the Company filed the NOI;

- (o) “**Disputed Claims**” means a Claim filed in this Proposal by a Creditor that is: (i) disallowed in whole or in part by the Trustee; and/or (ii) is the subject of a disallowance proceeding or appeal before the Court;
- (p) “**Employee Preferred Claim**” means a Claim by a current or former employee of the Company, or such portion of such Claim, that would be payable in priority under Subsection 136(1)(d) of the Act;
- (q) “**Equity Claim**” has the meaning given to such term in Section 2 of the Act;
- (r) “**Event of Default**” has the meaning given to it in Part VIII of this Proposal;
- (s) “**Existing Shares**” means all Common Shares, Preferred Shares and any other share capital of the Company, as well as any warrant or option or similar instrument that may invoked or utilized to obtain any capital stock or equity interest in the Company, issued and outstanding immediately prior to the Implementation Date;
- (t) “**Existing Equity Holders**” means any person holding Existing Shares;
- (u) “**Final Order**” means a Court order for which the applicable appeal period has lapsed with no person seeking an appeal therefrom or, if such appeal has been taken, any such appeal(s) have finally been disposed of and any related appeal rights shall have lapsed;
- (v) “**Former Employee**” means an individual who was an employee of the Company and whose employment was terminated by the Company prior to the Date of Filing or who were or are terminated as part of the restructuring under this Proposal;
- (w) “**Former Employee Claim**” means the Claim, if any, of a Former Employee arising from the Former Employee’s termination by the Company, inclusive of wages, vacation pay, termination pay and severance;
- (x) “**Funded Proposal Payment**” shall mean \$250,000 which will be advanced to the Trustee for distribution pursuant to Part V of this Proposal;
- (y) “**Implementation Date**” means 10 Business Days following the date the Approval Order becomes a Final Order;
- (z) “**Inspectors**” means the inspectors, if any, appointed pursuant to Part X of this Proposal;
- (aa) “**Levy**” means the levy imposed by the Superintendent of Bankruptcy under the Act;
- (bb) “**New Common Shares**” means the Common Shares to be issued by the Company on the Implementation Date;

- (cc) “**NOI**” means the Notice of Intention to Make a Proposal filed by the Company on October 6, 2023;
- (dd) “**Non-Participating Creditors**” means 1717030 Ontario Ltd.; 1717031 Ontario Ltd.; Larmen Investments Ltd.; and, Kooy Brothers Lawn Equipment Ltd.;
- (ee) “**Person**” means any individual, partnership, joint venture, trust corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- (ff) “**Post-Filing Crown Claims**” means all Crown Claims that became due or shall become due on or after the Date of Filing;
- (gg) “**Post-Filing Goods and Services**” means the goods supplied, services rendered, and other consideration given or provided to the Company on or after the Date of Filing;
- (hh) “**Pre-Filing Crown Claims**” means all Crown Claims that were outstanding as at the Date of Filing;
- (ii) “**Preferred Claim**” means any claim that is afforded priority under Section 136(1) of the Act;
- (jj) “**Preferred Creditor**” means any Persons holding a Preferred Claim, solely in respect to that Preferred Claim;
- (kk) “**Proposal**” means this proposal dated October 31, 2023, together with any amendments or additions thereto;
- (ll) “**Proposal Period**” means the period between the Court Approval Date and the date on which all distributions to the Proven Creditors have been made and a Certificate of Full Performance of Proposal has been issued by the Trustee to the Company pursuant to Section 65.3 of the Act, provided that no Event of Default has occurred that has not been cured or waived;
- (mm) “**Proven**” as used in relation to any Claim means such Claim as finally accepted or determined by the Trustee in accordance with the provisions of the Act and this Proposal, subject to the Creditor’s right of appeal to Court, the Court’s determination of that Claim or any applicable appeal periods having expired and no appeal having been made;
- (nn) “**Secured Claim**” means the value of any Claim by a Secured Creditor, excluding Crown Claims;
- (oo) “**Secured Creditors**” means those Persons holding a valid and enforceable mortgage, hypothec, pledge, charge, lien or privilege on or against the

property of the Company or any part thereof as security for a Claim, but excludes the Canada Revenue Agency to the extent of its Crown Claims;

- (pp) “**Sponsor**” means 2164155 Ontario Inc.;
- (qq) “**Trustee**” means BDO Canada Limited, solely in its capacity as proposal trustee of the Company;
- (rr) “**Unsecured Claim**” means the value of any Proven Claim in respect of which no security is held and which is not afforded priority under Section 136(1) of the Act;
- (ss) “**Unsecured Creditors**” means those Persons holding Unsecured Claims; and
- (tt) “**WEPPA**” means the *Wage Earner Protection Program Act*.

Headings

- 2. The division of this Proposal into parts, paragraphs and subparagraphs, and the insertion of headings herein, is for convenience of reference only and is not to affect the construction or interpretation of this Proposal.

Number, etc.

- 3. In this Proposal, where the context requires, a word importing the singular includes the plural and vice versa, and a word importing gender includes the masculine, feminine and neuter genders.

Date for Action

- 4. In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day that is a Business Day.

Accounting Principles

- 5. Accounting terms not otherwise defined in this Proposal have the meanings assigned to them in accordance with generally accepted Canadian accounting principles.

Currency

- 6. All dollar amounts contained herein shall be in Canadian dollars.

**PART II
PURPOSE AND EFFECT OF THIS PROPOSAL;
CONDITIONS PRECEDENT**

Purpose of Proposal

7. The purpose of this Proposal is to complete the wind-down of the business of the Company in a manner beneficial to all Affected Creditors. It is expected that, prior to the Creditors Meeting and the implementation of this Proposal, the Company's senior Secured Creditor shall have foreclosed on its security, taking control of substantially all of the Company's assets, rendering the Company incapable of sustaining operations without additional capital investments. This Proposal is made, with the support of the Sponsor, to provide all Affected Creditors a greater benefit than would result from a bankruptcy of the Company.

Effect of Proposal

8. This Proposal (a) restructures the indebtedness of the Company, (b) effects a reorganization of the holders of Common Shares of the Company, and (c) provides the essential terms on which all Creditors' Claims will be fully and finally resolved and settled.

Stay of Proceedings

9. During the Proposal Period, and provided that an Event of Default has not occurred and is continuing hereunder, all Creditors other than Secured Creditors will be stayed from commencing or continuing any proceeding or remedy against the Company or any of its property or assets in respect of a Claim including, without limitation, any proceeding or remedy to recover payment of any monies, to recover or enforce any judgment against the Company in respect of a Claim or to commence any formal proceedings against it other than as provided for under this Proposal.

Conditions Precedent

10. This implementation of this Proposal is conditional upon:
 - (a) the approval of this Proposal by the requisite majorities of creditors as provided under the Act. If such approval is not obtained, the Company will be deemed bankrupt, as provided under the Act; and
 - (b) the Court granting the Approval Order on a motion by the Proposal Trustee, as provided under the Act. If the Court does not approve the Proposal, the Company will be deemed bankrupt, as provided under the Act,(collectively, the "**Conditions Precedent**")

11. In the event the Conditions Precedents are not met, this Proposal shall be null and void and any monies advanced to the Trustee by the Sponsor shall be reimbursed to the Sponsor, without interest, after paying Administrative Fees and Expenses.

**PART III
CLASSIFICATION OF CREDITORS**

12. This Proposal is made to a single class of creditors, comprising only the Affected Creditors (as defined in the Recitals hereto).

**PART IV
SECURED CREDITORS**

13. Secured Creditors shall be unaffected by this Proposal.

**PART V
TREATMENT OF VARIOUS CLAIMS;
FUNDING OF PROPOSAL AND DISTRIBUTION;
REORGANIZATION**

A. TREATMENT OF CLAIMS

Crown Claims

14. At the Date of Filing, the Company owed \$nil to CRA for employee source deduction, including related penalties and interest calculated up to the Date of Filing. Subsequent to the Date of Filing, all outstanding amounts have been paid and no such amounts are currently owing.
15. All Proven Pre-Filing Crown Claims (if any) shall be paid in full by the Sponsor outside of this Funded Proposal Payment. Such funds shall be advanced to the Trustee and remitted by the Trustee to His Majesty in the Right of Canada or of any province, as applicable, within six (6) months of the Court Approval Date.

Employee Preferred Claims

16. All Proven Employee Preferred Claims (if any) shall be paid in full by the Sponsor outside of this Funded Proposal Payment immediately after Court Approval. Such funds shall be advanced to the Trustee and remitted by the Trustee to the entitled claimants immediately after the Court Approval Date. For clarity, no Employee Preferred Claims will be paid out of the Funded Proposal Payment.

Former Employee Claims

17. In addition to any amount received on account of an Employee Preferred Claim (if any), all creditors having Former Employee Claims shall be entitled to apply for

compensation under WEPPA. For clarity, no amount of the Funded Proposal Payment shall be applied to any compensation payable under WEPPA.

Preferred Claims (in addition to Employee Preferred Claims)

18. Proven Preferred Claims (if any), other than Employee Preferred Claims, shall be paid in full, without interest, out of the Funded Proposal Payment on the Implementation Date.

Unsecured Claims

19. Creditors holding Proven Unsecured Claims shall receive, on a *pro rata* basis, payment out of the Funded Proposal Payment.

Equity Claims

20. Equity Claims shall not receive any distribution, payment or other consideration under this Proposal.

Treatment of Claims

21. For purposes of this Proposal, each Creditor holding a Claim will receive the treatment provided for in this Proposal on account of such Claim.

B. FUNDING OF PROPOSAL

Funded Proposal Payment

22. The Sponsor shall pay the Funded Proposal Payment to the Trustee in the amount of \$250,000 immediately after the Court Approval Date.

Funded Crown and Employee Payments

23. The Sponsor shall pay the amount of any Proven Pre-Filing Crown Claims and the amount of any Proven Employee Preferred Claims to the Trustee in accordance with paragraphs 15 and 16 of this Proposal.

C. DISTRIBUTION

Distributions of Funded Proposal Payment

24. The Funded Proposal Payment shall be distributed by the Trustee in the following order of priority:
 - (a) first, to the Administrative Fees and Expenses;
 - (b) second, to Proven Preferred Claims under paragraph 18 of this Proposal, if any; and

- (c) third, to Creditors holding Proven Unsecured Claims, in accordance with the Act.

No Distribution to Non-Participating Creditors or Existing Equity Holders

- 25. No payment shall be made out of the Funded Proposal Payment, or in respect of this Proposal, to Non-Participating Creditors or to Existing Equity Holders. Without limiting the generality of the foregoing, the Non-Participating Creditors postpone and waive any right to any distribution under this Proposal, as evidenced by the executions in Schedule “A” hereto.
- 26. For clarity, notwithstanding the foregoing, in the event that the Conditions Precedent to the Proposal are not met, then the Non-Participating Creditors shall be deemed to have never postponed or waived any Claim, which Claims, in accordance with the priority thereof, shall be enforceable in a bankruptcy.

D. REORGANIZATION

Cancellation and Issuance of Common Shares

- 27. In consideration for the Sponsor funding this Proposal, as at the Implementation Date:
 - (a) all Existing Shares shall no longer be outstanding, shall be automatically cancelled and retired and shall cease to exist, and no consideration shall be delivered in exchange therefor; and
 - (b) the Company shall issue and deliver one hundred (100) new common shares in the equity of the Company to the Sponsor or its permitted assignee, which common shares shall be fully paid and non-assessable shares and represent 100% of the issued and outstanding shares in the equity of the Company.

**PART VI
POST-FILING OBLIGATIONS**

Payment of Post-Filing Goods & Services

- 28. During the Proposal Period, all Post-Filing Goods and Services shall be paid in full in the ordinary course of business by the Company.

Post-Filing Crown Claims

- 29. During the Proposal Period, the Company shall remit all Post-Filing Crown Claims as and when due.

Reporting by the Company

30. During the Proposal Period, the Company shall provide to the Trustee, no later than 5 Business Days after receipt of a written request, a report containing the evidence of Company's filing and remittance of source deductions and HST, and such other information as the Trustee may reasonably require.

**PART VII
LEVY, MANDATORY PAYMENTS AND PREFERRED CLAIMS**

Levy

31. The Levy, if applicable, shall be deducted by the Trustee from distributions to Creditors by the Trustee pursuant to Sections 147 and 60(4) of the Act.

Payment of Fees and Expenses

32. As per Part V of this Proposal, the Administrative Fees and Expenses shall be paid in priority to the Crown Claims and all other Creditors. The Trustee will be at liberty to withdraw and pay such Administrative Fees and Expenses at any time and from time-to-time subject to final approval by the Registrar in Bankruptcy upon completion of the Proposal. The Trustee's disbursements will be charged in addition to its fees based on the actual costs incurred and/or as allowed by tariff.

Employee Claims

33. As per Part V of this Proposal, all Employee Preferred Claims (if any) will be paid in priority to other Claims immediately after the issuance of the Approval Order.

Preferred Claims

34. As per Part V of this Proposal, Proven Claims of Preferred Creditors, without interest, are to be paid in full priority to all Claims of the Unsecured Creditors including, without limitation, any entitlement of the Unsecured Creditors to the distributions to be made under Part V of this Proposal.

**PART VIII
EVENTS OF DEFAULT**

35. The following events will constitute Events of Default for purposes of section 63 of the Act and otherwise under this Proposal:
 - (a) the non-payment by the Sponsor of the Funded Proposal Payment as contemplated hereby within thirty (30) days after written notice has been given by the Trustee that such payment is past due; and
 - (b) the breach or failure by the Company to observe and perform any other covenant and provision of this Proposal, which is not remedied within thirty

(30) days after written notice thereof has been given to the Company by the Trustee.

PART IX TRUSTEE

36. The Trustee is acting solely in its capacity as proposal trustee under the Act and not in its personal capacity and no officer, director, employee or agent of the Trustee shall incur any obligations or liabilities in connection with this Proposal or in connection with the business or liabilities of the Company.
37. Any payments made by the Trustee to Creditors hereunder shall be made by the Trustee net of the levy payable and due under the Act.

PART X INSPECTORS

Appointment of Inspectors

38. At the Creditors Meeting, the Affected Creditors will be entitled to appoint one or more, but not exceeding five (5) Inspectors in total.

Powers of Inspectors

39. The Inspectors, by way of majority, will have the following powers, but will have no personal liability to the Company or other Creditors:
 - (a) the power to extend the dates the Funded Proposal Payment is due under this Proposal;
 - (b) the power to waive any default in the performance of any provision of this Proposal; and
 - (c) the power to advise the Trustee in respect of such matters as may be referred to the Inspectors by the Trustee.

PART XI CONDITIONS PRECEDENT

Creditor Approval

40. The Trustee shall call a meeting of the Affected Creditors of the Company to seek Creditor approval of the Proposal in the requisite majority in number and value of the class, as set out in the Act, of Creditors described in this Proposal.

41. The performance of this Proposal by the Company shall be conditional upon approval of the Affected Creditors. If such Affected Creditors do not approve the Proposal, the Trustee shall report on the result of the vote as required under section 57 of the Act and the Company shall be deemed bankrupt.

Court Approval

42. In the event the Proposal is approved by the Affected Creditors, the Proposal Trustee shall, as soon as practicable, apply to the Court for a hearing to seek the Approval Order. The performance of this Proposal by the Company shall be conditional upon the issuance of the Approval Order. In the event that the Court does not approve the Proposal, the Company shall be deemed bankrupt.

If Conditions Precedent not Met

43. In the event the conditions precedents above are not met, and the Company is deemed bankrupt, all monies advanced to the Trustee by the Sponsor shall be reimbursed to the Sponsor, without interest, after payment of all Administrative Fees and Expenses.

PART XII RELEASES

44. As at 12:01 a.m. on the Implementation Date, the Company, shall be released and discharged from any and all Claims. This release shall have no force or effect if the Company goes bankrupt before the terms of the Proposal are performed.
45. As of 12:01 a.m. on the Implementation Date, each and every present and former director of the Company shall be released from claims against them that arose before the Date of Filing and that relate to the obligations of the Company where such persons are by law liable in their capacity as directors for the payment of such obligations, provided that nothing herein shall release or discharge any director of the Company from any claims coming within the exceptions set out in section 50(14) of the Act. This release shall have no force or effect if the Company goes bankrupt before the terms of the Proposal are performed.

PART XIII MISCELLANEOUS

Non-Participating Creditors

46. In order to facilitate this proposal, the Non-Participating Creditors have agreed, as evidenced by such creditor's signed confirmations appended as Schedule "A" hereto, that: (a) each will not file any Claim in this Proposal; and (b) each will not participate in any distributions to Creditors under this Proposal.

Consents, Waivers and Agreements

47. On the Implementation Date, all Creditors other than Secured Creditors will be deemed to have consented and agreed to all of the provisions of this Proposal in its entirety. For greater certainty, each such Creditor will be deemed to have waived any default by the Company in any provision, express or implied, in any agreement existing between the Creditor and the Company that has occurred on or prior to the Date of Filing, and to have agreed that, to the extent that there is any conflict between the provisions of any such agreement and the provisions of this Proposal, the provisions of this Proposal take precedence and priority and the provisions of any such agreement are amended accordingly.

Further Actions

48. The Company and the Creditors will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated hereby.

Performance

49. Except where otherwise expressly provided, all obligations of the Company under this Proposal will commence as of the Implementation Date. All obligations of the Company under this Proposal will be fully performed for the purposes of Section 65.3 of the Act only upon the Sponsor having made the Funded Proposal Payment and the Company having made the New Common Share issuances, each as provided for herein.

Acceleration of Payments

50. Notwithstanding the payment structure set out in Part V of this Proposal, nothing herein prevents or restricts the Company from accelerating the Funded Proposal Payment or from satisfying the full amount of the Funded Proposal Payment in advance of the time period contemplated in Part V of this Proposal.

Binding Effect

51. The provisions of this Proposal will be binding on the Creditors and the Company, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Approval Order after all appeal periods have expired.

PART XIV ANNULMENT OF PROPOSAL

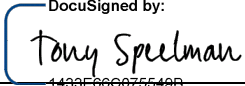
52. If this Proposal is annulled by an order of the Court, all payments on account of Claims made pursuant to the terms of this Proposal will reduce the Claims of Creditors.

**PART XV
AMENDMENTS**

53. The Company may propose amendments to the Proposal at any time prior to the conclusion of the Creditors Meeting provided that any such amendment does not reduce the rights and benefits given to the Creditors pursuant to the Proposal before such amendment and that any and all amendments shall be deemed to be a part of and incorporated into the Proposal.

DATED at the City of Toronto, in the Province of Ontario, as of this 1st day of November 2023.

SOURCE ONE FINANCIAL CORPORATION

DocuSigned by:

Per: _____
Name:
Title:
I have authority to bind the corporation.

SCHEDULE "A"
CONFIRMATION OF NON-PARTICIPATING CREDITORS

The undersigned each hereby confirm, acknowledges and agree that the undersigned (a) will not file a Claim under this Proposal and (b) will not participate in any distributions to Unsecured Creditors under this Proposal.

Dated effective as at October 31, 2023

1717030 ONTARIO LIMITED

Per: DocuSigned by:
Tony Spellman
1433E66C075549B...
Name:
Title:
I have authority to bind the corporation.


1717031 ONTARIO LIMITED

Per: DocuSigned by:
Tony Spellman
1433E66C075549B...
Name:
Title:
I have authority to bind the corporation.

LARMAN INVESTMENTS LTD.

Per: DocuSigned by:
Tony Spellman
1433E66C075549B...
Name:
Title:
I have authority to bind the corporation.

KOOY BROTHERS LAWN EQUIPMENT LTD.

Per: DocuSigned by:

F7278C5BF39443E...
Name:
Title:
I have authority to bind the corporation.

**IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF SOURCE ONE FINANCIAL CORPORATION**

Court File No: BK-23-02995640-0032
Estate File No: 32-2995640

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

Proceedings commenced at Toronto

ORDER

(Returnable December 18, 2023)

AIRD & BERLIS LLP
Barristers and Solicitors
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*Lawyers for BDO Canada Limited in its
capacity as Proposal Trustee*