

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

AGRIROOTS REALTY INC. as general partner for AGRIROOTS
DIVERSIFIED LENDING FUND LP

Applicants

- and -

NORTHORIZON FARMS INC., JONATHAN KARHI, AND AMY KARHI

Respondents

**IN THE MATTER OF AN APPLICATION PURSAUNT TO SECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3. AS AMENDED, AND
SECTION 101 OF THE *COURTS OF JUSTICE ACT*, RSO 1990, c C43, AS AMENDED**

AMENDED NOTICE OF MOTION

BDO Canada Limited (“**BDO**”) in its capacity as Court-appointed receiver of Northhorizon Farms Inc., Jonathan Karhi, and Amy Karhi (in such capacity, the “**Receiver**”), will make a Motion to a Judge.

PROPOSED METHOD OF HEARING: The Motion is to be heard:

- In writing under subrule 37.12.1 (1) because it is on consent;
- In writing as an opposed motion under subrule 37.12.1 (4);
- In person;
- By telephone conference;
- By video conference.

at the following location:

On Friday, May 15, 2026, at 10:00 a.m., or as soon after that time as the Motion can be heard by judicial teleconference via Zoom at Sault Ste. Marie, Ontario.

THE MOTION IS FOR:

1. An Approval and Vesting Order, substantially in the form attached hereto at Schedule “A” to this Notice of Motion, approving the transaction (the “**Transaction**”) contemplated by the Agreement of Purchase and Sale (the “**Sale Agreement**”) contained in the First Report to the Court of the Receiver dated May 4, 2026 (the “**First Report**”) and the confidential supplement to the First Report (the “**Confidential Supplement**”), for the sale of certain real property (the “**Real Property**”), and vesting all of the right, title and interest in and to the Real Property absolutely in and to **Bizhiki-Wiiyaas Enterprises MacFarlane Capital Limited & Cnossen-Holsteins Ltd.** (the “**Purchaser**”), free and clear of and from any security, charge or other encumbrance.
2. An Ancillary Order, substantially in the form attached hereto at Schedule “B” to this Notice of Motion:
 - a) abridging the time for service, filing and confirmation of the Notice of Motion and the Motion Record, and validating service so that this motion is properly returnable on May 15, 2026;
 - b) approving the First Report and the Confidential Supplement and the activities and conduct of the Receiver set out therein provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way the approval of the First Report and Confidential Supplement;
 - c) sealing the Confidential Supplement until the Transaction is completed, or until a further order of this Court;
 - d) approving the Receiver’s Statement of Receipts and Disbursements as detailed in the First Report;
 - e) approving the fees and disbursements of the Receiver, the fees and disbursements of its counsel (collectively, the “**Professional Fees**”) and the accrual (the “**Fee Accrual**”), as detailed in the First Report, and authorizing payment of same;
 - f) following the completion of the Transaction, authorizing and directing the Receiver to complete the Proposed Distribution, as defined in the First Report;

- g) that upon payment of the amounts set out in paragraphs 2) e) and f) hereof and upon the Receiver completing the Outstanding Matters, as described in the First Report, the Receiver shall be discharged as Receiver of the undertaking, property and assets of the Debtors, as defined below, provided however that notwithstanding its discharge herein (a) the Receiver shall remain the Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of BDO in its capacity as the Receiver;
 - h) releasing BDO as the Receiver from liability for its actions while acting in such capacity, save and except for the Receiver's gross negligence or willful misconduct;
3. the costs of this motion on a substantial indemnity basis, if opposed; and,
4. such further and other relief as counsel may request and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

The Appointment of the Receiver

1. Pursuant to an Order of this Court made on June 13, 2025 (the "**Appointment Order**"), BDO was appointed Receiver, without security, of all of the assets, undertakings and properties of Northhorizon Farms Inc., Jonathan Karhi, and Amy Karhi (collectively, the "**Debtors**").

The Receiver's Activities

2. The Receiver's activities since the Appointment Order have concentrated on, *inter alia*:
 - a. completing the sale process in relation to the Real Property, including obtaining appraisals, requesting listing proposals from commercial realtors, choosing Stewart Team Real Estate (the "**Stewart Team**") as the listing agent, and reviewing all offers to purchase received;

- b. after reviewing all offers, and making certain counter-offers, entering into the Sale Agreement with the Purchaser; and
 - c. performing other statutory reporting and related administrative tasks as required.
3. The Receiver requests that its actions, as outlined in the First Report and Confidential Supplement, should be approved by this Honourable Court.

The Sale Process and Sale Agreement

4. Paragraph 3(j) of the Appointment Order authorizes the Receiver to market any or all the property of the Debtors, including advertising and soliciting offers in respect of the property of the Debtors, and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.
5. Paragraph 3(k) of the Appointment Order authorizes the Receiver to sell the property of the Debtors, subject to Court approval, having regard to the monetary limits set out therein.
6. Paragraph 3(l) of the Appointment Order authorizes the Receiver to apply for a 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.
7. In order to assess the value of the Real Property, the Receiver solicited appraisal proposals from three appraisers.
8. The Receiver contacted five prospective commercial realtors and requested listing proposals in relation to the Real Property, and the Receiver received four proposals, resulting in choosing Stewart Team as the listing agent to assist the Receiver with the sales process of the Real Property (the “**Sales Process**”).
9. The Sales Process was carried out for roughly nine months, and resulted in the receipt of multiple offers, certain counter-offers, and the Receiver entering into the Sale Agreement.
10. The Receiver recommends the approval and completion of the Sale Agreement for, *inter alia*, the following:

- a. the Receiver is of the opinion that the Sales Process was efficient, fair, and provident, and the Real Property was properly marketed to obtain the best price and terms of sale in the circumstances;
 - b. the price and terms of the Transaction are supported by the appraisal and opinion of values (as further detailed in the Confidential Supplement), and provides certainty as to realizations, eliminating any future risk to the Receiver as regards to market conditions; and,
 - c. the Transaction is in the interest of all parties and supported by the senior secured creditor of the Debtors.
11. The Receiver is of the view that the Sale Agreement represents a commercially reasonable transaction which will maximize the recovery and is in the best interests of all stakeholders.

Sealing Order

12. Until such time as the Transaction is completed, or until further order of this Court, the Receiver is of the view that the information and documentation contained in the Confidential Supplement should be sealed in order to avoid the negative impact that the dissemination of the confidential information contained therein would have.
13. The disclosure of the information contained in the Confidential Supplement could potentially impair the value maximizing purpose of the Sales Process, and the sealing order sought in relation to the Confidential Supplement (i) aligns with the purpose of the Sales Process and the interest promoted therein; (ii) is fair and reasonable in the circumstances; and (iii) will achieve the desired benefit without unduly impairing the openness of the Court's process.

The Distribution

14. Following the completion of the Transaction, the Receiver recommends the Proposed Distribution, as detailed in the First Report.

Professional Fees

15. The Appointment Order requires the Receiver and its legal counsel to pass its accounts from time to time.
16. The Receiver and its counsel have each properly incurred fees and disbursements as detailed in the First Report.
17. The Receiver is also seeking the Fee Accrual, to cover the additional fees and disbursements necessary for it and its counsel to complete the administration of the Debtors' estates.
18. The Receiver seeks the approval of the Fee Accrual, its fees and disbursements and its counsel's fees and disbursements, as detailed in the First Report, and payment of same.

Discharge

19. Following the completion of the Receiver's remaining duties, including the Proposed Distribution, and the filing of a certificate by the Receiver certifying that all outstanding matters to be attended to in connection with the receivership have been completed to the satisfaction of the Receiver, the Receiver will have completed the administration of the estate of the Debtors, and as such requests its discharge as Receiver.
20. Section 243 and 249 of the *Bankruptcy and Insolvency Act*.
21. Sections 100 and 137(2) of the *Courts of Justice Act*.
22. Rules 1.04, 2, 3, 37 and 38, of the *Rules of Civil Procedure*.
23. Such other grounds as counsel may advise and this Honourable Court may permit.

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

1. The Appointment Order;
2. The First Report and the Appendices thereto, and the Confidential Supplement; and,

3. Such materials as counsel may advise and this Honourable Court may permit.

May 4, 2026

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TO: Service List

AGRIROOTS REALTY INC., et al.

-and-

NORTHORIZON FARMS INC., et al.

Applicant

Respondents

Court File No. CV-25-00029832-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
SAULT STE. MARIE, ONTARIO

AMENDED NOTICE OF MOTION

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