

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

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

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

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

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

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

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

March 14, 2025

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TO: ATTACHED SERVICE LIST

**ONTARIO
SUPERIOR COURT OF JUSTICE
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ONTARIO**

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INDEX

Tab	Document	Page No.
1	Notice of Motion, dated March 14, 2025	1
2	Affidavit of Robert Haynes, sworn March 14, 2025	18
	Exhibit "A" – Initial NOI Relief Orders	26
	Exhibit "B" – Extended Cash Flow	62

TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
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Court File No. 32-3175819
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**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**

NOTICE OF MOTION
(returnable March 25, 2025 at 10:00 a.m.)

Upper Canada Growers Ltd. (“**UCG**”) and UCG Land Inc. (“**LandCo**” and collectively with UCG, the “**Companies**”) have each filed a Notice of Intention to Make a Proposal (an “**NOI**”) under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). UCG, in concert with LandCo, will make a motion to a judge presiding over the Ontario Superior Court of Justice (in Bankruptcy & Insolvency) on Tuesday, March 25, 2025 at 10:00 a.m., or as soon after that time as the motion can be heard.

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

THE MOTION IS FOR:

1. An Order, substantially in the form attached hereto as Schedule A:
 - (a) if necessary, abridging the time for service and filing of the notice of motion and the motion record, validating service of the notice of motion and the motion record so that this motion is properly returnable on March 25, 2025, and dispensing with further service thereof;
 - (b) extending the time for the Companies to file proposals under section 50.4(9) of the BIA to and including May 16, 2025;
 - (c) approving the second report of BDO Canada Limited in its capacity as proposal trustee of the Companies (in that capacity, the “**Proposal Trustee**”) to be filed separately with the Court (the “**Second Report**”) and approving the actions of the Proposal Trustee described in the Second Report;
 - (d) 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 (the “**Fee Affidavits**”); and

2. Such further and other relief as to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE:

Background

3. UCG operates a nursery and orchard business in Southwestern Ontario, primarily in Harrow, Ontario.
4. LandCo operates as a real estate holding company for the land and buildings used by UCG in its nursery and orchard business.
5. On January 17, 2025, the Companies each filed an NOI under the BIA.

Initial NOI Relief Orders

6. On February 6, 2025, the Companies applied for, and the Court issued, orders (the “**Initial NOI Relief Orders**”) granting the following material relief:
 - a. the administrative consolidation of the two NOI proceedings, so that they will be administered jointly;
 - b. extension of the time to file a proposal, pursuant to s. 50.4(9) of the BIA, up to and including April 1, 2025;
 - c. approval of the First Report of the Proposal Trustee dated January 29, 2025 (the “**First Report**”);
 - d. approval of a Sale and Investment Solicitation Process (the “**SISP**”), to be administered by the Proposal Trustee;

- e. the enhancement of certain powers of the Proposal Trustee to facilitate the SISP but also to mitigate a dispute among shareholders;
- f. approval of interim financing, funded by the Companies' senior secured lender, the Bank of Nova Scotia ("**BNS**"), along with an interim financing charge to secure the Companies' obligations under the interim financing facility;
- g. an administrative charge to secure payment of the fees and disbursements of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Companies; and
- h. a directors' charge to secure the Companies' obligation to indemnify the directors and officers for post-NOI liabilities that may arise.

Developments Since Initial NOI Relief Orders

7. Since the Initial NOI Relief Orders were granted, the Companies have worked diligently and in good faith with the Proposal Trustee to stabilize the business operations and facilitate the SISP. Such efforts include, but are not limited to, working with the Proposal Trustee to, among other things: (i) facilitate the Proposal Trustee's access and financial oversight to the business as contemplated by the Initial NOI Relief Orders; (ii) stabilize the financial operations of the business; (iii) communicate with creditors and other stakeholders; and, (iv) facilitate the Proposal Trustee's operation of the SISP by helping to identify potentially interested parties, providing

necessary financial and business documentation for due diligence and providing access to the Companies' facilities.

8. The Second Report shall include the Proposal Trustee's summary of activities of the Companies and the Proposal Trustee since the Initial NOI Relief Orders.

Implementation of the SISP

9. Critically, the SISP has been administered by the Proposal Trustee and the Companies, as required under the Initial NOI Relief Orders, and is on track to meet the Court-approved milestones, including:
 - a. March 28, 2025 – deadline for submission of initial expressions of interest;
 - b. April 25, 2025 – deadline for submission of binding letters of intent;
 - c. April 30, 2025 – offer selection date; and
 - d. May 14, 2025 – date by which to finalize definitive agreement;
10. A detailed discussion of the progress of the SISP shall be included in the Second Report;

Cash Flow

11. In connection with the Initial NOI Relief Orders and, in particular, the initial NOI extension, the Companies prepared, in consultation with the Proposal

Trustee, an extended cash flow forecast beyond what is required under the BIA, up to and including May 17, 2025 (the “**Extended Cash Flow**”).

12. The Extended Cash Flow demonstrates that the Companies will have sufficient funding to enable them to carry on business through the requested extension.

The Second Report

13. The Second Report includes a detailed discussion of these proceedings and the activities of the Proposal Trustee and its counsel since the First Report.
14. The Second Report shall include affidavits of each of the Proposal Trustee and its counsel in respect their fees and disbursements, the taxation and approval of which is sought pursuant to the terms of the Initial NOI Relief Orders.

Relief Requested

15. The stay of proceedings will expire on April 1, 2025.
16. The Companies seek an extension of time to file a proposal to and including May 16, 2025, in order to allow the continued stabilization of the Companies’ business and permit the Proposal Trustee to advance the proposed SISF.
17. The Extended Cash Flow evidences sufficient funding to continue operating through to the end of requested extension period.

18. If the requested extension is granted, the Companies will be able to advance the SISP to determine whether a sale or investment transaction may be completed and explore options for making viable proposals to its creditors in conjunction therewith.
19. Without the extension, the Companies will not be in a position to make viable proposals to their creditors before April 1, 2025, will not be able to complete the Court-ordered SISP, and will likely become bankrupt, to the detriment of their creditors and stakeholders.
20. None of the Companies' creditors will be materially prejudiced if the requested extension is granted.
21. The Companies have acted, and are acting, in good faith and with due diligence.
22. The Second Report and the fees affidavits appended thereto accurately reflect the activities, fees and disbursements of the Proposal Trustee and its counsel.
23. As required by the Initial Relief NOI Orders, the BIA and prevailing insolvency practice, the Proposal Trustee must seek approval of its fees and disbursements and those of its counsel.

Support for Relief Sought and Other Grounds

24. The Proposal Trustee supports the relief being sought by the Companies.

25. The senior secured lender and interim lender, BNS, supports the relief sought herein.
26. The other grounds set out in the affidavit Haynes Affidavit.
27. The other grounds set out in the Second Report.
28. The Consolidated Practice Direction Concerning the Central Southwest Region and the inherent and equitable jurisdiction of this Court.
29. Sections 50.4(9), 50.6, 64.1 and 64.2 of the BIA.
30. Rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended.
31. Such further and other grounds as counsel may advise and this Court may permit.

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

1. the Affidavit of Robert Haynes sworn March 14, 2025, and the exhibits thereto;
2. the Second Report, and the appendices thereto; and,
3. such further and other evidence as counsel may advise and this Honourable Court may permit.

March 14, 2025

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

TO: **SERVICE LIST**

Schedule A

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE)	TUESDAY, THE 25TH
)	
JUSTICE)	DAY OF MARCH, 2025

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

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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 ●, 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.

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PROCEEDING COMMENCED AT
HAMILTON

ORDER

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 HAMILTON

NOTICE OF MOTION

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TAB 2

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ONTARIO**

AFFIDAVIT OF ROBERT HAYNES
(Sworn March 14, 2025)

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

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

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

OVERVIEW

2. On January 17, 2025, each of the Companies filed a Notice of Intention to Make a Proposal (an “**NOI**”) under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). BDO Canada Limited was named proposal trustee of the Companies (in that capacity, the “**Proposal Trustee**”) in each of the Companies’ proposal proceedings (collectively, the “**Proposal Proceedings**”).

3. On February 6, 2025, the Companies applied for, and the Court issued, an Initial Proposal Order and a SISP Order (collectively, the “**Initial NOI Relief Orders**”) granting the following material relief:

- (a) the administrative consolidation of the two NOI proceedings, so that they will be administered jointly;
- (b) extension of the time to file a proposal pursuant to s. 50.4(9) of the BIA, up to and including April 1, 2025;
- (c) approval of the First Report of the Proposal Trustee dated January 29, 2025 (the “**First Report**”);
- (d) approval of a Sale and Investment Solicitation Process (the “**SISP**”), to be administered by the Proposal Trustee;

- (e) the enhancement of certain powers of the Proposal Trustee to facilitate the SISP but also to mitigate a dispute among shareholders;
 - (f) approval of interim financing, funded by the Companies' senior secured lender, the Bank of Nova Scotia ("**BNS**"), along with an interim financing charge to secure the Companies' obligations under the interim financing facility;
 - (g) an administrative charge to secure payment of the Proposal Trustee and key insolvency professionals; and
 - (h) a directors' charge to secure the Companies obligation to indemnify the directors and officers for post-NOI liabilities that may arise.
4. Copies of the Initial NOI Relief Orders are attached hereto, collectively, as **Exhibit "A"**.
5. I swear this affidavit in support of a motion by the Companies 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 the Proposal Trustee to be filed separately with the Court (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 (the “**Fee Affidavits**”).

BACKGROUND

6. The Companies are related corporations and part of a single business enterprise. UCG operates a nursery and orchard business in Southwestern Ontario, primarily in Harrow, Ontario. LandCo operates as a real estate holding company for the land and buildings used by UCG in its nursery and orchard business.

7. The Companies are intrinsically linked, have the same senior creditors and, as of October 2023, the same management, back-office and accounting functions. The Companies also have the same non-independent directors, being myself, Megan Haynes, Manish Nayar and Mohit Nayar.

PURPOSE OF PROPOSAL PROCEEDINGS

8. 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 the SISP for the marketing and sale of the Companies’ business as a going-concern in whole or in part, or to seek an investment in the Companies’ business.

9. On February 6, 2025, this Court approved the SISP. A detailed summary of the SISP is included in my first affidavit sworn in connection with this matter on January 29,

2025, and the express terms of the SISP are appended to the SISP Order (which is attached hereto as Exhibit "A").

UPDATE SINCE INITIAL NOI RELIEF ORDERS

Generally

10. Since the Initial NOI Relief Orders were granted, the Companies have worked diligently and in good faith with the Proposal Trustee to stabilize the business operations and facilitate the SISP. Such efforts include, but are not limited to, working with the Proposal Trustee to, among other things: (i) facilitate the Proposal Trustee's access to and financial oversight over the business as contemplated by the Initial NOI Relief Orders; (ii) stabilize the financial operations of the business; (iii) communicate with creditors and other stakeholders; and, (iv) facilitate the Proposal Trustee's operation of the SISP by helping to identify potentially interested parties, providing necessary financial and business documentation for due diligence and providing access to the Companies' facilities.

11. The Second Report shall include the Proposal Trustee's summary of activities of the Companies and the Proposal Trustee since the Initial NOI Relief Orders.

SISP Progress

12. The SISP has been administered by the Proposal Trustee and the Companies as required under the Initial NOI Relief Orders and is on track to meet the Court-approved milestones, including:

- (a) March 28, 2025 – deadline for submission of initial expressions of interest;
- (b) April 25, 2025 – deadline for submission of binding letters of intent;
- (c) April 30, 2025 – offer selection date; and
- (d) May 14, 2025 – date by which to finalize definitive agreement.

13. The Second Report shall include a detailed discussion of progress on the SISP.

CASH FLOW

14. In connection with the Initial NOI Relief Orders and, in particular, the initial NOI extension, the Companies prepared, in consultation with the Proposal Trustee, an extended cash flow forecast beyond what is required under the BIA, up to and including May 17, 2025 (the “**Extended Cash Flow**”). A copy of the Extended Cash Flow is attached hereto as **Exhibit “B”**.

15. The Extended Cash Flow demonstrates that the Companies will have sufficient funding to enable them to carry on business through the requested extension.

THE SECOND REPORT

16. The Second Report includes a detailed discussion of these proceedings and the activities of the Proposal Trustee and its counsel since the First Report.

17. The Second Report shall include affidavits of each of the Proposal Trustee and its counsel in respect their fees and disbursements, the taxation and approval of which is sought pursuant to the terms of the Initial NOI Relief Orders.

STAY EXTENSION

18. The stay of proceedings will expire on April 1, 2025. The Companies seek an extension of time to file a proposal to and including May 16, 2025, in order to allow continued stabilization of the Companies' business and allow Proposal Trustee to advance the Court-approved SISP.

19. The Companies have acted, and are acting, in good faith and with due diligence in seeking to manage and preserve their businesses on a going concern basis for the benefit of all of their stakeholders and to permit the Proposal Trustee to implement and conduct the SISP.

20. The Extended Cash Flow evidences sufficient funding to continue operating through to the end of requested extension period.

21. If the requested extension is granted, the Companies will be able to advance the Court-approved SISP to determine whether a sale or investment transaction may be completed and explore options for making viable proposals to its creditors in conjunction therewith.

22. Without the extension, the Companies will not be in a position to make viable proposals to their creditors before April 1, 2025, will not be able to complete the Court-ordered SISP, and will likely become bankrupt, to the detriment of their creditors and stakeholders.

CONCLUSION

23. The relief sought on the within motion will provide stability to the Companies' businesses and enable the Companies to pursue a restructuring through the SISP, for the benefit of all stakeholders. The Proposal Trustee supports the relief being sought by the Companies. The senior secured lender and interim lender, BNS, also support the relief sought herein. Additionally, the Companies are not aware of any creditor or stakeholder who opposes such relief or would be materially prejudiced in the event that such relief is granted.

SWORN by videoconference, in the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on March 14, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely. }

talya bertler

Commissioner for Taking Affidavits
(or as may be)

Robert Haynes

ROBERT HAYNES

This is Exhibit "A" referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on March 14, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE

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THURSDAY, THE 6TH

JUSTICE

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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
Tammy L
Lecuyer
Digitally signed by Tammy L
Lecuyer
Date: 2025.02.06 12:44:41
-05'00'
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
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Counsel for UCG Land Inc. and Upper Canada Growers Ltd.

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE
 JUSTICE

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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
Tammy L
Lecuyer
Register T. Lecuyer

Digitally signed by
Tammy L Lecuyer
Date: 2025.02.06
12:47:11 -05'00'

SCHEDULE "A"
SISP TERMS

SALE AND INVESTMENT SOLICITATION PROCESS

INTRODUCTION

1. On January 17, 2025 (the “**Filing Date**”), Upper Canada Growers Ltd. (“**UCG Opco**”) and UCG Land Inc. (“**UCG Landco**” and together with UCG Opco, “**UCG**” or the “**Companies**”) each filed a Notice of Intention to Make a Proposal (the “**NOI(s)**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO Canada Limited (“**BDO**”), a Licensed Insolvency Trustee, was appointed as the proposal trustee (the “**Proposal Trustee**”) in each of the Companies’ NOI proceedings (collectively, the “**Proposal Proceedings**”).
2. To further the Companies restructuring efforts, on or before February 6, 2025, the Companies sought and obtained an order (the “**SISP Order**”) of the Ontario Superior Court of Justice (the “**Court**”), among other things:
 - (a) approving the sale and investment solicitation process (“**SISP**”) as set forth in this document (the “**SISP Terms**”) providing for the marketing of the Companies’ business (the “**Business**”) and assets (the “**Property**”) and the solicitation of (i) offers to acquire the Business and/or Property of the Companies and/or (ii) offers to invest in the Business of the Companies; and
 - (b) empowering the Proposal Trustee to undertake and administer the SISP, subject to these SISP Terms.
3. These SISP Terms set forth the manner in which: (a) binding offers for executable transactions involving the Business, Property, and/or equity of the Companies will be solicited from interested parties; (b) any such offers received will be addressed; (c) any Successful Bid(s) (as defined below) will be selected; and (d) Court approval of any Successful Bid(s) will be sought.
4. The SISP will be conducted by the Proposal Trustee in the manner set forth herein and in accordance with the SISP Order. In the event that there is a disagreement as to the interpretation or application of the SISP, the Court hearing the Proposal Proceedings will have exclusive jurisdiction to hear and resolve such dispute.
5. Any modifications, amendments, variations or supplements to these SISP Terms made in accordance the terms hereof will be posted to the website of the Proposal Trustee. The Proposal Trustee will also directly notify any affected bidders and/or potential bidders of any such modifications, amendments, variations or supplements.

OPPORTUNITY

6. The SISP is intended to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Companies’ Business and/or Property (the “**Opportunity**”). The Opportunity may include one or more of a restructuring, recapitalization or other form of reorganization of the business of the Companies as a going concern or a sale of all, substantially all or one or more components of the Companies’ Property as a going concern or otherwise.
7. The SISP describes the manner in which individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts,

unincorporated organizations, joint ventures, government organizations or other entities (each, a **“Person”**) may gain access to or continue to have access to due diligence materials concerning the Business and the Property, how the offers involving the Business and/or the Property will be submitted to and dealt with by the Proposal Trustee, and how Court approval will be obtained in respect of any Transaction (as defined below).

8. The Proposal Trustee intends to provide all qualified interested parties with an opportunity to participate in the SISP.
9. As described below, the various deadlines set forth herein may be extended by and at the discretion of the Proposal Trust, provided that the Proposal Trustee must obtain the prior written approval of the the debtor-in-possession (**“DIP”**) lender, the Bank of Nova Scotia (the **“DIP Lender”**) in respect of each such extension.
10. The Companies’ management and/or any of the Companies’ equity holders shall not be privy to any of the bid information outlined herein, including the evaluation and selection of offers. The Proposal Trustee may request, at any time, written confirmation from the Companies’ management and any of the Companies’ equity holders as to (a) whether or not they intend to participate in the SISP and (b) disclosure of any interest or involvement any such party may have in or with any other party participating in the SISP.

“AS IS, WHERE IS BASIS”

11. Any transaction involving all or any portion of the Business and/or Property (each a **“Transaction”**) will be completed with Court and DIP Lender approval on an “as is, where is” basis and without surviving representations, warranties, covenants or indemnities of any kind, nature or description by the Companies, the Proposal Trustee, the DIP Lender or any of their respective agents, estates, advisors, professionals or otherwise, except to the extent expressly set forth in the relevant Definitive Transaction Agreement (as defined herein).

TIMELINE

12. The SISP shall commence immediately following the issuance of the SISP Order. The table below sets out subsequent key deadlines in the SISP (each a **“SISP Milestone”**) that interested parties should note (capitalized terms used but not defined in the table are defined in subsequent paragraphs):

SISP Milestones	Deadline
Go to market	Friday February 7, 2025
Expression of Interest Date (“EOI Deadline”)	Friday, March 28, 2025 (5:00 PM Eastern Time) (8-week marketing process)
Select Qualified Bidders	Tuesday, April 1, 2025
Binding Letter of Intent (“LOI Deadline”)	Friday, April 25, 2025 (5:00 PM Eastern Time)
Offer Selection Date	Wednesday, April 30, 2025

Completion of the Definitive Transaction Agreement	Wednesday, May 14, 2025
Hearing of the Sale Approval Motion / Transaction Execution Date	Subject to availability of the Court
Closing the Transaction (“ Outside Date ”)	No later than Friday, June 13, 2025

Solicitation of Interest: Notice of the SISP

13. As soon as reasonably practicable, but in any event by no later than Friday, February 7, 2025:
- (a) The Proposal Trustee will prepare a list of potentially interested parties, including (i) parties that have approached the Companies or Proposal Trustee indicating an interest in the Opportunity, and (ii) local and international strategic and financial parties who the Proposal Trustee believes may be interested in purchasing all or part of the Property or investing in the Business pursuant to the SISP (the “**Known Potential Bidders**”); and
 - (b) The Proposal Trustee, will prepare:
 - (i) a process summary (the “**Teaser Letter**”) describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to these SISP Terms; and
 - (ii) a non-disclosure agreement in form and substance satisfactory to the Proposal Trustee and the Companies, and as approved in writing by the DIP Lender (the “**NDA**”).
14. The Proposal Trustee will send the Teaser Letter and NDA to all Known Potential Bidders, and to any other party interested in the Opportunity who requests a copy of the Teaser Letter and NDA or who is identified to the Companies or Proposal Trustee as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Potential Bidders and Due Diligence Materials

15. Any party who wishes to participate in the SISP (each, a “**Potential Bidder**”) must provide to the Proposal Trustee an executed NDA, and which shall inure to the benefit of any purchaser of the Business and/or Property of the Companies, or any portion thereof, and a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder, full disclosure of the direct and indirect principals of the Potential Bidder, information as to the Potential Bidder’s financial wherewithal to close a transaction.
16. The Proposal Trustee, shall in their reasonable business judgment and subject to competitive and other business considerations, afford each Potential Bidder who has signed and delivered an NDA to the Proposal Trustee and provided the foregoing information, such access to due diligence materials and information relating to the Business and Property as the Proposal Trustee deems appropriate.

17. Due diligence shall include access to a virtual data room (“VDR”) containing information about the Companies, including its Property, and may also include management presentations, documents related to on-site inspections, and other materials which a Potential Bidder may reasonably request and as to which the Companies, in their reasonable business judgment and after consulting with the Proposal Trustee, may agree. The Proposal Trustee will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Potential Bidders, who will determine the manner in which such requests must be communicated. A statement of qualification which addresses the financial capabilities, operational capabilities and ownership details of a Potential Bidder may be required to gain access to the VDR. This will be determined by the Proposal Trustee, in consultation with the DIP Lender.
18. Neither the Proposal Trustee nor the Companies will be obligated to furnish any information relating to the Business or Property to any Person other than to Potential Bidders. Furthermore, and for the avoidance of doubt, due diligence materials may be withheld, in whole or in part, from certain Potential Bidders if the Proposal Trustee determines such information to represent proprietary or sensitive competitive information. The Proposal Trustee, the Companies, and the DIP Lender (or any of them) shall have no responsibility for, and will bear no liability with respect to, any information provided to or obtained by any party in connection with the SISP.
19. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property in connection with their participation in the SISP and any Transaction they enter into with the Companies.
20. No later than the EOI Deadline (as defined below), the Proposal Trustee will deposit in the VDR a form of asset purchase agreement (the “**Model APA**”) in connection with the Opportunity, the form and substance of which Model APA shall be prepared by the Proposal Trustee and be acceptable to the DIP Lender.

Non-Binding Expressions of Interest

21. To be considered for inclusion in the next round of the process, Expressions of Interest (“EOI”) should describe in sufficient detail all material matters relating to the proposed Transaction. EOI’s must be received by the Proposal Trustee at the address specified in Schedule “1” hereto (including by e-mail) not later than **5:00 PM (Eastern Time) on Friday, March 28, 2025**, or as may be modified in the bid process letter that may be circulated by the Proposal Trustee to Potential Bidders, with the prior written consent of the DIP Lender (the “**EOI Deadline**”). While EOI’s may be non-binding, at a minimum an EOI should include clear statements with respect to the following information:
 - (a) Identity of the entity or entities involved in the proposed Transaction (if acquiring the Business and/or Property indirectly, through a subsidiary, a limited partnership or other entity, then the identity of any entity that exercises control over such acquiring entity must be disclosed);
 - (b) Cash purchase price (in Canadian dollars) that is to be paid in connection with the Transaction, including an explanation of the methods and key assumptions used to determine the purchase price (the “**Purchase Price**”);

- (c) Indication of deal structure, including but not limited to one or a combination of: an investment in the Companies (an “**Investment Proposal**”) or an acquisition of all, substantially all or a portion of the Property or shares of the Companies (a “**Sale Proposal**”);
 - (d) Proposed financing for the Transaction and, if other than internal funds, the expected sources of such financing, the expected timing for commitment of funds and the steps required to secure such commitment;
 - (e) Nature of additional diligence required before entering into a binding LOI (as defined below) with Companies;
 - (f) Assumptions and intentions with respect to retention of management and employees;
 - (g) Outline of any regulatory, shareholder, lender or other third-party approvals that would be required or potentially required and the estimated timing required to conclude a Transaction;
 - (h) Any conditions to closing or any other terms and conditions that would be required in order to complete the Transaction;
 - (i) Contact information for those Persons who should be contacted with respect to the EOI; and
 - (j) Disclosure of any other matters that may be helpful in the evaluation of the EOI and completion of the Transaction on a timely basis.
22. The Proposal Trustee will inform the DIP Lender in writing as soon as possible of any material development in connection with submission of EOIs and will remit copies of the EOIs received to the DIP Lender.

Evaluation and Selection of EOIs

23. The Proposal Trustee, in consultation with the DIP Lender, will evaluate the EOIs received based upon several factors including, without limitation: (a) the Purchase Price and the net value provided by such bid(s), (b) the identity, circumstances and ability of the Potential Bidder to successfully complete the proposed Transaction(s) on a timely basis, (c) factors affecting the speed, certainty and value of the proposed Transaction(s), (d) the assets included or excluded from the bid(s), (e) any related restructuring costs, and (f) the likelihood and timing of consummating the proposed Transaction(s).
24. The Proposal Trustee, in each case with the prior written approval of the DIP Lender, shall notify in writing each Potential Bidder who submitted an EOI as to whether its EOI was selected to continue in the SISP (the “**Selected EOIs**”) by no later than **Tuesday April 1, 2025**, or at such later time as the Proposal Trustee, with the prior written approval of the DIP Lender, deems appropriate.
25. In the event that there are no Selected EOIs, the Proposal Trustee, with the prior written consent of the DIP Lender, may terminate the SISP. For clarity, the Proposal Trustee shall have no obligation to select any EOI as a Selected EOI.

Binding Letters of Intent

26. Potential Bidders with Selected EOs that wish to make a formal offer to purchase or make an investment in the Companies or its Property (a “**Bidder**”) shall submit a binding Letter of Intent (a “**LOI**”) that complies with all of the following requirements at the Proposal Trustee’s address specified in Schedule “1” hereto (including by e-mail), so as to be received by the Proposal Trustee not later than **5:00 PM (Eastern Time) on Friday April 25, 2025** or as may be modified in the bid process letter that may be circulated by the Proposal Trustee, with the prior written consent of the DIP Lender, to Potential Bidders (the “**LOI Deadline**”):
- (a) the LOI must be either a binding offer to make a Sale Proposal and/or an Investment Proposal.
 - (b) the LOI (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Business of the Companies or its Property or shares and is consistent with these SISP Terms and any necessary terms and conditions established by the Proposal Trustee and communicated to Bidders;
 - (c) the LOI includes a letter stating that the Bidder’s offer is irrevocable until the selection of the Successful Bidder(s) (as defined below), provided that if such Bidder is selected as the Successful Bidder(s), its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder(s);
 - (d) the LOI includes, in the case of a Sale Proposal, a completed purchase agreement with a comparison to the Model APA, and any other transaction documents included in the VDR, which purchase agreement shall include the Purchase Price (by major asset type/legal entity), investment amount and any other key economic terms expressed in Canadian dollars, together with all exhibits and schedules thereto, and, in the case of an Investment Proposal, a comparable definitive transaction agreement;
 - (e) the LOI includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Proposal Trustee, in consultation with the DIP Lender, to make a determination as to the Bidder’s financial and other capabilities to consummate the proposed transaction;
 - (f) the LOI is not conditional on (i) the outcome of unperformed due diligence by the Bidder, or (ii) obtaining financing, or (iii) the Companies receiving the required approvals or amendments relating to any licence agreements required to operate the business;
 - (g) the LOI fully discloses the identity of each entity that will be entering into the Transaction or the financing, or that is otherwise participating or benefiting from such bid;
 - (h) for a Sale Proposal, the LOI includes:
 - (i) the Purchase Price in Canadian dollars (by major asset type/legal entity) and a description of any non-cash consideration, including details of any liabilities to be assumed by the Bidder and key assumptions supporting the proposed valuation;

- (ii) a description of the Property that is expected to be subject to the Transaction(s) and any of the Property expected to be excluded;
 - (iii) a specific indication of the financial capability of the Bidder and the expected structure and financing of the transaction;
 - (iv) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and which such liabilities and obligations it does not intend to assume;
 - (v) information sufficient for the Proposal Trustee, in consultation with the DIP Lender, to determine that the Bidder has sufficient ability to satisfy and perform any liabilities or obligations assumed pursuant to (iv) above;
 - (vi) any other details of the Sale Proposal that the Bidder believes are material to the Transaction(s); and
 - (vii) a commitment by the Bidder to provide a non-refundable deposit, the greater of: an amount of not less than 10% of the Purchase Price offered or \$1,000,000, upon the Bidder being selected as a Successful Bidder.
- (i) for an Investment Proposal, the LOI includes:
- (i) a description of how the Bidder proposes to structure the proposed investment, restructuring, recapitalization, or reorganization, and a description of any non-cash consideration;
 - (ii) the aggregate amount of the equity and/or debt investment to be made in the Business or the Companies in Canadian dollars;
 - (iii) the underlying assumptions regarding the pro forma capital structure;
 - (iv) a description of the specific Property that is to be included in the transaction and any Property expected to be excluded;
 - (v) a specific indication of the sources of capital for the Bidder and the structure and financing of the transaction;
 - (vi) a description of the conditions and approvals required to complete the closing of the transaction;
 - (vii) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and those liabilities and obligations it does not intend to assume;
 - (viii) information sufficient for the Proposal Trustee, in consultation with the DIP Lender, to determine that the Bidder has sufficient ability to satisfy and perform any liabilities or obligations assumed pursuant to (vii) above;
 - (ix) any other details of the Investment Proposal that the Bidder believes are material to the Transaction(s); and
 - (x) a commitment by the Bidder to provide a non-refundable deposit, the greater of: an amount of not less than 10% of the total new investment contemplated or \$1,000,000, upon the Bidder being selected as a Successful Bidder.
- (j) the LOI shall include acknowledgements and representations of the Bidder that the Bidder:

- (i) has had an opportunity to conduct any and all due diligence regarding the Business and Property prior to making its offer;
 - (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and
 - (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether expressed, implied, statutory, or otherwise, regarding the Business of the Companies, or the Property, or the completeness of any information provided in connection therewith, except as expressly stated in the Definitive Transaction Agreement in form and substance satisfactory to the Proposal Trustee and the DIP Lender;
- (k) the LOI is received by the LOI Deadline; and
 - (l) the LOI contemplates closing the transaction set out therein no later than **Friday June 13, 2025**, subject to obtaining Court approval.
27. The Proposal Trustee will inform the DIP Lender in writing as soon as practicable of any material development in connection with the submission of LOIs and will remit copies of all LOIs received.
28. Following the LOI Deadline, the Proposal Trustee and the DIP Lender will assess the LOIs received. The Proposal Trustee, with the prior written approval of the DIP Lender, will designate the most competitive LOIs that comply with the foregoing requirements to be “**Qualified Bids**”. Only Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).
29. The Proposal Trustee, with the prior written approval of the DIP Lender, shall notify each Bidder in writing as to whether its LOI constitutes a Qualified Bid by no later than **Wednesday April 30, 2025**, or at such later time as the Proposal Trustee deems appropriate, with the prior written approval of the DIP Lender.
30. The Proposal Trustee, with the prior written approval of the DIP Lender, may waive strict compliance with any one or more of the requirements set forth herein and deem a non-compliant LOI to be a Qualified Bid.
31. The Proposal Trustee may, in consultation with the DIP Lender, following receipt of any LOI, either independently or following a request from the DIP Lender, seek clarification with respect to any of the terms or conditions of such LOI and/or request and negotiate one or more amendments to such LOI prior to determining if the LOI is considered a Qualified Bid.
32. The Proposal Trustee may, with the prior written approval of the DIP Lender, aggregate separate Bids from unaffiliated Bidders to create one Qualified Bid.
33. In the event that the Proposal Trustee is not satisfied with the number or terms of the Qualified Bids, the Proposal Trustee may extend the Bid Deadline or seek Court approval for amendments to the SISP, in each case only with the prior written consent of the DIP Lender.

34. In the event that there are no Qualified Bids, the Proposal Trustee, with the prior written consent of the DIP Lender, may terminate the SISP. For clarity, the Proposal Trustee shall have no obligation to select any LOI as a Qualified Bid.

Evaluation of Competing Bids

35. The Proposal Trustee, in consultation with the DIP Lender, will evaluate a Qualified Bid based upon several factors including, without limitation: (a) the Purchase Price and the net value provided by such bid, (b) the identity, circumstances and ability of the Bidder to successfully complete the proposed Transaction(s) on a timely basis, (c) the proposed transaction documents, (d) factors affecting the speed, certainty and value of the proposed Transaction(s), (e) the assets included or excluded from the bid, (f) any related restructuring costs, and (g) the likelihood and timing of consummating the proposed Transaction(s).

Selection of Successful Bid(s)

36. The Proposal Trustee will:
- (a) in consultation with the DIP Lender, review each Qualified Bid with consideration of the following:
 - (i) the amount of consideration being offered, and, if applicable, the proposed form, composition, and allocation of same;
 - (ii) the value of any assumption of liabilities or waiver of liabilities;
 - (iii) the Bidder's ability to close the proposed Transaction(s) by **June 13, 2025** (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability and source of financing and financial wherewithal to meet all commitments and required governmental or other approvals);
 - (iv) the likelihood of the Court's approval of such Qualified Bid(s) if selected as a Successful Bid(s);
 - (v) the net benefit to the Companies and its stakeholders; and
 - (vi) any other factors the Proposal Trustee may, consistent with its fiduciary duties and in consultation with the DIP Lender, reasonably deem relevant.
 - (b) with the prior written approval of the DIP Lender, identify and select the highest or otherwise best Qualified Bid(s) received (the "**Successful Bid(s)**"), and the Bidder(s) making such Qualified Bid(s), the "**Successful Bidder(s)**") and to notify the Successful Bidder(s) that its Qualified Bid(s) has been selected as the Successful Bid(s). For clarity, a Qualified Bid may not be selected as a Successful Bid unless the DIP Lender has approved of the proposed Successful Bid in writing.
37. The Proposal Trustee, with the prior written approval of the DIP Lender, can select two or more Qualified Bid(s) as the Successful Bid(s) if the Proposal Trustee determines, acting reasonably, that such selection is appropriate or desirable in the circumstances.

38. The Proposal Trustee shall be under no obligation to select any Qualified Bid as a Successful Bid. In the event that there are no Qualified Bids, the Proposal Trustee, with the prior written consent of the DIP Lender, may terminate the SISP.
39. The Successful Bidder(s) shall be selected by no later than April 30, 2025 and shall complete and execute all agreements, contracts, instruments or other documents (collectively, the “**Definitive Transaction Agreement**”) evidencing and containing the terms and conditions upon which the Successful Bid(s) was made by **Wednesday May 14, 2025** the (“**EOI Deadline**”), unless extended by the Proposal Trustee with the prior written consent from the DIP Lender and in consultation with the Successful Bidder(s).

Sale Approval Motion Hearing

40. The Proposal Trustee shall bring a motion (the “**Sale Approval Motion(s)**”) to the Court seeking one or more orders approving the Successful Bid(s) and granting any necessary related relief required to consummate the Transaction(s) contemplated therein, including the granting of a vesting or reverse vesting order, as applicable, to the extent that such relief is contemplated by the Successful Bid(s) (collectively, the “**Sale Approval Order(s)**”). The Sale Approval Order(s) shall be in form and substance satisfactory to the DIP Lender and Successful Bidder(s). The Proposal Trustee will schedule the Sale Approval Motion(s) on a hearing date, subject to the availability of the Court and in consultation with the Companies, the DIP Lender, and the Successful Bidder(s). With the consent of the DIP Lender and the Successful Bidder(s), the Sale Approval Motion(s) may be adjourned or rescheduled by the Proposal Trustee and the adjourned or rescheduled date shall be publicized by advance notice and served upon the service list in the Proposal Proceedings, or, if such advance notice is not practicable, by announcement at the Sale Approval Motion(s). The Proposal Trustee shall consult with the DIP Lender and the Successful Bidder(s) regarding the application materials to be filed for the Sale Approval Motion(s) and will provide them with a reasonable opportunity to review and comment on such materials.
41. Any Qualified Bid (other than the Successful Bid(s), as the case may be) shall be deemed rejected on and as of the date of the closing of the Successful Bid(s), with no further or continuing obligation of the Proposal Trustee to such unsuccessful Qualified Bidder, except for the return of the applicable Deposit pursuant to paragraph 44(c) below.

Confidentiality and Access to Information

42. All discussions regarding a Sale Proposal, Investment Proposal, or bid in the SISP should be directed through the Proposal Trustee. Under no circumstances should the DIP Lender or Management of the Companies be contacted directly without the prior consent of the Proposal Trustee and the DIP Lender. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP.
43. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Bidders, Qualified Bids, Successful Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Companies, the Proposal Trustee, the DIP Lender and such other bidders or Potential Bidders in connection with the SISP, except to the extent the

Proposal Trustee and the prior written consent of the DIP Lender and the applicable participants, are seeking to combine separate bids from Potential Bidders or Bidders.

Deposit(s)

44. The Deposit(s):
- (a) shall, upon receipt, be retained by the Proposal Trustee and deposited in a non-interest-bearing trust account;
 - (b) received from the Successful Bidder(s), shall:
 - (i) be applied to the Purchase Price or investment to be paid or funded by the applicable Successful Bidder(s) whose Successful Bid(s) is/are the subject of a Sale Approval Order(s), upon closing of the approved Transaction(s); or
 - (ii) shall otherwise be held and refunded in accordance with the terms of the definitive documentation in respect of any Successful Bid(s), provided that all such documentation shall provide that the Deposit shall be retained by the Proposal Trustee in trust and forfeited by the Successful Bidder(s) if the Successful Bid(s) fails to close by the Outside Date, and such failure is attributable to any failure or omission of the Successful Bidder(s) to fulfil its/their obligations under the terms of the Successful Bid(s); and,
 - (c) received from Bidders who are not the Successful Bidder(s), shall be fully refunded to those Bidders as soon as practicable following the closing of the Transaction(s) contemplated by the Successful Bid(s) and in any event no later than by the Outside Date.

Further Orders

45. At any time during the SISP, the Proposal Trustee or the DIP Lender may apply to the Court for advice and directions with respect to any aspect of the SISP, including but not limited to the continuation of the SISP, these SISP Terms, or with respect to their powers, rights, and duties (as applicable) hereunder.

Additional Terms

46. The Proposal Trustee shall conduct the SISP in the manner set out in these SISP Terms, subject to the applicable consultation, consent, and approval requirements as set forth herein, and is entitled to receive all information in relation to the SISP.
47. Any consent, approval or written confirmation to be provided by the Proposal Trustee or the DIP Lender is ineffective unless provided in writing and any approval required pursuant to the terms hereof is in addition to, and not in substitution for, any other approvals required in the Proposal Proceedings or as otherwise required at law in order to implement the Successful Bid(s). For the avoidance of doubt, a consent, approval, or confirmation provided by email shall be deemed to have been provided in writing for the purposes of this paragraph.

48. Prior to seeking the Court's approval for any Transaction(s) or bid(s) contemplated by the SISP, the Proposal Trustee will provide a report to the Court regarding the SISP and the Successful Bid(s), parts of which may be filed under seal, including in respect of any and all bids received.
49. The Proposal Trustee shall at all times prior to the selection of the Successful Bid(s) use commercially reasonable efforts to facilitate a competitive bidding process in the SISP, including, without limitation, by actively soliciting participation by Persons who would be customarily identified as high potential bidders in a process of this kind or who may be reasonably proposed by any of the Companies' stakeholders as a high potential bidder.
50. This SISP does not and will not be interpreted to create any contractual or other legal relationship between the Companies, the Proposal Trustee, and the DIP Lender and any Potential Bidder, any Bidder, or any other party, other than as specifically set forth in a definitive agreement that may be entered into with the Companies and/or Proposal Trustee.
51. Without limiting the preceding paragraph, the Proposal Trustee, the Companies, and the DIP Lender shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Bidder, the Successful Bidder(s), the Companies, or any other creditor or other stakeholder of the Companies, for any act or omission related to the SISP. By submitting a bid, each Bidder shall be deemed to have agreed that it has no claim against the Proposal Trustee, the Companies, or the DIP Lender for any reason whatsoever related to the SISP.
52. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction. For greater certainty, neither the Proposal Trustee, the Companies, or the DIP Lender shall be liable to any Person for any claim for brokerage commission, finder's fee, or like payment in respect of the consummation of any transaction arising out of or in connection with the SISP.
53. Notwithstanding the process and deadlines outlined above with respect to the SISP, with the prior written consent of the DIP Lender, the Proposal Trustee may at any time: (a) pause, terminate, amend or modify the SISP; (b) remove any portion of the Business and/or the Property from the SISP; (c) bring a motion to the Court to seek approval of a sale of, or investment in, all or part of the Property or the business whether or not such sale or investment is in accordance with the terms or timelines set forth herein; and (d) establish further or other procedures for the SISP, provided that the service list in the Proposal Proceedings shall be advised of any substantive modification to the procedures set forth herein.

Schedule "1"

Address of the Proposal Trustee

To the Proposal Trustee:

BDO Canada Limited
20 Wellington East
Suite 500
Toronto, Ontario
M5E 1C5

Attention: Clark Lonergan or Michael Basso

Email: clonergan@bdo.ca

Email: mbasso@bdo.ca

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

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.

This is Exhibit "B" referred to in the Affidavit of Robert Haynes sworn by Robert Haynes of the Town of Niagara-on-the-Lake, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on March 14, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

talya bertler

Commissioner for Taking Affidavits (or as may be)

IN THE MATTER OF THE PROPOSAL OF
UPPER CANADA GROWERS LTD.
IN THE CITY OF HAMILTON
IN THE PROVINCE OF ONTARIO
STATEMENT OF PROJECTED CASH-FLOW
FOR THE PERIOD ENDING MAY 17TH, 2025

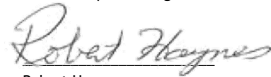
Week #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	TOTAL	
Week Ending	2025-01-18	2025-01-25	2025-02-01	2025-02-08	2025-02-15	2025-02-22	2025-03-01	2025-03-08	2025-03-15	2025-03-22	2025-03-29	2025-04-05	2025-04-12	2025-04-19	2025-04-26	2025-05-03	2025-05-10	2025-05-17		
Receipts	Notes																			
AR Receipts	1	-	35,000	78,743	58,743	10,000	10,000	10,000	73,743	25,000	25,000	25,000	237,500	378,100	237,500	237,500	270,000	270,000	270,000	2,251,828
Other Receipts	2	-	-	-	-	-	-	45,381	-	35,000	-	82,677	-	-	128,058	-	-	-	-	291,115
		-	35,000	78,743	58,743	10,000	10,000	55,381	73,743	60,000	25,000	107,677	237,500	378,100	237,500	365,558	270,000	270,000	270,000	2,542,943
Operating Disbursements																				
Operational Costs	3	-	82,016	227,062	117,258	34,956	44,112	31,258	49,288	46,986	56,143	43,288	44,255	41,953	51,109	105,913	42,196	42,196	42,196	1,102,182
Payroll & Benefits	4	-	102,984	-	122,829	7,500	96,862	7,500	122,829	48,500	96,862	48,500	122,829	72,823	96,862	72,823	122,829	80,646	96,862	1,320,040
Rent	5	-	-	6,246	12,491	-	-	-	12,491	-	-	-	12,491	-	-	-	12,491	-	-	56,210
Equipment loans	5	-	-	11,646	23,292	-	-	-	23,292	-	-	-	23,292	-	-	-	23,292	-	-	104,814
Utilities	5	-	-	22,589	21,819	21,819	21,819	21,819	26,828	26,828	26,828	26,828	15,914	15,914	15,914	15,914	10,167	10,167	10,167	311,332
Interim Financing Fees and Interest	6	-	-	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50,000
Key Employee Retention Program	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	8	-	-	358,650	-	-	-	536,750	-	-	-	-	409,050	-	-	-	148,033	-	226,000	1,678,483
Total Disbursements		-	185,000	676,192	297,689	64,275	162,794	597,327	234,728	122,314	179,832	118,616	627,830	130,690	163,885	194,650	359,008	133,009	375,225	4,623,062
Projected Weekly Cash Flow		-	(150,000)	(597,449)	(238,946)	(54,275)	(152,794)	(541,946)	(160,985)	(62,314)	(154,832)	(10,939)	(390,330)	247,410	73,615	170,907	(89,008)	136,991	(105,225)	(2,080,118)
Cumulative Cash Flow		-	(150,000)	(747,449)	(986,395)	(1,040,670)	(1,193,464)	(1,735,409)	(1,896,394)	(1,958,708)	(2,113,540)	(2,124,479)	(2,514,810)	(2,267,399)	(2,193,784)	(2,022,877)	(2,111,885)	(1,974,894)	(2,080,118)	
Cash Balance																				
Opening Balance	0	-	-	(150,000)	(747,449)	(986,395)	(1,040,670)	(1,193,464)	(1,735,409)	(1,896,394)	(1,958,708)	(2,113,540)	(2,124,479)	(2,514,810)	(2,267,399)	(2,193,784)	(2,022,877)	(2,111,885)	(1,974,894)	-
Ending Balance	9	\$ -	\$ (150,000)	\$ (747,449)	\$ (986,395)	\$ (1,040,670)	\$ (1,193,464)	\$ (1,735,409)	\$ (1,896,394)	\$ (1,958,708)	\$ (2,113,540)	\$ (2,124,479)	\$ (2,514,810)	\$ (2,267,399)	\$ (2,193,784)	\$ (2,022,877)	\$ (2,111,885)	\$ (1,974,894)	\$ (2,080,118)	\$ (2,080,118)

Note A. Notes to the Unaudited cash flow forecast of the Company

In preparing this cash flow forecast (the "Cash Flow Forecast"), Upper Canada Growers Ltd. (the "Company"), has relied upon unaudited financial information and has not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the Company and additional information discussed below with respect to the requirements of a *Bankruptcy and Insolvency Act* ("BIA") filing. Since the Cash Flow Forecast is based upon assumptions of future events and conditions that are not ascertainable, the actual results achieved during the period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurances that any of the estimates, forecasts or projections will be realized.

Note A. Overview

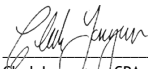
The Cash Flow Forecast includes the receipts and disbursements of the Company during the Cash Flow Forecast period. The Company, with the assistance of BDO Canada Limited in its capacity as the proposal trustee of the Company (the "Trustee") have prepared the Cash Flow Forecast based primarily on estimated disbursements related to the ongoing operations and to the BIA proceedings.



Robert Haynes
President

March 14, 2025

Date



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

March 14, 2025

Date

Notes/Assumptions


- 0 The Company filed a Notice of Intention to File a Proposal ("NOI") after regular business hours on Friday, January 17th. Accordingly, no post-filing transactions took place during week 1 of the proceedings. Week 1 has been included for visibility, actual activities are expected to start in week 2.
- 1 Based on prior years nursery sales and management's expectations of collections. There could be variances on timing of receipts and these variances could be material.
- 2 Consists of: HST refunds and legal fees expected to be received back from Hydro One.
- 3 Represents orchard operational costs which includes fuel, transportation, fertilizers, farm expenses, lab expenses, or other contingent expenses. Expenses are based on historical trending with the exception of fuel which has been increased on account of Management's expectation of a colder winter in 2025.
- 4 Represents expected payroll run-rate to keep lab operational and meet payroll obligations for seasonal/temporary workers.
- 5 Based on continuation of existing lease/financing agreements.
- 6 Fees to the Bank of Nova Scotia (the "DIP Lender") pursuant to the Interim Financing Loan Agreement dated on or around January 24th, 2025 (the "DIP"). Interest on this facility is paid at its maturity.
- 7 An key employee retention program to be provided to key employees to assist with the sales process/Insolvency filing at an estimated amount of \$170,000 being payable in June 2025.
- 8 For estimated and accrued professional fees and expenses of the Proposal Trustee, counsel to the Trustee, and counsel to the Company. As well as:
- to pay the reasonable and documented professional fees of the financial advisor to the Company up to a maximum aggregate amount of \$50,000; and
 - 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 (all as defined in the DIP).
- 9 The Company plans to finance operations for weeks 1 and 2 using its existing lending facilities from the Bank of Nova Scotia which are limited to \$150,000. The projected cash shortfall from weeks 3 to 18 of approximately \$1.7 million will be funded by the DIP which is subject to Court approval.



Robert Haynes
President

March 14, 2025

Date



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

March 14, 2025

Date

IN THE MATTER OF THE PROPOSAL OF
UCG LAND INC.
IN THE CITY OF HAMILTON
IN THE PROVINCE OF ONTARIO
STATEMENT OF PROJECTED CASH-FLOW
FOR THE PERIOD ENDING MAY 17TH, 2025


	Week #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	TOTAL	
	Week Ending	2025-01-18	2025-01-25	2025-02-01	2025-02-08	2025-02-15	2025-02-22	2025-03-01	2025-03-08	2025-03-15	2025-03-22	2025-03-29	2025-04-05	2025-04-12	2025-04-19	2025-04-26	2025-05-03	2025-05-10	2025-05-17		
Receipts	Notes 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disbursements	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Projected Weekly Cash Flow</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Cumulative Cash Flow</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Balance																					
Opening Cash Position per Bank Statement		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Cash Position		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -


Note A. Notes to the Unaudited cash flow forecast of the Company

In preparing this cash flow forecast (the "Cash Flow Forecast"), UCG Land Inc. (the "Company"), has relied upon unaudited financial information and has not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the Company and additional information discussed below with respect to the requirements of a *Bankruptcy and Insolvency Act* ("BIA") filing. Since the Cash Flow Forecast is based upon assumptions of future events and conditions that are not ascertainable, the actual results achieved during the period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurances that any of the estimates, forecasts or projections will be realized.

Note A. Overview


The Cash Flow Forecast includes the receipts and disbursements of all of the Company during the Cash Flow Forecast period. The Company, with the assistance of BDO Canada Limited in its capacity as the proposal trustee of the Company (the "Trustee") have prepared the Cash Flow Forecast based primarily on estimated disbursements related to the ongoing operations and to the BIA proceedings.

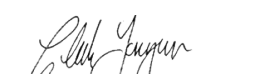

 Robert Haynes
 President
 March 14, 2025
 Date


 Clark Lonergan, CPA, CA, CIRP, LIT
 Partner/Senior Vice President
 March 14, 2025
 Date

Notes/Assumptions

¹ UCG Land Inc. does not have any operations, therefore receipts and disbursements are nil, and costs related to the sales process/insolvency filings are to be paid by Upper Canada Growers Ltd.


 Robert Haynes
 President
 March 14, 2025
 Date


 Clark Lonergan, CPA, CA, CIRP, LIT
 Partner/Senior Vice President
 March 14, 2025
 Date

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C., 1985, C. B-3, AS AMENDED
 IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
 PROPOSAL OF UCG LAND INC., IN THE CITY OF HAMILTON, IN THE
 PROVINCE OF ONTARIO**

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

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

PROCEEDING COMMENCED AT
 HAMILTON

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 Inc.

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C., 1985, C. B-3, AS AMENDED
IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF UCG LAND INC., IN THE CITY OF HAMILTON, IN THE
PROVINCE OF ONTARIO**

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

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

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

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

PROCEEDING COMMENCED AT
HAMILTON

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

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