

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)
JUSTICE *KRAWCZYENKO*)

THURSDAY, THE 29TH
DAY OF JANUARY, 2026

B E T W E E N :

THE BANK OF NOVA SCOTIA

Applicant

- and -

UPPER CANADA GROWERS LTD. and UCG LAND INC.

Respondents

**AND IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED, AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C.43, AS
AMENDED**

APPROVAL AND VESTING ORDER

THIS MOTION, made by BDO Canada Limited (“**BDO**”), in its capacity as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Upper Canada Growers Ltd. and UCG Land Inc. (together, the “**Debtors**”) acquired for, or used in relation to a business carried on by the Debtors (collectively, the “**Property**”), for an Order, among other things, (i) approving the auction services agreement dated January 19, 2026 (the “**Auction Agreement**”) with Leveredge Asset Solutions Inc. (“**Leveredge**”) in respect of the sale of certain assets of the Debtors listed at **Schedule “A”** of the Auction Agreement (collectively, the “**Assets**”) by way of auction; (ii) authorizing the Receiver to enter into the Auction Agreement, substantially in the form appended at **Appendix “C”** of the

Second Report of the Receiver dated January 19, 2026 (the “**Second Report**”), for the sale of the Assets; (iii) authorizing Leveredge to conduct the auction referenced in the Auction Agreement in accordance with the terms of the Auction Agreement (the “**Auction**”); and (iv) vesting in each purchaser at such Auction (each a “**Purchaser**”) the Debtors’ right, title and interest in and to the Assets purchased by such respective Purchaser at the Auction (in each case, the “**Purchased Assets**”), free and clear of any claims and encumbrances, was heard this day at 45 Main St. East, Hamilton, Ontario, L8N 2B7.

ON READING the Second Report and the appendices thereto, and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Jacqueline Lonergan sworn January 19, 2026 filed:

DEFINITIONS

1. **THIS COURT ORDERS** that all capitalized terms not otherwise defined herein shall be as defined in the Auction Agreement.

APPROVAL OF AUCTION

2. **THIS COURT ORDERS** that the Receiver’s engagement of Leveredge pursuant to the Auction Agreement be and is hereby approved, and the Receiver is authorized and directed to enter into the Auction Agreement with Leveredge for the Auction of the Assets and take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Auction, including, without limitation, assisting Leveredge with all matters related to the marketing and sale of the Assets.

3. **THIS COURT ORDERS AND DECLARES** that the Auction is hereby approved, and upon Leveredge completing a sale to a Purchaser at the Auction of one or more Purchased Assets, upon receipt by Leveredge from such Purchaser of the purchase price determined at the Auction and upon delivery by Leveredge to such Purchaser of a bill of sale or similar evidence of purchase and sale (each, a “**Purchaser Bill of Sale**”), all the Debtors’ right, title and interest in and to the Purchased Assets purchased by such Purchaser at the Auction and described in such Purchaser’s Bill of Sale shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Black dated September 29, 2025; and (iii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system, and, for greater certainty, this Court orders that all the Claims affecting or relating to such Purchased Assets are hereby expunged and discharged as against such Purchased Assets.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets payable to the Receiver from the Auction (the “**Net Proceeds**”) shall stand in the place and stead of the Purchased Assets sold at the Auction, and that from and after the delivery of a Purchaser’s Bill of Sale all Claims shall attach to such Net Proceeds from the sale of the Purchased Assets sold at the Auction and described in such Purchaser’s Bill of Sale with the same priority as they had with respect to such Purchased Assets immediately prior to their sale at the Auction, as if the Purchased Assets had not been sold

at the Auction and remained in the possession or control of the person having that possession or control immediately prior to their sale at the Auction.

5. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtors;

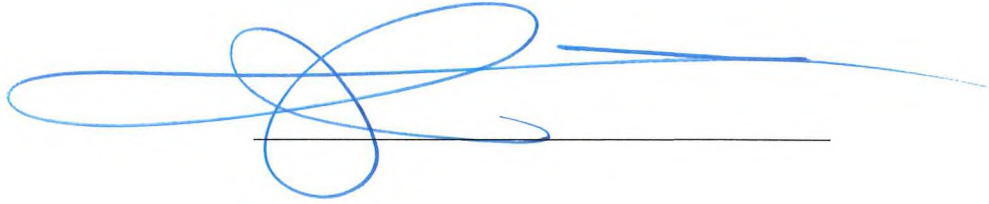
the vesting of each of the Purchased Assets in its respective Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

GENERAL

6. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as

may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

7. **THIS COURT ORDERS** that this Order is effective from today's date and is enforceable without the need for entry and filing.

A handwritten signature in blue ink is written over a horizontal black line. The signature consists of several overlapping loops and a long horizontal stroke extending to the right.

THE BANK OF NOVA SCOTIA
Applicant

and

UPPER CANADA GROWERS LTD. and UCG LAND INC.
Respondents

Court File No. CV-25-00090131-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT HAMILTON

APPROVAL AND VESTING ORDER

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and manager of Upper Canada Growers Ltd. and UCG Land
Inc.*