

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

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

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

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

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

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

**SECOND REPORT OF THE PROPOSAL TRUSTEE
March 14, 2025**

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INTRODUCTION

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

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

PURPOSE

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

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

TERMS OF REFERENCE

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

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

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

THE COMPANIES' OPERATIONS

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

PROPOSAL TRUSTEE'S ACTIVITIES

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

Proposal Proceedings

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

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

SISP

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

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

17. The Proposal Trustee is requesting approval of this Second Report and the activities of the Proposal Trustee described herein.

SALES PROCESS UPDATE

18. Immediately following the issuance of the SISP Order on February 6, 2025, which included the Court’s approval of the SISP, Proposal Trustee, among other things, has:

- (a) prepared a list of 174 companies, consisting of 68 strategic and 106 financial parties which the Proposal Trustee, in consultation with Management, identified as being possibly interested in the SISP (the “**Known Potential Bidders**”);
- (b) prepared a process summary (the “**Teaser Letter**”) describing the opportunity;
- (c) prepared a CIM, with the assistance of Management, detailing the financial and operational information of the Companies;
- (d) worked with Management to populate the VDR with financial and operational documents that may be required for the due diligence process; and
- (e) sent the Teaser Letter and NDA to the potentially interested parties.

19. A summary of the status of the 174 Known Potential Bidders who were emailed the opportunity, is as follows:

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

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

CASH FLOW PROJECTIONS

21. The Proposal Trustee has reviewed the actual cash flow from operations for the eight-week period ending March 8, 2025, through monitoring the banking activities of the Companies.

22. The Companies’ actual cash flows from operations for the eight-week period ending March 8, 2025 exceeded the corresponding Original Cash Flow Forecasts amounts for that same period by approximately \$710,000. This positive variance is largely due to:

- (a) approximately \$431,000 in delayed payment to professionals due to timing differences, which are expected to reverse in the coming weeks; and
- (b) approximately \$270,000 of lower operating costs due mainly to timing differences, which are expected to reverse in coming weeks.

23. A summary of the variance analysis regarding the same are attached hereto as **Appendix “F”**.

24. The Extended Cash Flow Forecasts project that the Companies should have sufficient financing to operate and for the Proposal Trustee to implement the SISP, given the positive timing variances experienced to date and remaining available funding from the DIP Facility (approximately \$1,200,000). Consistent with the Original Cash Flow Forecasts, approximately \$1,500,000 has been advanced to the Companies from the DIP Facility to date.

APPROVAL OF THE PROPOSAL TRUSTEE’S FEES AND DISBURSEMENTS

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

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

THE RELIEF AND ORDER BEING SOUGHT BY THE COMPANIES

Proposed Stay Extension

30. Under the BIA, the current stay of proceedings will expire April 1, 2025 (the “**Stay Period**”).
31. The Companies seek an extension of time to file a proposal for an additional approximate 45 days to and including May 16, 2025 (“**Proposed Stay Extension**”). The Proposed Stay Extension should continue to permit the Proposal Trustee and its Sales Agent (as defined in the SISP) to advance the SISP. Without the Proposed Stay Extension, the Companies will not be in a position to carry out the SISP or, if deemed advantageous, make a viable proposal to their creditors, and will become bankrupt, to the detriment of their stakeholders.
32. It is the Proposal Trustee’s view, based on the Extended Cash Flow Forecasts, that the Companies will have sufficient liquidity to continue the SISP and to satisfy post-filing obligations as they come due during the Proposed Stay Extension.

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

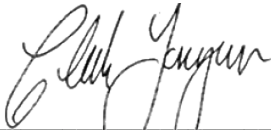
CONCLUSION AND RECOMMENDATIONS

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

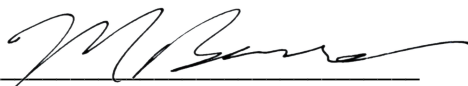
35. For the reasons stated in this Second Report, the Proposal Trustee supports the relief sought by the Companies in connection with the March 25, 2025 motion.

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

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



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



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

APPENDIX A

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

&

District of Ontario
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**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)**

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

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

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

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

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- Appendix D - Trustee's Report on Cash Flow Statements

INTRODUCTION

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

PURPOSE

2. The purpose of this first report of the Proposal Trustee (the “**First Report**”) is to advise the Court with respect to:
 - (a) an overview of the Companies;
 - (b) the circumstances leading to the Companies’ decision to commence the Proposal Proceedings;
 - (c) the Companies’ creditors;
 - (d) the Companies’ operations and communications with stakeholders since the commencement of these Proposal Proceedings;
 - (e) the Proposal Trustee’s activities since its appointment;
 - (f) an overview of the Companies’ 13-week cash flow forecasts (the “**Cash Flow Forecasts**”), inclusive of the Initial Cash Flows (herein defined), for the period January 17, 2025 to April 11, 2025 (the “**Cash Flow Period**”), together with projections and the Proposal Trustee’s comments regarding the reasonableness thereof;
 - (g) the Companies’ motion for:
 - (i) an order (the “**Initial Proposal Order**”) to:
 - I. administratively consolidate the estates or Proposal Proceedings of the Companies;
 - II. extend the time for the Companies to file proposals under section 50.4(9) of the BIA by 45 days to and including April 1, 2025;

- III. approve the First Report, and the actions, conduct and activities of the Proposal Trustee described in the First Report;
 - IV. enhancing certain powers of the Proposal Trustee;
 - V. authorizing the Companies to enter into an interim financing term sheet with the Bank of Nova Scotia (“BNS”) dated on or about January 28, 2025, as interim lender (the “DIP Term Sheet”);
 - VI. granting the super-priority Administration Charge, Directors’ Charge and the DIP Charge (each herein defined); and
 - VII. approving the key employee retention plan;
- (ii) an order (the “SISP Order”) approving the sale and investment solicitation process (the “SISP”) appended at Exhibit Y of the Haynes Affidavit (as defined below), and authorizing the Proposal Trustee to conduct the SISP; and
- (h) the Proposal Trustee’s recommendations on the relief being sought by the Companies.
- 3. The Proposal Trustee understands that the Companies will be relying on the affidavit of Robert Haynes (“Mr. Haynes”) sworn January 29, 2025 (the “Haynes Affidavit”) in support of the relief sought in the Initial Proposal Order and the SISP Order.
 - 4. The Haynes Affidavit, and all other materials filed with the Court in these Proposal Proceedings are accessible on the Proposal Trustee’s website at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/upper-canada-growers-ltd> the “Proposal Trustee’s Website”).

TERMS OF REFERENCE

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

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

(b) some of the information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

6. Future oriented financial information referred to in this First Report was prepared based on Management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variation could be significant.
7. Unless otherwise indicated, the Proposal Trustee’s understanding of factual matters expressed in this First Report concerning the Companies and their business is based on the Information, and not independent factual determinations made by the Proposal Trustee.
8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

OVERVIEW OF THE COMPANIES

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

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

11. Once the orchards are developed by UCG OpCo, it is responsible for the annual maintenance costs of the properties, and rent (in the case of orchards purchased by external parties) but receives 100% of the benefit of fruit harvested from the properties. The trees planted in the orchard have a production cycle that yields minimal fruit in the first two (2) years and then ramps up from approximately 50% of capacity in year 3 to approximately 90% capacity by year 5.
12. LandCo is a privately held corporation, provincially incorporated pursuant to the OBCA on October 17, 2016, which operates as a real estate holding company for the land and buildings located in Harrow, ON that are used by UCG OpCo in its nursery and orchard business. These holdings consist mainly of the following assets:
 - (a) approximately 62 acres of land;
 - (b) two (2) commercial greenhouses;
 - (c) one (1) high-tech laboratory;
 - (d) one (1) climate-controlled warehouse (cooler); and
 - (e) an office building with attached storage facility.
13. The Companies are related and, as of early 2024, share management, back-office and accounting functions, and have the same non-independent directors, being Mr. Haynes, Megan Haynes, Manish Nayar and Mohit Nayar.
14. All business activities are managed through UCG OpCo, which is operated primarily by Robert Haynes (President), and his son, Jason, and daughter, Megan (collectively the “**Haynes Family**”).
15. The Haynes Family own approximately 45% of the common voting shares of UCG OpCo, and approximately 50% of common voting shares of LandCo (indirectly through a corporation, 2706756 Ontario Inc. “**270 Ontario**”).
16. Manish Nayar and Mohit Nayar are indirect shareholders of the Companies, due to (i) their ownership interest in Oya Solar Inc. (“**Oya**”), which owns approximately 45% of the common shares of UCG OpCo; (ii) Manish Nayar’s ownership of Manish Nayar Holdings Inc. (“**Manish HoldCo**”), which owns approximately 42% of the common shares of LandCo; and (iii) Mohit Nayar’s ownership of BBC Investments Ltd. (“**BBC**”), which owns approximately 8% of the common shares of LandCo.

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

CIRCUMSTANCES LEADING UP TO THE PROPOSAL PROCEEDINGS

21. As outlined in the Haynes Affidavit, the primary cause of the Companies’ financial difficulties was a sharp reduction in revenue during the 2024 fiscal year (December 1, 2023 to November 30, 2024) from UCG OpCo’s orchard division.
22. The capacity of UCG OpCo’s nursery production and cost structure assumes that each year, an orchard will be established through the purchase of fruit trees from the nursery division and the purchase and resale of hail netting and other orchard infrastructure. In the years 2021 through 2023, UCG OpCo built orchards on a total of approximately 288 acres of farmland (74 acres in 2021, 43 acres in 2022, and 171 acres in 2023). These orchards were purchased by Bonnefield Canadian Farmland LP V Master (“**Bonnefield**”) in 2021 and 2023 and Essex Farmland Holdings LP (“**Essex**”) in 2022.
23. In 2024, the Companies were unable to reach a binding agreement with the orchard partner they had selected and, therefore, were unable to plant an orchard and make the corresponding estimated sales of approximately \$7,000,000 and profit of approximately \$2,500,000.

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

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

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

- (b) LandCo. had current assets of only approximately \$4,900,000, which consisted mainly of a receivable from UCG OpCo that could not be monetized due to UCG OpCo's current financial position. Given the cross collateralization of the debts and the senior secured position of BNS, additional debt financing on the assets of LandCo was not a viable option; and
 - (c) the Companies' significantly undercapitalized balance sheet, with only \$3,100,000 of combined equity.
28. In early December 2024, the Companies presented a turnaround plan to BNS that included a cash flow forecast, which showed that additional capital of approximately \$8,500,000 was needed through the forecast period ending July 2026. BNS was not supportive of the plan and communicated their desire to exit their banking relationship with the Companies.
29. Additionally, trade suppliers were stretched, which resulted in past-due accounts payable of approximately \$3,700,000 leading up to the NOIs. Without the Proposal Proceedings, the Companies would not have the liquidity necessary to pay these suppliers for goods and services previously provided.
30. After a brief period (approximately 4 weeks) of funding some of the operations of the business through their own money and cash receipts, the shareholders of the Companies decided they no longer wished to fund the business. Accordingly, on January 16, 2025, the Companies' boards of directors resolved to file the NOIs under the BIA.

CREDITORS

Secured Claims

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

Bank of Nova Scotia

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

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

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

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

Royal Bank of Canada

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

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

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

Other Secured Creditors

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

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

Various Related Party Loans

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

Government Remittances and Municipal Property Taxes

51. The Companies use an external payroll provider and, as such, are current with all government remittances for source deductions, save and except for source deductions accrued and accruing in respect of standard payroll processing, which will continue in the ordinary course.
52. The Proposal Trustee understands that the Companies are up to date on filing harmonized sales tax (the “HST”) returns with Canada Revenue Agency (the “CRA”) through December 2024 and have a \$70,500 refund owing from CRA to UCG OpCo and approximately \$143,750 owing to CRA from LandCo.
53. Property taxes included in the Companies’ accounts payable listings total \$80,460.

Unsecured Creditors

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

UPDATE ON THE COMPANIES' ACTIVITIES

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

PROPOSAL TRUSTEE'S ACTIVITIES TO DATE

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

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

62. In accordance with subsection 50.4(2)(b) of the BIA, the Proposal Trustee reviewed the Initial Cash Flows and assessed their reasonableness.
63. The Proposal Trustee also completed statutory forms and e-filed such reports with the OSB.
64. Furthermore, since the issuance of the Certificates of Filing, the Proposal Trustee, among other things, has:
 - (a) participated in various calls with the Companies’ internal accounting/finance consultants to gain a better understanding of the Companies’ books and records, current treasury functions, payroll, etc.;
 - (b) participated in various meetings with the Companies’ CFO, Shannon Ford, and operations teams regarding operating footprint, labour force and sales going forward;
 - (c) assisted the Companies with stakeholder communications, including through the preparation of various scripts and frequently asked questions;
 - (d) responded to calls, e-mails and letters received from creditors and other parties with respect to the Proposal Proceedings;
 - (e) participated in various discussions with BNS and its legal counsel regarding interim financing and terms for the DIP (as defined below);
 - (f) participated in discussions with the Companies’ orchard partners and other material trade vendors;
 - (g) created the SISP procedures and timelines;
 - (h) participated in various discussions with Management and staff of the Companies regarding preparation of materials for a SISP;
 - (i) created a weekly monitoring protocol with the Companies in order for the Proposal Trustee to be able to review and report on the Companies’ weekly cash receipts and disbursements;
 - (j) reviewed the Companies’ actual receipts and disbursements; and
 - (k) prepared this First Report, including reviewing the Companies’ assets and operations, reviewing various financial reports, appraisals and valuations and conducting other related analysis.

CASH FLOW PROJECTIONS

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

THE RELIEF AND ORDER BEING SOUGHT BY THE COMPANIES

Proposed Consolidation of the Estates

69. The Initial Proposal Order seeks an administrative consolidation of the two Proposal Proceedings. The Companies are related parties with a single business enterprise and a common senior, secured creditor (i.e. BNS). Additionally, the Companies process substantially all their treasury functions through UCG OpCo. Finally, the SISP contemplates the solicitation of offers to purchase the Companies' assets, undertakings, and properties, in whole or in part, and/or invest in the Companies' business, and that such process be administered in a unified manner. The relief is sought by the Companies to avoid a duplicity of proceedings and unnecessary costs.
70. In the view of the Proposal Trustee, the Companies' creditors will not be prejudiced by the proposed administrative consolidation of the Proposal Proceedings. Rather, the consolidation is the most efficient, cost effective and practical approach to manage the Proposal Proceedings.

Proposed Stay Extension

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

Proposed Priority Charges

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

ADMINISTRATION CHARGE

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

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

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

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

DIP CHARGE

84. The Companies are seeking approval of the DIP Term Sheet pursuant to which BNS, in its capacity as the proposed lender under the DIP Term Sheet (the “**DIP Lender**”), has offered to make available DIP funding available to the Companies under a new credit facility up to a maximum amount of \$2,700,000 (the “**DIP Loan**”) in order to provide sufficient liquidity for the Companies, and for the Proposal Trustee to complete a Court-approved SISP.

85. In addition to the approval of the DIP Loan, the Initial Proposal Order also provides for the creation of a related charge (the “**DIP Charge**”) to secure the maximum allowed borrowings pursuant to the DIP Loan.

86. The material items, terms and conditions of the DIP Term Sheet include the following:

- (a) principal amount: up to a maximum amount of \$2,700,000 (the “**Maximum Amount**”);
- (b) purpose of the loan: to fund, pursuant to a budget (the “**DIP Budget**”) approved by BNS, each of the following: (i) the working capital needs of the Companies; (ii) the DIP Lender’s fees and expenses; (iii) the professional fees and expenses incurred by the Companies and the Proposal Trustee and its legal counsel in respect to the Proposal Proceedings; (iv) the pre-filing fees of the Proposal Trustee, A&B, and counsel to BNS; (v) the pre-filing fees of the Companies’ financial advisor up to a maximum of \$50,000; (vi) the costs associated with the SISP; and (vii) such other costs and expenses of the Companies as maybe agreed upon, in writing;
- (c) interest rate: 10% per annum, payable on the Maturity Date (defined herein);
- (d) commitment fee: equal of \$50,000;
- (e) DIP Charge and Court Approval: the DIP Loan is to be secured by a Court-ordered priority charge over all of the Companies’ present and after-acquired property, assets and undertakings, subject only to the Administration Charge. The DIP Loan

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

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

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

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

89. Furthermore, the Proposal Trustee is of the view that the Companies’ request for approval of the DIP Term Sheet/DIP Loan and the DIP Charge is required and reasonable in order to provide the Companies the necessary financing to maintain ongoing operations and conduct the SISP. Absent approval of this financing, the Companies will not be able to conduct the SISP and will be forced to shut down the business and commence a liquidation of their assets, which would result in the loss of value and jobs and be detrimental to all of the Companies’ creditors and stakeholders.

DIRECTORS' CHARGE

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

PROPOSED SALES INVESTMENT AND SOLICITATION PROCESS

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

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

Sales Process Summary & Proposed Timeline

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

Milestone	Deadline
Go to market	Friday, February 7, 2025
Expression of Interest Date (EOI Deadline)	Friday, March 28, 2025 (5:00 PM Eastern Time) (8-week marketing process)
Select Qualified Bidders	Tuesday, April 1, 2025
Binding Letter of Intent (LOI Deadline)	Friday, April 25, 2025 (5:00 PM Eastern Time)
Offer Selection Date	Wednesday, April 30, 2025
Definitive Transaction Agreement	Wednesday, May 14, 2025
Hearing of the Sale Approval Motion / Transaction Execution Date	Subject to availability of the Court
Closing the Transaction (outside date)	No later than Friday, June 13, 2025

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

102. The Proposal Trustee will send the Teaser Letter and NDA to all Known Potential Bidders, and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Companies or Proposal Trustee as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.
103. Any party who wishes to participate in the SISP (a “**Potential Bidder**”) must provide to the Proposal Trustee an executed NDA and a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.
104. The Proposal Trustee, with the approval of the Proposal Trustee, shall, in their reasonable business judgment and subject to competitive and other business considerations, afford each Potential Bidder who has signed and delivered the NDA to the Proposal Trustee and provided information as to their financial wherewithal to close a Transaction, such access to due diligence material and information relating to the Property as the Proposal Trustee deems appropriate.
105. To be considered for inclusion in the next round of the process, Expressions of Interest (“**EOI**”) must be received by the Proposal Trustee no later than 5:00 PM (Eastern Time) on March 28, 2025, or as may be modified in the bid process letter that may be circulated by the Proposal Trustee to Potential Bidders. The EOI should describe in sufficient detail all material matters relating to the proposed transaction. While EOIs may be non-binding, at a minimum, an EOI should include clear statements with respect to the following information:
 - (a) identity of the entity or entities acquiring the Companies, or any of them, including the identity of any entity that controls such acquiring entity;
 - (b) cash purchase price (in Canadian dollars) that is to be paid in connection with the Transaction, including an explanation of the methods and key assumptions used to determine the purchase price (the “**Purchase Price**”);
 - (c) indication of deal structure, including, but not limited to, one or a combination of: an investment in the Companies (an “**Investment Proposal**”) or an acquisition of all, substantially all or a portion of the Property or shares of the Companies (a “**Sale Proposal**”);
 - (d) proposed financing for the proposed transaction and, if other than internal funds, the expected sources of such financing, the expected timing for commitment of funds and the steps required to secure such commitment;

- (e) nature of additional diligence required before entering into a binding LOI with the Companies;
- (f) assumptions and intentions with respect to retention of Management and employees;
- (g) any regulatory, shareholder, lender or other third-party approvals that would be required or potentially required, the estimated timetable required to conclude a proposed transaction, and whether the EOI is conditional on any other items;
- (h) any conditions to closing or any other terms and conditions that would be required in order to complete the proposed transaction;
- (i) contact Information for those persons who should be contacted with respect to the EOI; and
- (j) any other matters that may be helpful in the evaluation of the EOI and completion of the proposed transaction in a timely manner.

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

107. The Proposal Trustee shall notify each Potential Bidder who submitted an EOI in writing as to whether its EOI was selected to continue in the SISP (the “**Selected EOIs**”) by no later than Tuesday, April 1, 2025, or at such later time as the Proposal Trustee deems appropriate, with the approval of the DIP Lender.

108. Potential Bidders with Selected EOIs who wish to make a formal offer to purchase or make an investment in the Companies or their Property (each, a “**Bidder**”) shall submit a binding Letter of Intent (a “**LOI**”) that complies with all of the following requirements of the Proposal Trustee and is received by the Proposal Trustee no later than 5:00 PM (Eastern Time) on Friday, April 25, 2025 or as may be modified in the bid process letter that may be circulated to Potential Bidders, with the approval of the Proposal Trustee and its stakeholders (the “**LOI Deadline**”):

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

- (i) a Sale Proposal to acquire all, substantially all or a portion of the Companies' assets or shares of the Companies; and/or
 - (ii) an Investment Proposal for an investment in the restructuring, recapitalization or reorganization of the Companies (shares, preferred shares, debt purchase, etc.);
- (b) the LOI (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Companies and is consistent with any necessary terms and conditions established by the Proposal Trustee and communicated to Bidders;
- (c) the LOI includes a letter stating that the Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the proposed transaction with the Successful Bidder;
- (d) the LOI includes, in the case of a Sale Proposal, a completed purchase agreement with a comparison to the form of asset purchase agreement contained in the VDR, and any other transaction documents included in the VDR, which purchase agreement shall include the Purchase Price (by major asset type/legal entity), investment amount and any other key economic terms expressed in Canadian dollars, together with all exhibits and schedules thereto, and, in the case of an Investment Proposal, a comparable definitive transaction agreement;
- (e) the LOI includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Proposal Trustee to make a determination as to the Bidder's financial and other capabilities to consummate the proposed transaction;
- (f) the LOI is not conditional on (i) the outcome of unperformed due diligence by the Bidder, or (ii) obtaining financing, or (iii) the Company receiving the required approvals or amendments relating to the supply management, distribution and licence agreements required to operate the business;
- (g) the LOI fully discloses the identity of each entity that will be entering into the proposed transaction or the financing, or that is otherwise participating or benefiting from such bid;
- (h) for a Sale Proposal, the LOI includes:

- (i) the Purchase Price in Canadian dollars (by major asset type/legal entity) and a description of any non-cash consideration, including details of any liabilities to be assumed by the Bidder and key assumptions supporting the valuation;
 - (ii) a description of the assets that are expected to be subject to the proposed transaction and any assets expected to be excluded;
 - (iii) a specific indication of the financial capability of the Bidder and the expected structure and financing of the transaction;
 - (iv) a description of the conditions and approvals required to complete the closing of the proposed transaction;
 - (v) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and which such liabilities and obligations it does not intend to assume;
 - (vi) any other terms or conditions of the Sale Proposal that the Bidder believes are material to the proposed transaction; and
 - (vii) a commitment by the Bidder to provide a non-refundable deposit, the greater of: an amount of not less than 10% of the Purchase Price offered or \$1,000,000, upon the Bidder being selected as the Successful Bidder.
- (i) for an Investment Proposal, the LOI includes:
- (i) a description of how the Bidder proposes to structure the proposed investment, restructuring, recapitalization, or reorganization, and a description of any non-cash consideration;
 - (ii) the aggregate amount of the equity and/or debt investment to be made in the business or the Company in Canadian dollars;
 - (iii) the underlying assumptions regarding the pro forma capital structure;
 - (iv) a specific indication of the sources of capital for the Bidder and the structure and financing of the proposed transaction;
 - (v) a description of the conditions and approvals required to complete the closing of the proposed transaction;

- (vi) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and those liabilities and obligations it does not intend to assume;
 - (vii) any other terms or conditions of the Investment Proposal; and
 - (viii) a commitment by the Bidder to provide a non-refundable deposit, the greater of: an amount of not less than 10% of the total new investment contemplated or \$1,000,000, upon the Bidder being selected as the Successful Bidder.
- (j) the LOI includes acknowledgements and representations of the Bidder that the Bidder:
- (i) has had an opportunity to conduct any and all due diligence regarding the Property, and the Companies prior to making its offer;
 - (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and
 - (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether expressed, implied, statutory, or otherwise, regarding the Company, or the Property, or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Company;
- (k) the LOI is received by the LOI Deadline; and
- (l) the LOI contemplates closing the transaction set out therein no later than June 13, 2025, subject to obtaining Court approval.

109. Following the LOI Deadline, the Proposal Trustee and the DIP Lender will assess the LOIs received. The Proposal Trustee will designate the most competitive LOIs that comply with the foregoing requirements to be “**Qualified Bids**”. Only Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).

110. The Proposal Trustee shall notify each Bidder in writing as to whether its LOI constitutes a Qualified Bid by no later than Wednesday, April 30, 2025, or at such later time as the Proposal Trustee deems appropriate.

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

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

KEY EMPLOYEE RETENTION PLAN

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

ENHANCED POWERS OF THE PROPOSAL TRUSTEE

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

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

- (v) grant the Proposal Trustee access to all books and records that are the property of the Companies or that are in the Companies' possession or control (the "**Books and Records**");
 - (vi) initiate, prosecute, and/or continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Companies, the Property, or the Proceeds, and, subject to further order of this Court, to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
 - (vii) deal with any taxing or regulatory authority, including to execute any appointment or authorization form on behalf of the Companies that any taxing or regulatory authority may require, in order to confirm the appointment of an authorized representative of the Companies (which may be a representative of the Proposal Trustee) for such purposes;
 - (viii) engage, deal, communicate, negotiate and, with further order of this Court, settle with any creditor or other stakeholder of the Companies (including any governmental authority);
 - (ix) claim any and all insurance refunds or tax refunds to which the Companies are entitled on behalf of the Companies; and
 - (x) file, or take such actions necessary for the preparation and filing of, on behalf of and in the name of the Companies, (i) any tax returns, and (ii) the Companies' employee-related remittances, T4 statements and records of employments for the Companies' former employees, in either case, based solely upon the information in the Books and Records and on the basis that the Proposal Trustee shall incur no liability or obligation to any person with respect to such returns, remittances, statements, records or other documents.
- (b) monitor the Companies' receipts and disbursements;
- (c) subject to certain protections in favour of the Proposal Trustee as set out in the Initial Proposal Order, review, and approve (if the Proposal Trustee deems the disbursement necessary or appropriate to maintain or facilitate the Business) all disbursements of the Companies of \$25,000 or greater;

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

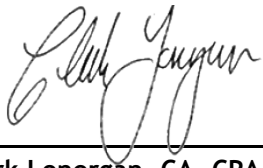
124. The Proposal Trustee is of the view that the proposed enhanced powers in favour of the Proposal Trustee are appropriate given the operational challenges still impacting the Companies; the uncertainty associated with the Special Shareholder Powers and who might be otherwise in control of the business;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

CONCLUSIONS AND RECOMMENDATIONS

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

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

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



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



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

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

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

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*Counsel for BDO Canada Limited, in its capacity as Proposal
Trustee*

APPENDIX B

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE
JUSTICE

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)
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THURSDAY, THE 6TH
DAY OF FEBRUARY, 2025



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

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

Court File No. 32-3175820
Estate No. 32-3175820
BK-25-03175819-0032

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

ORDER
(INITIAL PROPOSAL ORDER)

THIS MOTION, made by Upper Canada Growers Ltd. (“UCG”) and UCG Land Inc. (“LandCo”, and together with UCG, the “Companies”) pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 (the “BIA”), for an order, among other things: (a) administratively consolidating the estates of the Companies on a *nunc pro tunc* basis; (b) extending the time for the Companies to file a proposal under section 50.4(9) of the BIA until April 1, 2025; (c) approving the First Report of the Proposal Trustee (each as defined herein); (d) enhancing certain powers of the Proposal Trustee; (e) approving the DIP Term Sheet and authorizing the Companies to access the DIP Facility (each as defined herein); (f) establishing the Charges (as

defined herein); and (g) approving a KERP (as defined herein), was heard this day at the courthouse at 45 Main Street East #500, in Hamilton, Ontario.

ON READING the affidavit of Robert Haynes sworn on January 29, 2025 (the “**Haynes Affidavit**”), the First Report (the “**First Report**”) of BDO Canada Limited in its capacity as proposal trustee of the Companies (the “**Proposal Trustee**”) dated January 29, 2025, and on being advised that the Companies each filed a Notice of Intention to Make a Proposal (each, an “**NOI Proceeding**” and together, the “**NOI Proceedings**”) pursuant to section 50.4(1) of the BIA on January 17, 2025 (the “**NOI Filing Date**”), and on hearing the submissions of the respective counsel for the Companies, the Proposal Trustee, and such other counsel and parties as are listed on the Participant Information Form, no one else appearing although duly served as appears from the Affidavit of Service of Talya Bertler, sworn January 29, 2025 and the Affidavit of Service of David Seifer, sworn January 29, 2025, filed, and on being advised of the support of the DIP Lender (as defined herein) for this Order:

SERVICE AND INTERPRETATION

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, Motion Record and First Report are hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used but not defined in this Order shall have the meanings given to them in the First Report and the Haynes Affidavit, as applicable.
3. **THIS COURT ORDERS** that all references to currency herein shall be in Canadian dollars.

ADMINISTRATIVE CONSOLIDATION

4. **THIS COURT ORDERS** that the NOI Proceeding of UCG and the NOI Proceeding of LandCo hereby administratively consolidated and authorized and directed to continue under the following title of proceedings:

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

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

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

Court File No. 32-3175820
Estate No. 32-3175820
BK-25-03175819-0032

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

5. **THIS COURT ORDERS** that the Companies shall file a copy of this Order in the court file for each of the NOI Proceedings but that all other materials in the NOI Proceedings shall be filed only in the NOI Proceeding of UCG (Court File No. 32-3175820, Estate No. 32-3175820 and Court No. BK-25-03175819-0032), and hereby dispenses with further filing thereof in the NOI Proceeding of LandCo (Court File No. 32-3175819, Estate No. 32-3175819, and Court No. BK-25-03175820-0032).

6. **THIS COURT ORDERS** that the Proposal Trustee is authorized and directed to administer the NOI Proceedings, on a consolidated basis, in carrying out its duties and responsibilities as proposal trustee under the BIA and in accordance with this Order, including, without limitation:

- (a) sending notices to creditors of the Companies pursuant to one consolidated notice;
- (b) calling and conducting any meetings of creditors of the Companies pursuant to one combined advertisement;
- (c) issuing consolidated reports in respect of the estates of the Companies;

- (d) preparing, filing, advertising and distributing any and all filings or notices relating to the administration of the estates of the Companies;
- (e) taxing its fees and those of its counsel; and,
- (f) seeking any relief before this Court.

7. **THIS COURT ORDERS** that the administrative consolidation of the NOI Proceedings shall not:

- (a) affect the separate legal status and corporate structures of the Companies;
- (b) cause either of the Companies to be liable to any claim for which it is otherwise not liable; or,
- (c) affect the Proposal Trustee's or any creditor's right to seek to disallow any claim, including on the basis that it is duplicative.

8. **THIS COURT ORDERS** paragraphs 4 to 7 (inclusive) of this Order shall apply *nunc pro tunc* to (a) this Motion and all materials filed in respect thereof, and (b) the Motion filed herewith seeking, among other things, the approval of the SISP (as defined in the First Report) and all materials filed in respect thereof.

EXTENSION OF TIME TO FILE A PROPOSAL

9. **THIS COURT ORDERS** that pursuant to section 50.4(9) of the BIA, the time for the Companies to file a proposal is hereby extended up to and including April 1, 2025.

APPROVAL OF FIRST REPORT

10. **THIS COURT ORDERS** that the First Report, as well as the actions, conduct and activities of the Proposal Trustee as described therein, be and are hereby approved; provided, however, that only the Proposal Trustee, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

POSSESSION OF PROPERTY

11. **THIS COURT ORDERS** that the Companies shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Companies shall continue to carry on business in a manner consistent with the preservation of their respective businesses (collectively, the “**Business**”) and Property.

12. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Companies are and shall be entitled but not required to pay all reasonable expenses incurred in carrying on the Business in the ordinary course after the NOI Filing Date, subject to the terms of the DIP Term Sheet. Without limiting the foregoing, subject to the terms of the DIP Term Sheet, the Companies shall be entitled, but not required, to pay the following expenses, whether incurred prior to or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, and expenses payable on or after the date of this Order, incurred in the ordinary course of the Business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants (as defined herein) retained or employed by the Companies, at their standard rate and charges; and
- (c) with the consent of the Proposal Trustee and the DIP Lender, amounts owing for goods or services supplied to the Companies prior to the NOI Filing Date up to the maximum aggregate amount of \$100,000, if, in the opinion of the Companies and the Proposal Trustee, those goods and services are critical to the Business.

PROPOSAL TRUSTEE

13. **THIS COURT ORDERS** that the Proposal Trustee continues to be and is hereby authorized to take all steps required to fulfill its duties under the BIA or as an officer of this Court, including to perform such duties as are required to give effect to the terms of this Order and such other orders as may be made by this Court from time to time.

14. **THIS COURT ORDERS** that, without limiting the duties and powers of the Proposal Trustee under the BIA, the Proposal Trustee is authorized, but not obliged, to do any of the following in the name of and on behalf of the Companies, where the Proposal Trustee considers it necessary or desirable, provided that such exercise of power is consistent with the terms of the DIP Term Sheet:

- (a) to exercise any rights and powers that may be exercised by one or more directors or officers of the Companies in their capacity as director or officer, including, without limitation, to:
 - (i) perform any functions or duties, and enter into such agreements or incur such obligations as the Proposal Trustee considers necessary or desirable in order to facilitate or assist the Proposal Trustee in fulfilling its obligations under this or any other orders of this Court or pursuant to the BIA, including but not limited to the solicitation, negotiation and completion of one or more sales of or investments in the Companies, the Property or the Business, the taking of other steps to realize upon any of the Property, and the distribution of the net proceeds of any of the foregoing;
 - (ii) engage, retain or terminate the services of any officers, employees, consultants, agents, representatives, advisors, or other persons or entities (collectively, “**Assistants**”), from time to time as the Proposal Trustee deems necessary or appropriate to assist with the exercise of the duties of the Proposal Trustee herein and as set forth under the BIA, with liberty to retain such further Assistants as the Proposal Trustee deems reasonably necessary or desirable in the ordinary course of Business or for the carrying out of the terms of this Order or any other Order of this Court;
 - (iii) initiate, prosecute and/or continue the prosecution of any and all proceedings and defend all proceedings now pending or hereafter instituted with respect to the Companies or the Property, and, subject to further Order of this Court, to settle or compromise any such proceedings;
 - (iv) engage, deal, communicate, negotiate and, with further Order of this Court, settle with any creditor or other stakeholder of the Companies, including any governmental authority;
 - (v) deal with any taxing or regulatory authority, including to execute any appointment or authorization form on behalf of the Companies that any taxing or regulatory authority may require;
 - (vi) claim any and all insurance refunds or tax refunds to which the Companies are entitled, on behalf of the Companies; and,

- (vii) file or take such actions necessary for the preparation and filing of, on behalf of and in the name of the Companies (i) any tax returns and (ii) the Companies' employee-related remittances, T4 statements and records of employment for the Companies' former employees;
- (b) monitor the Companies' receipts and disbursements;
- (c) review all disbursements of the Companies in the amount of \$25,000 or greater and, if the Proposal Trustee deems the disbursement necessary or appropriate to maintain or facilitate the Business, to approve such disbursement;
- (d) report to this Court at such times and intervals as the Proposal Trustee may deem appropriate with respect to the Property, the Business and other such matters as may be relevant to these NOI Proceedings;
- (e) assist the Companies, to the extent required, in their dissemination to the DIP Lender and its counsel on a bi-weekly basis of financial and other information as set out in the DIP Term Sheet and as may otherwise be agreed upon by the Companies and the DIP Lender;
- (f) advise the Companies in the preparation of the Companies' cash flow statements and other financial reporting reasonably required by the DIP Lender, which information shall be reviewed with the Proposal Trustee and delivered to the DIP Lender and its legal counsel on a periodic basis but not less than bi-weekly or as otherwise agreed to by the DIP Lender;
- (g) have full and complete access to the Property, including but not limited to the premises, books, records, data, including data in electronic form, and other financial records of the Companies, to the extent necessary to perform its duties and obligations set out herein and under the BIA;
- (h) engage independent legal counsel or such other persons as the Proposal Trustee deems necessary or advisable;
- (i) perform such other duties as are required by this Order or any other Order of this Court; and,

- (j) take any steps reasonably incidental to the exercise of the powers hereby granted or the performance of any statutory obligations,

and, in each case, where the Proposal Trustee takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of the directors and officers of the Companies, and without interference.

15. **THIS COURT ORDERS** that the Proposal Trustee shall not take possession of the Property or the Business and shall not, in fulfilling its obligations hereunder or pursuant to the BIA, be deemed to have taken possession or control of the Property or the Business, or any part thereof.

16. **THIS COURT ORDERS** that the Proposal Trustee shall incur no liability or obligation as a result of its appointment or the carrying out of its duties under the BIA or the provisions of this Order or any other Orders which may be made by this Court, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded to the Proposal Trustee by the BIA or any other applicable legislation.

DIP FINANCING

17. **THIS COURT ORDERS** that the Companies are hereby authorized and empowered to obtain and borrow under a credit facility (the “**DIP Facility**”) from The Bank of Nova Scotia (in such capacity, the “**DIP Lender**”) in order to finance the Companies’ working capital requirements and other general corporate purposes and capital expenditures, provided that the aggregate borrowings under the DIP Facility shall not exceed the principal amount of \$2,700,000, unless permitted by further Order of the Court.

18. **THIS COURT ORDERS** that the DIP Facility shall be on the terms and subject to the conditions set forth in the DIP Facility Loan Agreement between the Companies and the DIP Lender dated as of January 28, 2025 in the form attached to the Haynes Affidavit with such minor modification and amendments that may be agreed to by the parties thereto and consented to by the Proposal Trustee (the “**DIP Term Sheet**”).

19. **THIS COURT ORDERS** that the Companies are hereby authorized and empowered to execute and deliver such ancillary credit agreements, mortgages, charges, hypothecs and security

documents, guarantees, and other definitive documents (collectively, including the DIP Term Sheet, the “**DIP Credit Documents**”) as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Companies are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Credit Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

20. **THIS COURT ORDERS** that as security for the payment and performance by the Companies of their obligations under the DIP Term Sheet and any DIP Credit Documents, the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$2,700,000 plus interest, fees and expenses, unless permitted by further Order of the Court, and which shall not secure an obligation that exists before the NOI Filing Date. The DIP Charge shall have the priority set out in paragraph 29 hereof.

21. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Charge or any of the DIP Credit Documents;
- (b) upon the occurrence of an Event of Default (as defined in the DIP Term Sheet) under the DIP Credit Documents, the DIP Lender, subject to the notice requirements under the DIP Credit Documents and any restrictions contained therein, may cease making advances to the Companies and set off and/or consolidate any amounts owing by the DIP Lender to the Companies against the obligations of the Companies to the DIP Lender under the DIP Credit Documents or the DIP Lender Charge, make demand, accelerate payment and give other notices, or, upon two (2) business days’ notice to the Companies and the Proposal Trustee, exercise any and all other rights and remedies against the Companies or the Property under or pursuant to the DIP Credit Documents and the DIP Charge, including, without limitation, to apply to this Court for the appointment of a receiver, receiver and

manager or interim receiver, or for a bankruptcy order against the Companies and for the appointment of a trustee in bankruptcy of any of the Companies; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Companies or the Property.

22. **THIS COURT ORDERS** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Term Sheet, the DIP Credit Documents, or the DIP Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a “**Variation**”), such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), the DIP Term Sheet, the DIP Credit Documents or the DIP Charge with respect to any advances made or obligations incurred prior to the DIP Lender receiving notice of the Variation, and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Charge) for all advances so made and other obligations set out in the DIP Term Sheet or the DIP Credit Documents.

23. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any proposal filed by the Companies under the BIA, with respect to any advances made under the DIP Credit Documents.

ADMINISTRATION CHARGE

24. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee, and counsel to the Companies shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the NOI Filing Date, by the Companies as part of the costs of these proceedings. The Companies are hereby authorized and directed to pay the accounts of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Companies on a weekly basis, or as they may otherwise agree.

25. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Companies shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which Administration Charge shall not exceed an

aggregate amount of \$500,000, as security for payment of their respective professional fees and disbursements incurred at their standard rates and charges, both before and after the making of this Order, in respect of this proceeding. The Administration Charge shall have the priority set out in paragraph 29 hereof.

DIRECTORS' AND OFFICERS' INDEMNIFICATIONS AND CHARGE

26. **THIS COURT ORDERS** that the Companies shall indemnify their directors and officers against obligations and liabilities that they may incur as a director or officer of the Companies after the NOI Filing Date, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

27. **THIS COURT ORDERS** that the directors and officers of the Companies shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$150,000, as security for the indemnity provided in paragraph 26 of this Order. The Directors' Charge shall have the priority set out in paragraph 29 herein.

28. **THIS COURT ORDERS** that notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the directors and officers of the Companies shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 26 of this Order.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

29. **THIS COURT ORDERS** that the priorities of the Administration Charge, the DIP Charge, and the Directors' Charge (collectively, the "**Charges**"), as among them, with respect to the Property shall be as follows:

First – the Administration Charge (to the maximum amount of \$500,000);

Second – the DIP Charge (to the maximum amount of \$2,700,000 plus interest, fees and expenses); and,

Third – the Directors’ Charge (to the maximum amount of \$150,000).

30. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

31. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts (including any statutory, deemed or constructive trust), liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person.

32. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Companies shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Companies also obtains the prior written consent of the Proposal Trustee and the beneficiaries of the Charges (collectively, the “**Chargees**”), or further Order of this Court.

33. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) or receivership order(s) issued pursuant to the BIA or otherwise, or any bankruptcy order or receivership order subsequently made; (c) the filing of any, or the deemed occurrence of any, assignments for the general benefit of creditors made pursuant to the BIA; (d) the filing of any applications under the *Companies’ Creditors Arrangement Act* (Canada); (e) the provisions of any federal or provincial statutes; or (f) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease or other agreement (collectively, an “**Agreement**”) which binds the Companies, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Credit Documents shall create or be deemed to constitute a breach by the Companies of any Agreement to which they are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Companies entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the DIP Credit Documents; and
- (c) the payments made by the Companies pursuant to this Order, the DIP Credit Documents and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

KEY EMPLOYEE RETENTION PLAN

34. **THIS COURT ORDERS** that the Key Employee Retention Plan (the “**KERP**”), as described in the First Report, is hereby approved and given full force and effect in accordance with its terms and the Companies are hereby directed to make when due the payments provided for thereunder.

SEALING OF CONFIDENTIAL EXHIBIT

35. **THIS COURT ORDERS** that Confidential Appendix “1” appended to the Haynes Affidavit is hereby sealed, shall not form part of the public record, and shall only be unsealed upon further Order of the Court.

SERVICE OF DOCUMENTS

36. **THIS COURT ORDERS** that the Guide Concerning Commercial List E-Service (the “**Guide**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* (the “**Rules**”), this Order shall constitute an order for substituted service pursuant to

Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/upper-canada-growers-ltd>.

37. **THIS COURT ORDERS** that the Companies, the Proposal Trustee and their respective counsel are at liberty to serve or distribute this Order, and other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding copies thereof by electronic message to the Companies' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

38. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Companies and the Proposal Trustee and their respective counsel and agents are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding copies thereof by prepaid ordinary mail, courier, personal delivery, email or facsimile transmission to the Companies' creditors or other interested parties at their respective addresses (including email addresses) as last shown on the records of the Companies and that any such service or distribution shall be deemed to be received on the earlier of (a) the date of transmission thereof, if sent by electronic message on or prior to 5:00 p.m. Eastern Time; (b) the next business day following the date of forwarding or transmission thereof, if sent by courier, personal delivery, facsimile transmission or electronic message sent after 5:00 p.m. Eastern; or (c) on the third business day following the date of forwarding thereof, if sent by ordinary mail.

GENERAL

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

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

41. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, agency or regulatory or administrative bodies, having jurisdiction in Canada, the United States of America or any other jurisdiction, to give effect to this Order and to assist the Companies, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, agencies and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Companies and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Companies and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

42. **THIS COURT ORDERS** that each of the Companies and the Proposal Trustee be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Proposal Trustee is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

43. **THIS COURT ORDERS** that any interested party, including the Companies, the Proposal Trustee and the DIP Lender, may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Companies, the Proposal Trustee and the DIP Lender, or upon such other notice, if any, as this Court may order.

44. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Time on the date of this Order without the need for entry or filing.

Justice J. Henderson

Issued and Entered Electronically by

Register T. Lecuyer

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

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

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

Court File No. 32-3175820
Estate No. 32-3175820
BK-25-03175819-0032

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

Proceeding commenced at Hamilton

**ORDER
(INITIAL PROPOSAL ORDER)**

DICKINSON WRIGHT LLP

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Commerce Court West
Toronto ON, M5L 1G4

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

APPENDIX C

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

Register T. Lecuyer

SCHEDULE "A"
SISP TERMS

SALE AND INVESTMENT SOLICITATION PROCESS

INTRODUCTION

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

OPPORTUNITY

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

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

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

“AS IS, WHERE IS BASIS”

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

TIMELINE

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

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

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

Solicitation of Interest: Notice of the SISP

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

Potential Bidders and Due Diligence Materials

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

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

Non-Binding Expressions of Interest

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

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

Evaluation and Selection of EOIs

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

Binding Letters of Intent

26. Potential Bidders with Selected EOs that wish to make a formal offer to purchase or make an investment in the Companies or its Property (a “**Bidder**”) shall submit a binding Letter of Intent (a “**LOI**”) that complies with all of the following requirements at the Proposal Trustee’s address specified in Schedule “1” hereto (including by e-mail), so as to be received by the Proposal Trustee not later than **5:00 PM (Eastern Time) on Friday April 25, 2025** or as may be modified in the bid process letter that may be circulated by the Proposal Trustee, with the prior written consent of the DIP Lender, to Potential Bidders (the “**LOI Deadline**”):
- (a) the LOI must be either a binding offer to make a Sale Proposal and/or an Investment Proposal.
 - (b) the LOI (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Business of the Companies or its Property or shares and is consistent with these SISF 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

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

APPENDIX D

IN THE MATTER OF THE PROPOSAL OF
UCG LAND INC.
OF THE CITY OF NIAGARA-ON-THE-LAKE
IN THE PROVINCE OF ONTARIO
STATEMENT OF PROJECTED CASH-FLOW
FOR THE PERIOD ENDING APRIL 12TH, 2025

	Week #	1	2	3	4	5	6	7	8	9	10	11	12	13	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	
Receipts	Notes 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disbursements	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Projected Weekly Cash Flow		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Cash Flow		-	-	-	-	-	-	-	-	-	-	-	-	-	-
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

January 24th, 2025

Date




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

January 24th, 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

January 24th, 2025

Date



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

January 24th, 2025

Date

Form 30

**IN THE MATTER OF THE PROPOSAL OF
UCG LAND INC.
OF THE CITY OF NIAGARA-ON-THE-LAKE,
IN THE PROVINCE OF ONTARIO.**

**REPORT ON CASH FLOW STATEMENT
BY THE PERSON MAKING THE PROPOSAL**

UCG Land Inc. (the “Company”) has developed the assumptions and prepared the attached statement of projected cash-flow as of the 24th day of January, 2025, consisting of a 13-week period beginning on January 17, 2025 through April 12, 2025.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in Note A, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions have been disclosed in Note 1.


Since the projection is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The projection has been prepared solely for the creditors of the Company for the purpose described in Note A, using a set of probable and hypothetical assumptions set out in Note 1. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Harrow, Ontario, this 24th day of January, 2025.

UCG Land Inc.

Per:



Robert Haynes

IN THE MATTER OF THE PROPOSAL OF
UPPER CANADA GROWERS LTD.
OF THE CITY OF NIAGARA-ON-THE-LAKE
IN THE PROVINCE OF ONTARIO
STATEMENT OF PROJECTED CASH-FLOW
FOR THE PERIOD ENDING APRIL 12TH, 2025

	Week #	1	2	3	4	5	6	7	8	9	10	11	12	13	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	
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	966,828
Other Receipts	2	-	-	-	-	-	-	45,381	-	35,000	-	82,677	-	-	163,058
		-	35,000	78,743	58,743	10,000	10,000	55,381	73,743	60,000	25,000	107,677	237,500	378,100	1,129,886
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	818,572
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	850,018
Rent	5	-	-	6,246	12,491	-	-	-	12,491	-	-	-	12,491	-	43,719
Equipment loans	5	-	-	11,646	23,292	-	-	-	23,292	-	-	-	23,292	-	81,522
Utilities	5	-	-	22,589	21,819	21,819	21,819	21,819	26,828	26,828	26,828	26,828	15,914	15,914	249,004
Interim Financing Fees and Interest	6	-	-	50,000	-	-	-	-	-	-	-	-	-	-	50,000
Key Employee Retention Program	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	8	-	-	358,650	-	-	-	536,750	-	-	-	-	409,050	-	1,304,450
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	3,397,285
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	(2,267,399)
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)	
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)	-
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)	\$ (2,267,399)

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

January 24th, 2025

Date



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

January 24th, 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 \$200,000 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 13 of approximately \$2.1 million will be funded bythe DIP which is subject to Court approval.



Robert Haynes
President

January 24th, 2025

Date



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

January 24th, 2025

Date

Form 30

**IN THE MATTER OF THE PROPOSAL OF
UPPER CANADA GROWERS LTD.
OF THE CITY OF NIAGARA-ON-THE-LAKE,
IN THE PROVINCE OF ONTARIO.**

**REPORT ON CASH FLOW STATEMENT
BY THE PERSON MAKING THE PROPOSAL**

Upper Canada Growers Ltd. (the “Company”) has developed the assumptions and prepared the attached statement of projected cash-flow as of the 24th day of January, 2025, consisting of a 13-week period beginning on January 17, 2025 through April 12, 2025.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in Note A, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions have been disclosed in Notes 0 - 9.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The projection has been prepared solely for the creditors of the Company for the purpose described in Note A, using a set of probable and hypothetical assumptions set out in Notes 0 - 9. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Harrow, Ontario, this 24th day of January, 2025.

Upper Canada Growers Ltd.
Per:



Robert Haynes

APPENDIX E

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

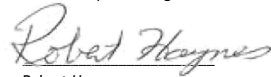
Week #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	TOTAL	
Week Ending	2025-01-18	2025-01-25	2025-02-01	2025-02-08	2025-02-15	2025-02-22	2025-03-01	2025-03-08	2025-03-15	2025-03-22	2025-03-29	2025-04-05	2025-04-12	2025-04-19	2025-04-26	2025-05-03	2025-05-10	2025-05-17		
Receipts	Notes															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

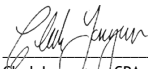
The Cash Flow Forecast includes the receipts and disbursements of the Company during the Cash Flow Forecast period. The Company, with the assistance of BDO Canada Limited in its capacity as the proposal trustee of the Company (the "Trustee") have prepared the Cash Flow Forecast based primarily on estimated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

APPENDIX F

Upper Canada Growers Ltd. ("UCG")

2024-01-17 to 2025-03-08 Cumulative Cash Flow and Variance Analysis

	Projected	Actual	Variance	
Receipts				
AR Receipts	276,228	250,345	(25,883)	Receipts are lower due to market reaction to NOI proceedings. Expected to reverse by spring.
Other Receipts	45,381	-	(45,381)	HST refund has not yet been received.
Total Receipts	321,609	250,345	(71,264)	
Disbursements				
Operational Costs	585,949	315,411	270,538	Lower usage of deposits/contingency funds.
Payroll & Benefits	460,504	539,485	(78,981)	Higher labour costs primarily for acceleration of timing of vacation pay for hourly workers.
Rent	31,228	25,982	5,245	
Equipment loans	58,230	45,745	12,485	
Utilities	136,693	22,369	114,324	Timing variance due to billing cycle. Lower usage due to dormant greenhouse.
Interim Financing Fees and Interest	50,000	23,410	26,590	Interest charged on the Revolving Facility which was used in advance of the DIP Facility's implementation.
Key Employee Retention Program	-	-	-	
Professional Fees	895,400	464,029	431,371	Timing variance due to lag in invoicing compared to plan.
Total Disbursements	2,218,003	1,436,432	781,572	
<i>Cumulative Cash Flow</i>	<i>(1,896,394)</i>	<i>(1,186,087)</i>	<i>710,307</i>	
Funding Source				
Revolving Facility				
Opening Balance	(9,532,104)	(9,532,104)	-	
Net Cash Flow	(150,000)	(98,045)	51,955	Revolving facility was used through week 4 due to a delay in implementing the DIP Facility.
Ending Balance	(9,682,104)	(9,630,149)	51,955	
DIP Facility				
Opening Balance	-	-	-	
Draws/(repayments)	1,746,394	1,500,000	(246,394)	Lower draws due to less frequent requests and positive cash flow variance.
Net Cash Flow	(1,746,394)	(1,088,042)	658,353	See Receipts and Disbursements variances above.
Ending Excess Cash Balance	-	411,958	411,958	Excess cash to cover disbursements scheduled for weeks ended March 15 and 22nd.

UCG Landco Inc. ("Landco.")

2024-01-17 to 2025-03-08 Cumulative Cash Flow and Variance Analysis

	Projected	Actual	Variance	Comment
Receipts				
Other	-	-	-	
Total Receipts	-	-	-	
Disbursements				
Other	-	-	-	
Total Disbursements	-	-	-	
<i>Cumulative Cash Flow</i>	-	-	-	

APPENDIX G

Court File No. BK-25-03175819-0032

Court File No. BK-25-03175820-0032

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

Court File No. 32-3175819

Estate No. 32-3175819

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

Court File No. 32-3175820

Estate No. 32-3175820

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

**AFFIDAVIT OF CLARK LONERGAN
(Sworn March 14, 2025)**

I, **CLARK LONERGAN**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY** that:

1. I am a Partner of BDO Canada Limited, and as such have personal knowledge of the matters referred to herein.
2. On January 17, 2025 (the **“Filing Date”**), Upper Canada Growers Limited (**“UCG OpCo”**) and UCG Land Inc. (**“LandCo”**, and together with UCG OpCo as **“UCG”** or the **“Companies”**) each filed a Notice of Intention to Make a Proposal (**“NOI”**) pursuant to section 50.4 of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (the **“BIA”**). BDO Canada Limited (**“BDO”**), a Licensed Insolvency Trustee, was named proposal trustee (the **“Proposal Trustee”**) in each of the Companies’ proposal proceedings (collectively, the **“Proposal Proceedings”**).

3. On January 29, 2025, the Proposal Trustee finalized its First Report to the Court in which it outlined its activities with respect to Proposal Proceedings.
4. In March 2025, the Proposal Trustee finalized its Second Report to the Court, in which it outlined additional activities undertaken with respect to the Proposal Proceedings, as well as provided information with respect to the Proposal Trustee's fees and disbursements for the period of January 1, 2025 to February 28, 2024 (the "**Period**"), and those of its legal counsel.
5. The Proposal Trustee commenced its activities on the Filing Date, and has been engaged in carrying out the administration of the Proposal Proceedings and the Court approved sales process.
6. The Proposal Trustee has provided services and incurred disbursements in the amount of \$326,140.50 and \$1,571.56 (all excluding HST) during the Period. Attached hereto and marked as **Exhibit "A"** and **Exhibit "B"** to this Affidavit are summaries of all invoices, courtesy discounts, and disbursements, respectively, rendered by the Proposal Trustee, on a periodic basis during the Period (the "**Proposal Trustee's Accounts**").
7. True copies of the Proposal Trustee's Accounts, which include a fair and accurate description of the services provided, along with hours and applicable rates claimed by the Proposal Trustee, are attached as **Exhibit "C"** to this my Affidavit.
8. In the course of performing its duties as set out above at paragraph 7, the Proposal Trustee's staff expended a total of 539.90 hours during the Period. Attached as **Exhibit "D"** to this my affidavit is a schedule setting out a summary of the individual staff involved in the administration of the Proposal Trustee's appointment and the hours and applicable rates claimed by the Proposal Trustee for the Period. The average hourly rate billed by the Proposal Trustee during this Period is \$604.08.

9. The Proposal Trustee requests that this Court approve its Proposal Trustee's Accounts for the Period, in the total amount of \$327,712.06 (excluding HST) for services rendered and recorded during the Period.
10. The time and amounts shown in the detailed account attached as Exhibits A-D are a fair and accurate description of the services provided and the amounts charged by the Proposal Trustee at its standard billing rates.
11. Aird & Berlis LLP ("**Aird**"), as independent legal counsel to the Proposal Trustee, has provided legal services to the Proposal Trustee throughout the Proposal Proceedings in a manner consistent with the instructions of the Proposal Trustee and has prepared an affidavit with respect to the services rendered in the period from January 16, 2025, to March 7, 2025, (the "**Counsel's Period**"). The Proposal Trustee has reviewed the invoices rendered by Aird during the Counsel's Period.
12. To the best of my knowledge, the rates charged by the Proposal Trustee and Aird are comparable to the rates charged for the provision of similar services by other accounting and law firms in downtown Toronto.
13. I verily believe that the fees and disbursements incurred by BDO, in its respective capacity as Proposal Trustee, and Aird are fair and reasonable in the circumstances
14. This affidavit is sworn in support of the Companies' motion for, among other things, approval of the Proposal Trustee's fees and disbursements and those of its legal representatives and for no other or improper purpose.

SWORN before me by videoconference)
by Clark Lonergan at the City of)
Toronto, in the Province of Ontario this)
14th day of March, 2025, in accordance)
with O. Reg. 431/20, Administering)
Oath or Declaration Remotely

Matilda Lici

7CE576F4AA3D4CA...
A commissioner, etc.
Matilda Lici

DocuSigned by:

Clark Lonergan

E3CC158198EC49A...

CLARK LONERGAN

This is Exhibit A of the
Affidavit of Clark Lonergan
Sworn before me this 14th day of March 2025

DocuSigned by:
Matilda Lici
7CE576F4AA3D4CA...

A Commissioner, etc.

EXHIBIT "A"

BDO CANADA LIMITED

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
UPPER CANADA GROWERS LTD. & UCG LAND INC.
FEES SUMMARY FROM JANUARY 1, 2025 TO FEBRUARY 28, 2025

Invoice #	Description	Period	Fees Incurred	Disbursements	HST	Total
CINV3279068	NOI	January 1, 2025 to January 31, 2025	\$ 134,909.00	\$ 1,571.56	\$17,742.47	\$154,223.03
CINV3316491	NOI	February 1, 2025 to February 28, 2025	47,716.50	-	6,203.15	53,919.65
CINV3316489	SISP	January 17, 2025 to February 28, 2025	143,515.00	-	18,656.95	162,171.95
			<u>\$ 326,140.50</u>	<u>\$ 1,571.56</u>	<u>\$42,602.57</u>	<u>\$370,314.63</u>

This is Exhibit B of the
Affidavit of Clark Lonergan
Sworn before me this 14th day of March 2025

DocuSigned by:
Matilda Lici
7CE576F4AA3D4CA...

A Commissioner, etc.

EXHIBIT "B"

BDO CANADA LIMITED

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
UPPER CANADA GROWERS LTD. & UCG LAND INC.
DISBURSEMENTS SUMMARY FROM JANUARY 1, 2025 TO FEBRUARY 28, 2025

Meals	236.45
Mileage	1,051.26
Lodging	283.85
Total	\$ 1,571.56

This is Exhibit C of the
Affidavit of Clark Lonergan
Sworn before me this 14th day of March 2025

DocuSigned by:
Matilda Lici
7CF576E4AA3D4CA

A Commissioner, etc.



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

BDO Canada Limited
20 Wellington Street E, Suite 500
Toronto ON M5E 1C5 Canada

Strictly Private & Confidential

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

Attention: Mr. Robert Haynes

Date	Invoice
February 18, 2025	CINV3279068

RE: Upper Canada Growers - NOI

TO OUR FEE FOR PROFESSIONAL SERVICES rendered in connection with our engagement as Trustee of the above noted entity from January 1, 2025 to January 31, 2025.

Our Fee	\$ 134,909.00
Disbursements:	
Meals	236.45
Mileage	1,051.26
Lodging	283.85
Subtotal	136,480.56
HST - 13% (#R101518124)	17,742.47
Total	<u>\$ 154,223.03</u>

Summary of Time Charges:

	Hours	Rate	Amount
C. Lonergan, Partner	69.0	750.00	51,750.00
M. Basso, Partner	90.2	650.00	58,630.00
P. Kouadio, Manager	24.6	500.00	12,300.00
H. Yin, Manager	18.1	500.00	9,050.00
T. Montesano, Sr. Administrator	5.3	385.00	2,040.50
J. Hue, Sr. Analyst	3.3	345.00	1,138.50
Total	<u>210.5</u>		<u>\$ 134,909.00</u>



Staff	Date	Comments	Hours
M. Basso	5-Jan-25	Correspondence with P. Van Eyk. J. Mitges and C. Lonergan re: next steps meeting. Correspondence from C. Lonergan re: analysis of UCG's latest proposal.	0.5
C. Lonergan	5-Jan-25	Review of correspondence, correspondence with Bank re: next steps and discussion with BDO team re: the same.	0.5
M. Basso	6-Jan-25	Correspondence with P. Van Eyk re: update meeting. Correspondence with C. Lonergan and J. Mitges on same. Prepare for and meeting with J. Mitges, J. Cook, J. Lee, R. Fabiano (BNS) and C. Lonergan re: preparation for next steps meeting with UCG. Meeting with C. Lonergan re: next steps email for KPMG and send same to J. Cook and J. Mitges for review and comment. Correspondence from P. Van Eyk re: comments on next steps communication. Correspondence with C. Lonergan and J. Mitges on same. Meeting with C. Lonergan re: preparation for meeting with BNS. Meeting with J. Mitges, J. Cook, J. Lee and C. Lonergan re: next steps comments from KPMG. Meeting with C. Lonergan re: items to consider for forbearance timeline etc. Meeting with J. Cook, J. Mitges, J. Lee and C. Lonergan re: preparation for update meeting with UCG and KPMG. Prepare for and meeting with J. Mitges, J. Cook, J. Lee (BNS), S. Ford, R. Haynes, M. Nayar (UCG), P. Van Eyk and K. Ho (KPMG) re: status update etc. Meeting with C. Lonergan, J. Mitges, J. Cook and J. Lee re: debrief meeting with UCG and KPMG and next steps. Update realization estimates and meeting with C. Lonergan on same. Correspondence with J. Lee re: debt balances update projections on same.	4.4
C. Lonergan	6-Jan-25	Meeting with BDO team re: forbearance deal terms, meeting with Bank re: prep for Company, discussion with KPMG, meeting with Company/BNS/Advisors, debrief call with Bank, review of update realization analysis, discussion with BDO team re: the same, etc.	2.7



Staff	Date	Comments	Hours
M. Basso	7-Jan-25	Prepare for and meeting with C. Lonergan, S. Brotman, M. Stephenson, J. Mitges, J. Cook, R. Fabiano and J. Lee re: receivership planning etc. Meeting with C. Lonergan re: P. Van Eyk meeting debrief. Prepare for and meeting with P. Van Eyk, K. Ho, C. Lonergan S. Ford, R. Haynes and M. Nayar. Meeting with S. Ford and C. Lonergan. Correspondence to J. Cook re: status update and meeting request. Various meetings and correspondence with C. Lonergan and S. Ford re: status. Meeting with BNS and counsel re: debtor filing option. Meetings with KPMG re: cash flows etc. Meetings with S. Ford and C. Lonergan re: critical payments and NOI. Draft response to UCG re: debtor led process requirements and send to C. Lonergan for comment. Meeting with C. Lonergan re: updates to UCG response. Correspondence from J. Cook re: comments on UCG response and meeting with C. Lonergan on same. Correspondence from M. Stephenson re: comments on response to UCG and meeting with C. Lonergan on same.	4.8
C. Lonergan	7-Jan-25	Prepare for and attend meeting with Bank and Counsel re: next steps, discussion with KPMG, meeting with Company re: critical payments and NOI, review and draft on response to Company proposal, review of Bank correspondence, discussion with BDO team re: the same, etc.	3.3
C. Lonergan	8-Jan-25	Update call with Bank and counsel, update re: cash flow with BDO team, etc.	1.0
M. Basso	8-Jan-25	Meeting with S. Ford re: status and cash flow. Correspondence to J. Cook and J. Mitges re: notes from meeting with S. Ford. Prepare for and meeting with M. Stephenson, S. Brotman, C. Lonergan, J. Mitges, J. Cook and J. Lee re: next steps with potential debtor led restructuring. Meeting with S. Ford re: payroll and critical payments.	1.2
M. Basso	9-Jan-25	Correspondence from and meeting with S. Ford re: Meridian, KERP and other items. Correspondence from S. Brotman and C. Lonergan re: debtor led restructuring proposal. Meeting with J. Cook and C. Lonergan re: next steps. Draft correspondence to UCG for BNS approval and comment.	0.8
C. Lonergan	9-Jan-25	Correspondence from and meeting with Company re: Meridian, KERP and other items. Correspondence from Counsel and BDO team re: debtor led restructuring proposal. Follow up call with Counsel re: next steps, etc. Meeting with J. Cook and C. Lonergan re: next steps. Draft correspondence to UCG for BNS approval and comment.	1.0
M. Basso	10-Jan-25	Correspondence from J. Mitges and S. Brotman re: comments on UCG next steps email. Correspondence from J. Lee and S. Ford re: payments Correspondence with S. Ford re: critical payments and review list and revised list provided by same Correspondence from P. Van Eyk and C.	1.7



Staff	Date	Comments	Hours
		Loneragan re: NOI planning Meeting with K. Ho and S. Ford re: creditors list and updated cash flow strategy.	
C. Lonergan	10-Jan-25	Correspondence from Bank and Counsel re: comments on UCG next steps email. Review of requirement payments correspondence and critical payments listing. Correspondence from KPMG re: NOI planning Update call with BDO team re: Company and KPMG meeting, etc.	1.3
C. Lonergan	11-Jan-25	Follow up discussion and correspondence with Company re: next steps and CFO contract, cash flow update, etc.	0.6
C. Lonergan	12-Jan-25	Follow up with discussion with Company re: next steps, CFO contract, etc.	0.5
C. Lonergan	13-Jan-25	Review of SISP timelines, update correspondence and discussions with the Bank re: next steps, discussion with Company re: day 1 filing materials, etc. Discussion with BDO team re: the same, etc.	2.0
M. Basso	13-Jan-25	Meeting with S. Ford re: creditors list and cash flow update. Meeting with C. Lonergan re: status update and planning. Correspondence to K. Ho re: cash flow update. Meeting with C. Lonergan re: SISP. Update draft SISP milestones and send to C. Lonergan for comment. Meeting with C. Lonergan re: WC roll. Meeting with K. Ho. C. Cheung and S. Ford re: updates to cash flow and WC roll functionality.	1.9
C. Lonergan	14-Jan-25	Update call with the Company re: cash flows, update call with the Bank re: next steps, cash flows, etc. Correspondence with Company counsel and advisors re: next steps, etc. Review of cash flows, professional fees, DIP term sheet and correspondence with the Bank and counsel re: the same, critical payments analysis, discussions with BDO team re: the same, etc.	4.5
M. Basso	14-Jan-25	Correspondence with S. Ford and C. Lonergan re: critical payments etc. Correspondence with J. Leslie and C. Lonergan re: filing prep. Meeting with C. Lonergan re: cash flows and filing prep and prepare updated company engagement letter. Meeting with S. Ford re: critical payments and draft cash flow. Review draft cash flow and correspondence to S. Ford on same. Correspondence with S. Ford re: Agrivest agreement etc. Meeting with C. Lonergan re: SISP timelines. Prepare for and meeting with J. Mitges, J. Cook and C. Lonergan re: DIP terms, cash flow status etc. Updates to filing framework email from C. Lonergan re: DIP and commitment fee rates. Correspondence from K. Ho re: updated cash flow and meeting with same. Updates to professional fee estimate. Critical vendor estimate Prepare for and meeting with S Ford and K. Ho re: critical payments and cash flow. Meeting with C. Lonergan re: critical payments.	6.5



Staff	Date	Comments	Hours
C. Lonergan	15-Jan-25	Draft proposal to Company re: framework of the filing and relief to be sought re: the same, update call with Counsel re: the same, Review updated cash flow and view of critical vendor analysis. Meeting with BDO team re: next steps points for meeting with BNS. Call with Bank re: NOI filing, funding requirements and next steps. Review of draft realization estimates and meeting BDO team re: the same. Correspondence to Bank re: realization estimates.	3.5
M. Basso	15-Jan-25	Review updated cash flow from KPMG. Meeting with S. Ford and K. Ho re: updated cash flow. Updates to critical vendor analysis. Meeting with C. Lonergan re: next steps points for meeting with BNS. Meeting with J. Mitges, J. Cook, R. Fabiano and C. Lonergan re: NOI filing, funding requirements and next steps. Updates to draft realization estimates and meeting with C. Lonergan on same. Correspondence to J. Cook re: realization estimates. Review correspondence from C. Lonergan re: next steps to UCG and correspondence from J. Leslie on same. Correspondence with C. Lonergan re: next steps.	3.7
C. Lonergan	16-Jan-25	Meeting with BDO team re: 2025 model and re: BNS fees in cash flow Review and follow up with the Bank re: recovery estimate assumptions and details, prepare and review of filing documents, update on filing framework, and re: next steps re: the same, draft report framework, etc.	3.0
M. Basso	16-Jan-25	Correspondence with K. Ho re: Orchard Model and meeting with C. Lonergan on same. Meeting with C. Lonergan re: BNS fees in cash flow and correspondence with K. Ho on same. Correspondence with J. Mitges re: questions on recovery estimate assumptions and details. Correspondence with H. Yin and C. Lonergan re: filing documents etc. Correspondence with S. Ford, C. Lonergan and H. Yin re: creditor listing. Correspondence to J. Mitges and J. Cook re: interest components in cash flow.	3.0
P. Kouadio	17-Jan-25	Planning meeting with team; Various emails and calls with team to coordinate NOI filing and statutory documents to be prepared. Review same.	1.3
T. Montesano	17-Jan-25	Upper Canada Growers Ltd. - Prepare and upload NOI to the OSB.	1.5
J. Hue	17-Jan-25	Prepare the NOI documents and related filing forms EIS , request corporate search and validate for e-filing for Growers and UCG file.	2.1



Staff	Date	Comments	Hours
C. Lonergan	17-Jan-25	Review and correspondence with Company/Bank and Counsels re: Essex Lease termination. Meeting and correspondence with M. Basso re: workstream planning. Meeting with M. Basso, H. Yin, P. Kouadio and N. Jones re: next steps and workstreams for NOI. Meeting with M. Basso and S. Ford re: workstreams, SISP and creditor listing. Correspondence with S. Ford and M. Basso re: Essex termination notice and review agreement on same. Correspondence from J. Cook re: assumptions for realization estimates. Correspondence from M. Nayar re: Essex termination and meeting with M. Basso on same. Correspondence with J. Leslie re: filing update. Meetings with H. Yin re: creditor listings.	5.3
H. Yin	17-Jan-25	Prepare for NOI filing. Draft Trustee consent letter for filing; Receive creditors listing and correspondence with M. Basso re: same. Format creditor listing to upload into Ascend, correspondence with T. Montesano re: same; Set up and review of filing materials, correspondence with T. Montesano and J. Hue re: filing and assist as needed.	3.5
M. Basso	17-Jan-25	Meeting and correspondence with C. Lonergan re: workstream planning. Meeting with C. Lonergan, H. Yin, P. Kouadio and N. Jones re: next steps and workstreams for NOI. Meeting with C. Lonergan and S. Ford re: workstreams, SISP and creditor listing. Create team site and upload models and CIM. Correspondence from S. Ford re: labour planning meeting. Correspondence with S. Ford and C. Lonergan re: Essex termination notice and review agreement on same. Meeting with S. Ford re: updates to creditor list. Meeting with S. Ford and operations staff re: headcounts and timing of return to work. Correspondence from J. Cook re: assumptions for realization estimates, update analysis with notes and send same. Meeting with S. Ford re: creditor list. Correspondence from M. Nayar re: Essex termination and meeting with C. Lonergan on same. Meeting with N. Jones re: CIM preparation etc. Correspondence with J. Leslie re: filing update. Meetings with H. Yin re: creditor listings. Correspondence with H. Yin and T. Montesano re: e-filing. Correspondence to R. Haynes re: form 33.	7.1
C. Lonergan	20-Jan-25	Correspondence to group re: NOI certificates; correspondence with BDO Team and Counsels re: draft DIP term sheet and relief required from Court. Correspondence with Company re: funding, review of SISP dates and discussion with BDO team re: the same, draft report drafting and review, correspondence with Counsel re: filing jurisdiction etc. Drafting Communication plan, etc.	4.0
T. Montesano	20-Jan-25	Upper Canada Growers, correct creditor listing., locate creditor addresses.	1.0



Staff	Date	Comments	Hours
H. Yin	20-Jan-25	Draft Management Representation letter for the Company to sign off. Multiple discussions with BDO team and IT re: set up of BDO website, mail out for NOI, etc.; Modify creditor mailing list for BDO team, multiple correspondence with the Company re: missing creditor addresses, etc.; Review next step emails and communications, prepare for next day on-site attendance.	3.5
M. Basso	20-Jan-25	Correspondence from C. Lonergan re: NOI certificates. Correspondence with C. Lonergan, J. Leslie and M. Stephenson re: draft DIP and relief required from Court. Correspondence from S. Ford and C. Lonergan re: payroll funding. Meeting and correspondence with C. Lonergan re: SISP milestones. Prepare draft of First Report of Proposal Trustee. Correspondence with C. Lonergan re: Admin and D&OI charge. Correspondence with C. Lonergan and M. Stephenson re: filing jurisdiction etc. Meeting and correspondence with C. Lonergan re: communication plan.	6.5
H. Yin	21-Jan-25	Attend to client site re: NOI filing; Meet with the Company re: next steps, etc.; Site tour, multiple discussions with the Company re: operations, etc.; Multiple discussions with BDO team re: next steps, communication strategies, Company background, etc.	7.5
P. Kouadio	21-Jan-25	Attend to company site re: NOI; Meetings with BDO team and Company re: strategy, communication to stakeholders; Site tour; Assist Company with various calls to critical vendors, and various emails thereto.	7.5
C. Lonergan	21-Jan-25	Meeting with the Company on-site, stakeholders communication, operational assessment, DIP cash flow update, critical vendor identification, update calls with Counsel re: the same; discussion with BDO team: draft report and relief being sought, etc. Meeting with BDO team re: work flows, SISP, etc.	7.5
T. Montesano	21-Jan-25	Changes to creditor listing, update amounts.	0.9
M. Basso	21-Jan-25	Updates to communication strategy and general FAQ. Meeting with S. Ford and C. Lonergan re: operations footprint and communication strategy. Correspondence from J. Cook re: payroll amounts and meeting with S. Ford and C. Lonergan on same. Correspondence with C. Lonergan re: communications strategy draft. Correspondence with C. Lonergan and S. Ford re: payroll variance etc. Updates to draft report. Meeting with H. Yin re cash flow. Meeting with S, Ford re: Landco. Meeting with C. Lonergan re: vendor comms and work streams. Meeting with T. Montesano re: NOI notices. Draft and send vendor communication template to Company.	5.9
P. Kouadio	22-Jan-25	Various calls with R Haynes, M Haynes, J Haynes, K Mangham re: calls to stakeholders; Emails creditors package to Company.	0.5



Staff	Date	Comments	Hours
J. Hue	22-Jan-25	Mailing of the NOI to creditors.	1.2
C. Lonergan	22-Jan-25	Statutory filing document reviews, review of notices, review of and meeting with BDO team re: draft First Report, correspondence with Company re: operations, report status, creditor notices etc., review of cash flows and meeting with BDO team re: the same.	3.8
T. Montesano	22-Jan-25	Prepare and mail NOI packages to creditors for Upper Canada Growers and UCG Land Inc.	1.9
H. Yin	22-Jan-25	Multiple correspondence with BDO team re: mail out for the NOI, draft cover letters re: same, etc.; Prepare NOI cash flows for review, call with C. Lonergan and M. Basso re: same and modify based on feedback, etc.	2.1
M. Basso	22-Jan-25	Correspondence with T. Montesano re: creditor notices and meeting with H. Yin on same. Review and comment on draft NOI creditor notice from H. Yin. Meetings with H. Yin re: draft NOI cash flows. Meetings with C. Lonergan re: draft report. Updates to draft report. Correspondence with S. Ford re: items needed for report. Meeting with S. Ford and C. Lonergan re: operations, report status, creditor notices etc. Meeting with C. Lonergan and H. Yin re: cash flows. Correspondence from P. Kouadio re: call log and updates to CIM.	6.6
P. Kouadio	23-Jan-25	Various meetings with Company teams and BDO team re: NOI and operations; Multiple emails with Company staff to schedule weekly meetings.	1.1
C. Lonergan	23-Jan-25	Company meeting with BDO team re: depositor communications, process etc. Update and review of the Draft First Report, review and update to the cash flow, call with Counsel re: next steps, affidavit, etc. Updates to cash flow forecast and meeting with BDO team re: the same, etc.	6.0
M. Basso	23-Jan-25	Prepare for and meeting with C. Lonergan, P. Kouadio (BDO), S. Ford, C. Cain and R. Rumsby (UCG) re: depositor communications, process etc. Updates to draft report. Updates to notes on draft cash flow forecasts. Prepare summary balance sheet charts as at November 30th for inclusion in draft report. Updates to draft report. Updates to draft report. Updates to draft cash flows. Meetings with C. Lonergan re: draft cash flows and changes to same. Meeting with J. Leslie re: causes of insolvency for report. Updates to cash flow forecast and meeting with C. Lonergan on same. Updates to comments on draft SISP order and prepare KERP schedule. Further updates to cash flows.	10.2



Staff	Date	Comments	Hours
P. Kouadio	24-Jan-25	Prepare service list for motion to Court; Update creditors website and correspond with IT thereto; Coordinate weekly meetings with Company teams and various emails with Company thereto; Emails to Harrison Pensa re: NOI documents.	3.3
C. Lonergan	24-Jan-25	Review and update of various orders including: SISP order, initial order, affidavit and review of the DIP term sheet; review of cash flows and DIP cash flow; review of Proposal Trustee First Report to the Court; multiple call with Counsels and BDO team re: the same; call with Company and Bonfield; call with Bank re: cash flows and next steps; call with Company re: ownership, company advisory, counsel, etc.	6.5
H. Yin	24-Jan-25	Correspondence with M. Basso re: forms needed for the filing of NOI cash flow. Draft form 29 and form 30 re: same, send to the Company for signing; Correspondence with T. Montesano re: filing of the NOI cash flow; Email to P. Kouadio re: drafting of service list, etc.	1.5
M. Basso	24-Jan-25	Correspondence with C. Lonergan re: SISP process letter and prepare same. Meetings with C. Lonergan on SISP process letter. Updates to draft report re: secured claims and SISP. Meeting with S. Ford re: draft cash flow. Correspondence from J. Leslie and C. Lonergan re: draft affidavit and review same. Updates to draft cash flows re: DIP format and notes; send same to J. Cook and legal advisors. Review and comment on SISP order and terms. Meeting with J. Cook and C. Lonergan re: cash flow and status. Meeting with M. Lici and I. Aversa re: SISP terms.	8.6
M. Basso	25-Jan-25	Correspondence with S. Ford and H. Yin re: cash flow and forms for filing. Correspondence from company counsel re: Draft affidavit and review same.	0.7
C. Lonergan	26-Jan-25	Review of affidavit and the First Report of the Proposal Trustee; discussion with BDO team and counsel re: the same	1.5
M. Basso	26-Jan-25	Correspondence from C. Lonergan re: updates to affidavit, updates to SISP process letter re: same. Correspondence from C. Lonergan re: updates to draft report, review same and send to counsel Correspondence with M. Stephenson re: SISP and meeting on same. Meeting with C. Lonergan re: SISP. Correspondence with M. Lici re: SISP order and SISP procedures.	1.4
P. Kouadio	27-Jan-25	Email with M Haynes re: NOI package sent to creditor; Email to A.M.A. re: NOI; Call and emails with CFO re: cashflow monitoring; Review same.	1.4
C. Lonergan	27-Jan-25	Cash flow update, reporting template review, update on motion materials, follow up with BDO team and Counsel re: the same, etc.	1.5



Staff	Date	Comments	Hours
M. Basso	27-Jan-25	Meeting with C Lonergan re: status of filing documents etc. Meeting with M. Stephenson, I. Aversa, D. Seifer re: status of documents for filing etc. Meeting with S. Ford re: cash flow and status of operations etc. Correspondence to M. Stephenson re: DIP budget etc. Correspondence with I. Aversa re: draft orders.	1.7
P. Kouadio	28-Jan-25	Prepare agenda for weekly call and discuss same with M Basso; Calls with R Haynes re: same; Led weekly call and various correspondence with team and Company re: same; Call and email with GFL Environmental's S Henderson re: bins and NOI; Call with J Haynes re: critical vendors and concerns; Update attendees and email to R Haynes thereto; Update cashflow and prepare monitoring schedule; Email to R. Rumsby re: scripts for customers/vendors/creditors; Attend to SISP matters and correspond with team thereto; Emails and calls with K Mangham and Enbridge Gas re: disconnection notice.	5.7
C. Lonergan	28-Jan-25	UCG Company team update meeting, review of filing materials (KERP, SISP Order, Initial Order), finalizing First Report of the Proposal Trustee, multiple calls and correspondence with Counsels, update calls with the Bank, various reviews and updates to Court materials, update discussion with BDO team re: the same, etc.	5.0
M. Basso	28-Jan-25	Correspondence with M. Stephenson re: DIP budget. Prepare for and meeting with Company staff re: check in and status. Correspondence from M. Stephenson re: status of materials. Meeting with P. Kouadio re: go-forward meeting agenda and procedures etc. Correspondence to J. Cook and J. Mitges re: draft report. Correspondence from M. Stephenson re: updated SISP terms, review same and send comments to I. Aversa. Updates to draft report re: revised SISP terms. Meeting with I. Aversa and M. Lici re: SISP and other materials. Meeting with J. Leslie re: status of Court date etc. Meeting with J. Leslie re: revised documents. Meeting with J. Leslie, M. Stephenson, I. Aversa and M. Lici re: document revisions and next steps. Prepare report exhibits. Correspondence from M. Stephenson re: updated DIP etc. Correspondence re: updated DIP term sheet, review same and meeting on same with C. Lonergan. Correspondence to Proposal Trustee's counsel and company counsel re: change in DIP terms.	5.6
P. Kouadio	29-Jan-25	Meetings and correspondence with Enbridge Gas and K. Mangham re: disconnection notices; Emails with M. Haynes and team re; Ford repossession notices; Multiple correspondences with various creditors re: NOI package and missing claims; Upload Trustee's first report, Company's motion and service list to creditors website.	2.1



Staff	Date	Comments	Hours
C. Lonergan	29-Jan-25	Update with Bank re: motional materials, emergency funding, call with Company Counsel re: next steps, call with Counsel re: motion materials, court appearance and requirements, etc.	2.5
M. Basso	29-Jan-25	Correspondence from M. Stephenson re: DIP term sheet. Correspondence from debtor's counsel re: motion record. Correspondence from M. Lici re: comments on draft report, updates to same and finalize. Meeting and correspondence with I. Aversa re: Court date etc. Correspondence with M Lici and P. Kouadio re: case site update for first report. Meeting with S. Ford re: emergency funding requirement, review of variance analysis re: same. Correspondence with S. Ford and C. Lonergan re: cash flows. Correspondence with S. Ford re: RBC communication.	2.6
P. Kouadio	30-Jan-25	Call from employee (Kyle) re: o/s and future payments; Email to AG Invest re: NOI and o/s invoices; Call with R Haynes re: weekly call agenda, employee's and operations concerns.	0.8
M. Basso	30-Jan-25	Correspondence from C. Lonergan and J. Cook re: emergency funding analysis. Correspondence from C. Lonergan re: land sale. Correspondence with C. Lonergan and S. Ford re: RBC. Draft and send correspondence to RBC re: first report etc. Correspondence from C. Lonergan re: Agrivest transaction. Meeting with S. Ford re: Agrivest transaction. Correspondence with S. Ford re: insurance correspondence from S. Ford re: land purchase agreement etc., review same and make notes. Correspondence to C. Lonergan re: notes. Meeting with C. Lonergan re: land purchase info and planning.	3.3
P. Kouadio	31-Jan-25	Prepare for and led weekly call with Company and team; Email to Company re: same; Email to M. Basso re: call with R. Haynes and concerns; Review notice of repossession from Ford and respond to M. Haynes/K. Mangham re: same.	0.9
C. Lonergan	31-Jan-25	Update calls with Company and BDO team re: land purchase, FCC guarantees, Haynes family payments, grape rootstock purchase, review of salesperson correspondence and drafting response re: the same, etc.	1.5
M. Basso	31-Jan-25	Correspondence with C. Lonergan re: FCC judgement. Prepare for and meeting with P. Kouadio, R. Haynes, S. Ford and other company staff re: operational issues. Meeting with C. Lonergan re: Aginvest and LC payout. Correspondence with R. Haynes and J. Cook (separately) re: LC call. Prepare for and meeting with S. Ford and R. Haynes re: Agrivest. Correspondence to RBC re: LC payout statement. Correspondence with J. Cook re: RBC.	1.5



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

Attention: Mr. Robert Haynes

Date	Invoice
March 7, 2025	CINV3316489

RE: Upper Canada Growers - SISP

TO OUR FEE FOR PROFESSIONAL SERVICES rendered in connection with our engagement as Trustee of the above noted entity from January 17, 2025 to February 28, 2025 for work related to the Sale and Investment Solicitation Process (“SISP”).

Our Fee	\$ 143,515.00
HST - 13% (#R101518124)	18,656.95
Total	<u>\$ 162,171.95</u>

Summary of Time Charges:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
C. Lonergan, Partner	47.7	750.00	35,775.00
M. Basso, Partner	18.6	650.00	12,090.00
P. Kouadio, Manager	17.3	500.00	8,650.00
H. Yin, Manager	174.0	500.00	87,000.00
Total	<u>257.6</u>		<u>\$ 143,515.00</u>



Staff	Date	Comments	Hours
C. Lonergan	17-Jan-25	Meeting with Company re: CIM & Teaser preparation etc.	0.7
C. Lonergan	21-Jan-25	Update discussion with Company and BDO team re: SISP documents, etc.	0.5
P. Kouadio	21-Jan-25	Meeting with C Lonergan and Company re: CIM; Discuss next steps. Review draft CIM.	0.7
C. Lonergan	22-Jan-25	Meeting with BDO team re: SISP, etc.	0.7
P. Kouadio	22-Jan-25	Review SISP materials and update draft CIM, call with C Lonergan and correspond with team thereto.	1.7
H. Yin	22-Jan-25	Review of financial statement models from Greenhill and KPMG cash flow.	5.1
M. Basso	22-Jan-25	Review files re: draft SISP materials.	0.7
C. Lonergan	23-Jan-25	Update with Company and BDO team re: SISP update and materials, review of SISP order and process letter, etc.	2.0
M. Basso	23-Jan-25	Meeting with C. Lonergan, H. Yin, S. Ford re: SISP materials etc.	0.5
H. Yin	23-Jan-25	Attend call between BDO team and the Company re: SISP, next steps, etc.; Call with C. Lonergan re: next steps for the financial models. Continue to review KPMG and Greenhill models, SISP end goal, and draft up financial model work plan for S. Ford and C. Lonergan's review; Multiple correspondence with P. Kouadio re: set up of the virtual data room and plan of actions; Begin financial model projection for June 30, 2025 ending balance.	6.4
P. Kouadio	23-Jan-25	Various meetings with Company team and BDO team re: SISP; Review and download previous sales process materials, create VDR; Prepare NDA.	3.0
C. Lonergan	24-Jan-25	Review of SISP timelines and order of operations for dataroom items and required models, discussion with BDO team re: the same, etc.	1.0
H. Yin	24-Jan-25	Correspondence with M. Basso re: SISP document, send template re: same; Email S. Ford and C. Lonergan re: financial statement model work plan, items needed from the Company re: financials, etc.; Map the Company's G/L accounts to financial statement line items and produce FY2024 closing balance, etc.; Continue to build out rolls and workbook for the model.	5.2
H. Yin	27-Jan-25	Discussion with P. Kouadio re: task allocation, expression of interests ("EOI"), etc. Send P. Kouadio EOI template, sales process price allocation form, etc.; Draft follow up email to S. Ford re: financial statement mappings, etc.; Continue to work on June 30 forecast model.	6.5
H. Yin	28-Jan-25	Attend weekly call with the Company; Review of SISP tasks and continue to work on June 30 forecast model.	8.2
C. Lonergan	29-Jan-25	Buyers listing update, teaser/CIM review, update discussion with BDO team re: the same, etc.	1.0
H. Yin	29-Jan-25	Follow up email to S. Ford re: Dec 2024 financial statements to be incorporated into the June 30 forecast model, review information	9.5



Staff	Date	Comments	Hours
		received from the Company, and revise re: same within model; Start long term forecast model using Greenhill model as a base, correspondence with C. Lonergan re: same.	
P. Kouadio	29-Jan-25	Research and update buyers list, respond to interested buyer and provide guidance to H. Yin re: same.	1.1
H. Yin	30-Jan-25	Correspondence with C. Lonergan re: buyer's list. Identify strategic and financial buyers, draft buyer's list and rank buyers based on relevant criteria, etc. Send to C. Lonergan for review.	5.5
C. Lonergan	30-Jan-25	Update buyers listing, update teaser and CIM document, discussion with BDO team re: the same, etc.	3.0
H. Yin	31-Jan-25	Continue to work on financial statement forecast models.	3.5
C. Lonergan	3-Feb-25	Review and update of buyers list, etc.	0.6
H. Yin	3-Feb-25	Correspondence with C. Lonergan re: additions and revisions to the buyer's list. Finalize buyer's list and send to C. Lonergan and N. Garcia; Continue to work on financial model and correspondence with S. Ford re: same, etc.	8.5
M. Basso	4-Feb-25	Review model with H. Yin. Meeting with C. Lonergan re: assumptions. Meeting and correspondence with S. Ford re: orchard assumptions. Correspondence with H. Yin re: updates to model. Meeting with H. Yin re: model updates. Meeting with H. Yin and S. Ford re: projections. Meeting with H. Yin re: updates to model.	2.5
C. Lonergan	4-Feb-25	Model update and review, discussion with BDO team re: the same, review of CIM, etc.	1.2
H. Yin	4-Feb-25	Call with N. Garcia re: buyer's list and contact information needed, etc.; Correspondence with IT re: website updates to UCG; Continue to work on the financial models and correspondence with S. Ford re: same, etc.	8.7
M. Basso	5-Feb-25	Meetings with H. Yin re: model updates.	0.8
C. Lonergan	5-Feb-25	Review and update of teaser, review and update of purchaser listing, review of cash flow models, discussion with BDO team and Company re: the same, etc.	4.0
H. Yin	5-Feb-25	Continue to work on the financial statement model and correspondence with M. Basso, S. Ford re: same.	7.5
P. Kouadio	6-Feb-25	Review teaser and make changes thereto; Emails with team re: same.	0.5
C. Lonergan	6-Feb-25	Teaser update and review with Company, discussion with BDO team and Company re: the same, cash flow model review, etc.	3.2
H. Yin	6-Feb-25	Correspondence with C. Lonergan and finalize buyer's list for go live; Set up of virtual data room in Sterling and call with Sterling re: same, etc.; Continue to work on financial model and correspondence with M. Basso, S. Ford re: same.	8.8
P. Kouadio	7-Feb-25	Review NDA and send to C Lonergan for final review; Finalize NDA and emails with Dickinson Wright thereto; Review teaser and draft emails to be sent to 140+ potential buyers; Various emails review with C Lonergan;	5.4



Staff	Date	Comments	Hours
		Finalize and send 140+ individual emails; Respond and send emails to new contacts.	
C. Lonergan	7-Feb-25	Finalizing SISP materials, teasers, buyers listing, email to the potential purchasers, VDR information and update, discussion with BDO team and Company re: the same, review of final NDA, update discussion with Company's counsel re: email to potential purchasers and NDA, review of potential purchaser responses, review of financial models and discussion with Company re: the same, etc.	8.5
H. Yin	7-Feb-25	Finalize first draft of financial models and send to S. Ford for comments. Discussions with S. Ford re: same, revisions needed, etc.	8.8
P. Kouadio	8-Feb-25	Various emails to respond to potential buyers re: NDA and sales process.	0.6
P. Kouadio	9-Feb-25	Emails and direction to team re: VDR, NDA and CIM.	0.2
P. Kouadio	10-Feb-25	Various emails with R Haynes, interested party and team re: NDA; Respond to potential buyers re: sales process; Call and email with H Yin re: direction for VDR set up and response to potential buyers; Respond to creditors.	1.4
C. Lonergan	10-Feb-25	Review of responses, update with potential purchaser re: changes to NDA, update on CIM and model changes, review of Bank correspondence, meeting with BDO team re: the same, etc.	1.1
M. Basso	10-Feb-25	Correspondence from P. Kouadio re: NDA, review same. Meeting with H. Yin re: data room, SISP tracker and financial model. Meeting with C. Lonergan re: model, CIM etc. Correspondence to J. Cook re: SISP documents. Correspondence from H. Yin re: updated model and review of same. Review updated model from H. Yin. Meeting with C. Lonergan re: model and projections.	2.5
H. Yin	10-Feb-25	Correspondence with S. Ford re: revisions to the model, call with M. Basso re: same. Continue to work on financial model.	9.2
P. Kouadio	11-Feb-25	Various emails with interested buyers re: NDA and VDR; Emails with H Yin thereto; Update to CIM layout.	0.9
C. Lonergan	11-Feb-25	Review and update re: cash model assumptions, CIM update re: the same, meeting with BDO team re: the same, etc.	3.0
M. Basso	11-Feb-25	Meeting with H. Yin re: model. Review updated model from H. Yin. Meeting with H Yin re: model changes and meeting with H. Yin and S. Ford on same. Meeting with C. Lonergan re: model. Meeting with H. Yin re: model changes. Meeting with C. Lonergan re: model changes. Review model.	2.7
H. Yin	11-Feb-25	Call with C. Cain re: uploads to the virtual data room. Modify folder names in the virtual data room. Correspondence with Sterling re: session changes and publish all changes to the data room. Correspondence with M. Basso and C. Lonergan re: changes to the financial model, etc. Continue to work on financial model and multiple correspondence with S. Ford re: same, etc.	9.8
P. Kouadio	12-Feb-25	Emails from/with interested buyers and team re: SISP and NDA.	0.8



Staff	Date	Comments	Hours
C. Lonergan	12-Feb-25	Model review and update, potential purchasers update, CIM review, update meetings with BDO team re: the same, etc.	4.0
M. Basso	12-Feb-25	Review updated model from H. Yin. Updates to draft financial model. Meeting with H. Yin and C. Lonergan on same. Meeting with H. Yin re: draft model. Meeting with H. Yin and C. Lonergan re: draft model.	2.1
H. Yin	12-Feb-25	Finalize draft financial model and send to M. Basso, C. Lonergan, S. Ford for review.	9.5
P. Kouadio	13-Feb-25	Emails from/with interested buyers and team re: SISP and NDA.	0.2
C. Lonergan	13-Feb-25	Final model review, CIM review, update with BDO team re: the same.	2.5
H. Yin	13-Feb-25	Make final changes to the financial model and correspondence with S. Ford, M. Basso, C. Lonergan re: same. Upload model to data room; Begin reviewing draft CIM and revise, multiple correspondence with N. Garcia re: same, etc.; Draft emails and send to potential buyers.	8.5
C. Lonergan	14-Feb-25	Update and review of buyers listing, follow-up with potential bidders, discussion with BDO team re: the same, follow up with Alternative Lenders/Investment Banks about potential clients they may have to become potential purchasers, update on exclusions to potential purchaser raised by management, etc.	1.4
P. Kouadio	14-Feb-25	Emails to interested buyers re: sales process.	0.2
M. Basso	14-Feb-25	Correspondence to various Alt-lenders re: teaser.	0.2
H. Yin	14-Feb-25	Call with S. Ford and N. Garcia re: finalizing the CIM. Finalize CIM and send to C. Lonergan and M. Basso for review.	7.8
C. Lonergan	18-Feb-25	Update next steps document, review of purchaser listing and status update, call with Company re: potential purchaser exclusions, etc.	1.1
M. Basso	18-Feb-25	Correspondence with H. Yin re: data room and CIM Alt-lender emails for SISP.	0.3
H. Yin	18-Feb-25	Send out individual follow ups to all potential buyers, update tracking re: same. Review Company version of the tracker and consolidate, send out teaser/sales information email to additional potential buyers; Various correspondence with interested parties re: sales process timeline, NDAs, etc.	7.5
P. Kouadio	19-Feb-25	Emails with interested buyers re: NDA and SISP. Correspond with H Yin re: same.	0.2
M. Basso	19-Feb-25	Meeting with H. Yin re: CIM charts.	0.3
C. Lonergan	19-Feb-25	Update discussion with BDO team re: SISP update, etc.	0.5
H. Yin	19-Feb-25	Discussions with C. Lonergan re: status of the sales process, tracker, etc.; Continue to send out individual follow ups to all potential buyers and send out teaser/sales information email to additional potential buyers; Various correspondence with interested parties re: sales process.	6.5



Staff	Date	Comments	Hours
C. Lonergan	20-Feb-25	Follow up with NDA, sales process update, call with potential buyers, discussion with BDO team re: the same, etc.	1.5
H. Yin	20-Feb-25	Continue to reach out to potential buyers, follow up, correspondence re: sales process, discussion with C. Lonergan re: the same, etc.	7.2
C. Lonergan	21-Feb-25	Update on potential purchasers, review of NDA's, data room access, adding additional names to the purchaser listing and following up with those purchasers re: the same, SISP stats and email to the group re: the same, discussion with BDO team re: update and next steps, etc.	2.5
M. Basso	21-Feb-25	Discussions industry contact re: buyer suggestions and meeting with C. Lonergan on same. Review website profiles and send to H. Yin re: initiate contact.	0.5
H. Yin	21-Feb-25	Reviewed and updated buyer tracking re: NDA status and data room access; Continued correspondence with potential buyers re: sales process and financials; Continued follow up efforts with potential buyers and continued outreach efforts to new potential buyers; Coordinated with team on SISP outreach and follow-ups.	4.8
P. Kouadio	24-Feb-25	Various emails to respond to interested purchaser and team re: NDA et SISP.	0.2
C. Lonergan	24-Feb-25	Update re: VDR, Algoma NDA and access, discussion with Company re: the same, SISP update to the Company and Bank re: stats, etc.	1.2
M. Basso	24-Feb-25	Meeting with D. Cairns re: CIM feedback and model. Meeting with C. Lonergan re: SISP update. Correspondence from M. Nayar re: data room access and correspondence with C. Lonergan on same.	1.2
H. Yin	24-Feb-25	Multiple correspondences with potential buyers re: NDAs, data room access, etc.; Multiple correspondence with N. Garcia re: sales process outreach, etc.; Review all correspondence, update buyer list tracking, and draft update email to Company and stakeholders.	3.5
C. Lonergan	25-Feb-25	Update re: SISP with BDO team, review of purchaser correspondence, update with Company re: access to ownership, discussion with Counsel re: access, NDA, etc.	1.0
M. Basso	25-Feb-25	Correspondence from H. Yin re: SISP update. Correspondence with H. Yin re: Stern Partners model walkthrough. Correspondence with S. Ford re: Greenhill inquiries.	1.0
H. Yin	25-Feb-25	Correspondence with Company re: signed NDAs, CIM correction, etc.; Add potential buyers to the data room, upload new CIM to the data room; Call with potential buyer re: technical difficulties with data room, call with Sterling re: same; Multiple correspondences with potential buyers re: signing of NDAs, data room access, etc.; Create CAPEX spend slide and discussions with M. Basso re: same.	3.4
P. Kouadio	26-Feb-25	Emails with potential buyers and H Yin.	0.2
H. Yin	26-Feb-25	Meeting with potential purchaser re: financial mode. Prepare for meeting, review model, prepare response, and discussions with M. Basso re: same, etc.; Discussions with M. Basso re: CAPEX slide revision needed, revise and upload to data room; Correspondence with multiple	4.1



Staff	Date	Comments	Hours
		potential buyers, send out NDAs, grant data room access, update trackers, etc.; Draft email to counsel re: NDA revisions received from potential buyer.	
M. Basso	26-Feb-25	Correspondence from H. Yin re: CAPEX slide and review of same. Correspondence with M. Nayar re: dataroom access. Prepare for and meeting with H. Yin, D. Cairns and I. Luo (Stern Partners) re: model walk through. Correspondence with H. Yin re: data room inquiries. Meeting and correspondence with real-property appraiser.	3.1
C. Lonergan	27-Feb-25	Update calls with potential purchaser re: questions, etc.	0.5
M. Basso	27-Feb-25	Correspondence from interested party re: NDA and access. Follow up with H. Yin re: charts etc.	0.2
C. Lonergan	28-Feb-25	Update re: SISP process, discussion with Counsel re: NDA from potential purchaser and their required changes, follow-up with potential purchasers, etc.	1.0



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Attention: Mr. Robert Haynes

Date	Invoice
March 7, 2025	CINV3316491

RE: Upper Canada Growers - NOI

TO OUR FEE FOR PROFESSIONAL SERVICES rendered in connection with our engagement as Trustee of the above noted entity from February 1, 2025 to February 28, 2025.

Our Fee	\$ 47,716.50
HST - 13% (#R101518124)	6,203.15
Total	<u>\$ 53,919.65</u>

Summary of Time Charges:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
C. Lonergan, Partner	31.1	750.00	23,325.00
M. Basso, Partner	28.8	650.00	18,720.00
P. Kouadio, Manager	10.5	500.00	5,250.00
T. Montesano, Sr. Administrator	0.9	385.00	346.50
G. Arenas, Admin	0.5	150.00	75.00
Total	<u>71.8</u>		<u>\$ 47,716.50</u>



Staff	Date	Comments	Hours
C. Lonergan	2-Feb-25	Correspondence to Company re: KERP, etc.	0.2
T. Montesano	3-Feb-25	Send copy of NOI package sent to creditor to H. Yin.	0.2
M. Basso	3-Feb-25	Correspondence from C. Lonergan and R. Haynes re: KERP and employee comp. Meeting with C. Lonergan, S. Ford and R. Haynes re: sales people commissions etc. Correspondence from S. Ford re: Wealhouse meeting. Correspondence from C. Lonergan and J. Cook re: easement and Hydro One proceeds. Correspondence with I. Aversa re: service list and factum. Meeting with C. Lonergan re: orchard model.	1.9
C. Lonergan	3-Feb-25	Update call with Company, discussion re: KERP, land purchaser, employees, etc., correspondence with land seller, Oxley update and discussions with Company Counsel and Company re: the same, update correspondence to Bank and counsel re: the same, etc.	2.4
P. Kouadio	4-Feb-25	Call and email with R Haynes re: KERP; Email with M Basso re: same; Review A/P list and email to K Mangham re: unsecured creditors; Review weekly cash flow monitoring and correspond with S Ford thereto.	1.6
M. Basso	4-Feb-25	Correspondence from Wealhouse re: update meeting. Correspondence with S. Ford re: draw certificate. Review DIP, prepare for and meeting with S. Ford and K. Ardiel re: commissions etc. Correspondence with K. Ardiel re: growers association communications. Correspondence with P. Kouadio re: KERP.	1.8
C. Lonergan	4-Feb-25	Review of KERP documents and update with Company re: the same, Oxley update, update correspondence with Bonnefield, review of disbursements, update on liens place on Bonnefield orchard, review of counsel correspondence re: the same, etc.	1.8
P. Kouadio	5-Feb-25	Call and email with Ford Credit re: cars.	0.3
M. Basso	5-Feb-25	Review DIP cash flow re: initial draws etc. Meeting with C., Lonergan re: professional fees, Correspondence with J. Cook re: court and initial advance.	1.4
C. Lonergan	5-Feb-25	Treasury function update, Bonnefield update, review of cash flow reporting framework, NOI invoice review, etc.	1.6
P. Kouadio	6-Feb-25	Upload Initial Proposal and SISP orders to creditors website; and various correspondence with team thereto.	0.4
M. Basso	6-Feb-25	Correspondence from H. Yin re: updated model, review of same. Correspondence re: court hearing from C. Lonergan. Correspondence with S. Ford re: initial draw request. Review model. Correspondence with C. Lonergan and J. Cook re: funding request certificate and correspondence to S. Ford on same. Meeting with S. Ford, R. Haynes and Wealhouse re: Agrinvest agreement. Correspondence with S. Ford re: draw request. Meeting with C. Lonergan re: Agrinvest/Wealhouse meeting debrief. Meeting with S. Ford re: KPMG fees and draw request.	4.5



Staff	Date	Comments	Hours
C. Lonergan	6-Feb-25	Review of Court materials and preparing for Court hearing, attendance at Court, review of professional fee invoices, update on treasury function, Oxley follow up with Company counsel and Company, DIP funding update and advance certificate discussion with the Company and Bank re: the same, update with BDO re: orders and posting to the website, etc.	4.6
C. Lonergan	7-Feb-25	Update on treasury functions, update discussion with Bonnefield re: day one activities, etc.	0.5
M. Basso	10-Feb-25	Meeting with P. Kouadio re: cash flow reporting etc. Correspondence from S. Ford re: payments. Correspondence from S. Ford re: payments and meeting on same. Meeting with R. Haynes re: emails for Wealhouse. Correspondence with J. Cook and S. Ford re: funding. Meeting with H. Yin re: model. Correspondence from S. Ford and J. Lee re: payments. Meeting with S. Ford re: funding.	2.8
C. Lonergan	11-Feb-25	Update discussion with Bonnefield re: funding, next steps, etc., update call with Company re: irrigation, review of materials re: the same, etc.	2.8
M. Basso	11-Feb-25	Correspondence from S. Ford re: payments and customer agreement. Correspondence from Bonnefield re: construction lien and meeting with C. Lonergan on same. Correspondence with S. Ford re: funding request. Correspondence with S. Ford re: KPMG invoice.	1.4
P. Kouadio	12-Feb-25	Prepare 13-week cashflow variance monitoring worksheet and correspond with S Ford re: same; Email/call to creditor.	1.6
C. Lonergan	12-Feb-25	Irrigation update and review, sale people update, grape purchaser update, creditor update discussion with Bank re: filing response, next steps, etc.	1.3
M. Basso	12-Feb-25	Correspondence with S. Ford re: Fasken invoices. Meeting with C. Lonergan re: Fasken invoices. Correspondence with S. Ford re: KPMG invoices. Meeting with S. Ford re: payment issue. Correspondence from S. Ford and J. Lee re: payments.	0.6
P. Kouadio	13-Feb-25	Make multiple changes to cash flow monitoring workbook and various discussions with M Basso re: same.	1.8
C. Lonergan	13-Feb-25	Update with Company re: operations, cash flows and status of grape rootstock, etc.	0.6
M. Basso	13-Feb-25	Correspondence with P. Kouadio re: variance reporting. Meeting with P Kouadio re: variance reporting. Correspondence from P. Kouadio re: variance reporting. Meeting with S. Ford re: payments, variances and other operating issues. Meetings and correspondence with S. Ford re: payment issue. Correspondence from P. Kouadio re: variance analysis, review and updates to same.	3.9
C. Lonergan	14-Feb-25	Review of irrigation schedule for orchards, review of DIP variance analysis and cash flows, discussion with BDO team re: the same, review of Company correspondence re: the same, etc.	2.0
M. Basso	14-Feb-25	Updates to cashflow variance report. Updates to cash flow variance report. Correspondence with C. Lonergan re: draft variance report. Correspondence from S. Ford re: payments. Updates to DIP budget and	2.5



Staff	Date	Comments	Hours
		variance reporting. Correspondence with C. Lonergan re: dip budget and meeting on same. Correspondence with S. Ford re: variance analysis.	
C. Lonergan	16-Feb-25	Review of hydro update with Counsel and response re: the same, etc.	0.3
G. Arenas	18-Feb-25	Opened new bank account.	0.5
P. Kouadio	18-Feb-25	Review fax from CRA and call to CRA and email re: NOI and proposal.	0.3
C. Lonergan	18-Feb-25	Review of irrigation and other information re: Bonnefield - rent costs and other operation costs requested, update call with Company re: grapes, Bonnefield, update next steps documents, discussion with BDO team re: the same, etc.	2.6
T. Montesano	18-Feb-25	Upload Motion and Order to the OSB	0.3
M. Basso	18-Feb-25	Meeting with C. Lonergan re: workflow etc. Correspondence from C. Lonergan and S. Ford re: Bonnefield information request. Correspondence with C. Lonergan re: workplan and task listing. Correspondence from C. Lonergan re: orchard rents. Meeting with C. Lonergan re: grape issue update.	1.0
P. Kouadio	19-Feb-25	Call with creditor re: NOI proceedings; Emails with K. Mangham re: notices and Ford re: outstanding invoices; Email to A. Miller from P. Slytle re: creditor claim; Emails to team thereto; Discuss and provide guidance to T. Montesano to upload endorsements, orders and other documents to OSB.	1.3
T. Montesano	19-Feb-25	Upload Court documents to the OSB.	0.4
M. Basso	19-Feb-25	Correspondence with I. Aversa re: meeting on APA and Hydro one settlement. Correspondence with S. Ford re: payments. Correspondence with S. Ford re: payments and review of same.	0.6
C. Lonergan	20-Feb-25	Update re: Bonnefield analysis, review of correspondence from Counsel re: the same, follow up with Company re: grape stock and narrative re: the same, discussion with BDO team, update call with the Bank, etc.	1.2
P. Kouadio	21-Feb-25	Call and email with Enbridge Gas re: new accounts set up re: NOI filing; Email to K. Mangham thereto.	0.5
M. Basso	21-Feb-25	Prepare for and meeting with M. Lici and I. Aversa re: APA and easement proceeds. Meeting with C. Lonergan re: easement and APA.	0.7
P. Kouadio	24-Feb-25	Various emails from creditors re: NOI extension, outstanding, pre- and post-filing amount; Respond to same incl. R Haynes.	0.8
C. Lonergan	24-Feb-25	Update call with Company re: Bonnefield correspondence, grape analysis, ownership update, farming operations etc. Update call with Counsel re: hydro easement and next steps with Torkin Manes, discussion with BDO team re: the same, etc.	1.7
M. Basso	24-Feb-25	Correspondence with C. Lonergan re: Torkin Manes issue. Meeting with C. Lonergan and S. Ford re: outstanding issues.	0.8
P. Kouadio	25-Feb-25	Revise cashflow monitoring workbook and email to S. Ford re: update to Bank; Call with S. Ford re: same.	0.5
M. Basso	25-Feb-25	Correspondence with S. Ford and R. Rumsby re: deposits.	0.2



Staff	Date	Comments	Hours
P. Kouadio	26-Feb-25	Call from Ford credit re: leased/financed vehicles.	0.1
C. Lonergan	26-Feb-25	Update call with Company re: Bonnefield, grapes, deposits, liens, AP and critical vendor, DIP funding, Essex response, discussion with BDO ream re: the same, etc.	2.5
M. Basso	26-Feb-25	Correspondence with P. Kouadio re: variance reporting. Correspondence from S. Ford re: funding request. Meeting with C. Lonergan and S. Ford re: outstanding issues. Review various correspondence from C. Lonergan.	1.0
P. Kouadio	27-Feb-25	Review actuals from weeks ending February 15 and 22, 2025 and update cashflow monitoring workbook; Email to M. Basso thereto.	1.2
C. Lonergan	27-Feb-25	Update with Company re: Essex Farmlands, review of Company correspondence re: the same, Bonnefield schedule reviews, treasury update re: DIP funding requirements, etc.	1.1
M. Basso	27-Feb-25	Correspondence with S. Ford and staff re: deposits. Meeting with C. Lonergan re: status and variance analysis. Correspondence with S. Ford re: payments. Correspondence with P. Kouadio re: variances.	0.6
C. Lonergan	28-Feb-25	Discussion with Counsel re: Bonnefield and electrical settlement, review and update re: Bonnefield orchard expenses, update with Company re: expenses and treasury functions, etc.	3.9
M. Basso	28-Feb-25	Correspondence with P. Kouadio re: UCG variance analysis review same and provide comments. Meeting with C. Lonergan re: Bonnefield response and cash flow variance reporting. Meeting with P Kouadio re: variance analysis. Updates to variance analysis and DIP budget and send same to S. Ford for review and comment. Correspondence with S. Ford re: DIP reporting. Correspondence from C. Lonergan re: Bonnefield. Review of same and update response.	3.1
P. Kouadio	28-Feb-25	Discuss update of cashflow monitoring workbook with M. Basso.	0.1

This is Exhibit D of the
Affidavit of Clark Lonergan
Sworn before me this 14th day of March 2025

DocuSigned by:

Matilda Lici

7CE576F4AA3D4CA

A Commissioner, etc.

EXHIBIT "D"

BDO CANADA LIMITED

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
UPPER CANADA GROWERS LTD. & UCG LAND INC.
TIME SUMMARY FROM JANUARY 1, 2025 TO FEBRUARY 28, 2025

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Clark Lonergan, Partner	147.80	\$ 750.00	110,850.00
Michael Basso, Partner	137.60	\$ 650.00	89,440.00
Paul Kouadio, Manager	52.40	\$ 500.00	26,200.00
Heron Yin, Manager	192.10	\$ 500.00	96,050.00
Tony Montesano, Senior Administrator	6.20	\$ 385.00	2,387.00
Jessie Hue, Senior Analyst	3.30	\$ 345.00	1,138.50
Gabriela Arenas, Administrator	0.50	\$ 150.00	75.00
Subtotal	<u>539.90</u>		<u>326,140.50</u>
Average Hourly Amount			<u><u>\$ 604.08</u></u>

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

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

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

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

Proceedings commenced at Hamilton

**AFFIDAVIT OF CLARK LONERGAN
(Sworn March 14, 2025)**

AIRD & BERLIS LLP

Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Ian Aversa (LSO #55449N)

Tel: (416) 865-3082
Email: iaversa@airdberlis.com

Miranda Spence (LSO # 60621M)

Tel: (416) 865-3414
Email: mspence@airdberlis.com

Matilda Lici (LSO #79621D)

Tel: (416) 865-3428
Email: mlici@airdberlis.com

*Counsel for BDO Canada Limited, in its capacity
as Proposal Trustee*

APPENDIX H

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

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

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

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

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

**AFFIDAVIT OF IAN AVERSA
(sworn March 13, 2025)**

I, **IAN AVERSA**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a partner and lawyer at Aird & Berlis LLP and, as such, I have knowledge of the matters to which I hereinafter depose. Aird & Berlis LLP is acting as counsel for BDO Canada Limited, in its capacity as the proposal trustee of Upper Canada Growers Ltd. and UCG Land Inc. (in such capacity, the **"Proposal Trustee"**).
2. Aird & Berlis LLP has prepared statements of account in connection with its mandate as counsel to the Proposal Trustee, which detail its services rendered and disbursements incurred, namely:
 - (a) an account dated February 13, 2025 in the amount of \$44,577.94 in respect of the period from January 16, 2025 to January 31, 2025; and
 - (b) an account dated March 12, 2025 in the amount of \$18,300.92 in respect of the period from February 1, 2025 to March 7, 2025,(collectively, the **"Statements of Account"**). Attached hereto and marked as **Exhibit "A"** to this Affidavit are copies of the Statements of Account. The average hourly rate of Aird & Berlis LLP is \$706.30.
3. Attached hereto and marked as **Exhibit "B"** to this Affidavit is a chart detailing the lawyers, law clerks and articling students who have worked on this matter.

4. This Affidavit is made in support of a motion to, *inter alia*, approve the attached accounts of Aird & Berlis LLP and the fees and disbursements detailed therein, and for no improper purpose whatsoever.

SWORN before me by video conference)
by Ian Aversa at the City of Toronto,)
in the Province of Ontario, before me on)
this 13th day of March, 2025, in)
accordance with O. Reg. 431/20,)
Administering Oath or Declaration)
Remotely)

DocuSigned by:)
Matilda Lici)
7CE576F4AA3D4CA...)

A commissioner, etc.
Matilda Lici

Signed by:)
)
9EEB9444F8E84D3...)

IAN AVERSA

Attached is Exhibit "A"

Referred to in the
AFFIDAVIT OF IAN AVERSA

Sworn before me

this 13th day of March, 2025

DocuSigned by:

Matilda Lici

7CE576F4AA3D4CA...

Commissioner for taking Affidavits, etc



Aird & Berlis LLP
Brookfield Place, Suite 1800
181 Bay Street
Toronto, Ontario M5J 2T9 Canada

T 416 863 1500
F 416 863 1515
airdberlis.com

BDO Canada Limited
500-20 Wellington Street West
Toronto, ON
M5E 1C5 Canada

February 13, 2025

Attention: Clark Lonergan

Invoice No: 1422493

Re: Insolvency proceedings re Upper Canada Growers Ltd., et al.

Client No: 013137
Matter No: 326388

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ending January 31, 2025

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
IEA	01/16/2025	850.00	2.00	1,700.00	Engaged with reviewing background documents and information from C. Lonergan; Emails and discussions with M. Spence and M. Lici re same
ML	01/16/2025	560.00	0.20	112.00	Review correspondence between counsel re proceedings
IEA	01/17/2025	850.00	0.50	425.00	Telephone call and emails with C. Lonergan and M. Spence; Discussions with M. Lici re next steps
MES	01/17/2025	775.00	0.80	620.00	Review background re company, NOI process and proposed steps
IEA	01/20/2025	850.00	1.20	1,020.00	Emails with counsel, client and A&B team re NOI filing and next steps re same; Engaged with reviewing documents re timing and next steps; Telephone call with M. Basso and M. Spence; Instructions to M. Lici re KERP
MES	01/20/2025	775.00	0.50	387.50	Review emails re scheduling court date; Call with M. Basso re potential consolidation
ML	01/20/2025	560.00	0.80	448.00	Call with I. Aversa re KERP; Review and locate precedents and email to I. Aversa re same
IEA	01/21/2025	850.00	1.00	850.00	Emails with counsel, client and A&B team re court jurisdiction; Engaged with reviewing the BNS credit agreement and emails with client re same; Engaged with reviewing draft KERP and emails with client and M. Lici re same
MES	01/21/2025	775.00	0.20	155.00	Review emails re filing in Hamilton

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
ML	01/21/2025	560.00	0.30	168.00	Review KERP precedent and email to client re same
IEA	01/22/2025	850.00	0.20	170.00	Emails with counsel, client and M. Lici re update and next steps re DIP and draft court material
MES	01/22/2025	775.00	0.30	232.50	Exchange emails re advancing materials for first appearance
IEA	01/23/2025	850.00	3.00	2,550.00	Engaged with reviewing the draft DIP term sheet and draft initial order and providing comments; Instructions to M. Lici re same; Emails with counsel, client and M. Lici re next steps; Engaged with draft KERP and providing comments; Emails re same
MES	01/23/2025	775.00	0.60	465.00	Review materials for first appearance including DIP term sheet, affidavit, first report and emails re same
ML	01/23/2025	560.00	5.10	2,856.00	Review and revise initial order, DIP term sheet, and KERP and call with I. Aversa re same
IEA	01/24/2025	850.00	3.10	2,635.00	Engaged with reviewing the SISP and providing comments; Engaged with reviewing the draft affidavit and providing comments; Instructions to M. Lici re same; Emails with counsel, client and M. Lici re same; Telephone call with C. Lonergan; Engaged with reviewing NOI filing documents; Telephone call with M. Basso and M. Lici; Instructions to M. Lici re next steps; Several emails with counsel
MES	01/24/2025	775.00	0.50	387.50	Review drafts of materials re first appearance, and emails re same
ML	01/24/2025	560.00	3.60	2,016.00	Call with I. Aversa and revise initial order and DIP term sheet and email to counsel group re same; Revise supporting affidavit and incorporate BDO's edits and email to I. Aversa re same; Call with I. Aversa to review and revise affidavit and email to counsel group re same; Review and revise SISP and SISP Order and email to I. Aversa re same; Call with I. Aversa and review cash flows
IEA	01/25/2025	850.00	0.30	255.00	Engaged with reviewing the revised draft affidavit and emails with counsel, client and M. Lici re same; Emails with counsel re DIP term sheet

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
IEA	01/26/2025	850.00	2.90	2,465.00	Engaged with reviewing the draft first report of the proposal trustee and providing comments; Emails and instructions to M. Lici re same; Engaged with reviewing and revising the draft SISP order; Emails and instructions to M. Lici re same; Emails with counsel, client and A&B team re draft court materials and next steps re same; Engaged with reviewing revised draft affidavit and emails re same
ML	01/26/2025	560.00	5.60	3,136.00	Call with I. Aversa and M. Spence; Review and revise Proposal Trustee's report; Revise SISP Order; Email to I. Aversa and M. Spence re revised drafts; Call with I. Aversa re SISP; Email to clients re SISP materials; Review and revise affidavit and email to lawyer group re same
IEA	01/27/2025	850.00	2.90	2,465.00	Engaged with reviewing cash flows submitted to OSB; Emails with client re same; Engaged with reviewing revised draft SISP and emails re same; Instructions to M. Lici re same; Telephone call and emails with counsel and client re update and next steps; Engaged with reviewing further revised draft court materials and several emails and discussions re same
MES	01/27/2025	775.00	0.50	387.50	Call with BDO, A&B, Fasken, Dickinson Wright team re advancing documents for court hearing, and emails re same
ML	01/27/2025	560.00	2.40	1,344.00	Call with counsel and revise KERP; Call with I. Aversa and M. Spence; Revise Initial Order; Revise Initial Order to add sealing language; Revise KERP and email to BDO re same; Review and revise Initial Order and email to all counsel re KERP and Initial Order
IEA	01/28/2025	850.00	4.10	3,485.00	Several emails and discussions with counsel, client and M. Lici re the draft court materials and the draft court report; Engaged with reviewing and revising the revised draft court materials (initial order, SISP order, KERP, affidavit, report) and instructions to M. Lici re same; Telephone call with counsel, client and M. Lici re update and next steps re service/filing of court materials and upcoming hearing
ML	01/28/2025	560.00	1.40	784.00	Call with I. Aversa; Revise SISP letter; Email to all counsel re DIP term sheet; Email to all counsel re SISP; Revise SISP order and initial order and emails to counsel re same; Call with I. Aversa re update

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
IEA	01/29/2025	850.00	4.50	3,825.00	Emails and discussions with counsel, client and M. Lici re the draft court materials and the draft court report; Engaged with reviewing and revising revised drafts of the court materials (DIP term sheet, initial order, SISP order, report); Instructions to M. Lici re same; Telephone call with client; Emails and discussions with court office and discussions with P. Williams (court clerk) re filing and court dates; Engaged with reviewing and revising draft report; Instructions to M. Lici re same; Emails with client re same
ML	01/29/2025	560.00	2.60	1,456.00	Revise report and email to I. Aversa re same, and email to clients re same; Assemble appendices; Finalize and serve report, draft AOS and instructions re service and filing; Email to BDO re case website
PLW	01/29/2025	295.00	1.00	295.00	Attempts to file First Report of Trustee, emails with M. Lici, Toronto Bankruptcy court and call with Toronto Bankruptcy court and online searches for Hamilton Bankruptcy court actions regarding UPPER CANADA GROWERS LTD.
IEA	01/30/2025	850.00	1.00	850.00	Emails and discussions with counsel, client and M. Lici re service, filing and the upcoming hearing; Emails with court office re same; Instructions re filing Proposal Trustee report
MES	01/30/2025	775.00	0.40	310.00	Review emails re confirmation of filing, conduct of hearing
ML	01/30/2025	560.00	0.50	280.00	Update service list and email to Meridian; Email to DW re Ford; Instructions re Caselines and uploading first report
PLW	01/30/2025	295.00	0.50	147.50	Submitted First Report of proposal Trustee for filing online in two Bankruptcy matters
IEA	01/31/2025	850.00	0.50	425.00	Emails with Applicants' counsel, court office and M. Lici re filing matters and the upcoming hearing; Instructions to M. Lici re same

TOTAL: 55.00 \$39,107.50

Name	Hours	Rate	Value
Aversa, Ian E (IEA)	27.20	\$850.00	\$23,120.00
Lici, Matilda (ML)	22.50	\$560.00	\$12,600.00
Spence, Miranda E. (MES)	3.80	\$775.00	\$2,945.00
Williams, Patrick L. (PLW)	1.50	\$295.00	\$442.50

OUR FEE \$39,107.50
 HST @ 13% 5,083.98

DISBURSEMENTS

Taxable Disbursements

Binding and Tabs	15.50
Photocopies/Scanning	326.50
Total Taxable Disbursements	\$342.00
HST @ 13%	44.46

AMOUNT DUE

\$44,577.94 CAD

THIS IS OUR INVOICE HEREIN
AIRD & BERLIS LLP



Ian E Aversa

E.&O.E.

Payment by EFT / Wire Transfer:

Beneficiary Bank:
TD Canada Trust
TD Centre
55 King Street West
Toronto, ON M5K 1A2

Beneficiary: Aird & Berlis LLP
Bank No.: [REDACTED]
Transit No.: [REDACTED]
Account: [REDACTED]
Swift Code: [REDACTED]

Payment by Cheque:

Payable To:
Aird & Berlis LLP
Brookfield Place, Suite 1800
181 Bay Street
Toronto, ON M5J 2T9

Email notification for EFT and WIRE payments: accounting@airdberlis.com Bill.Com Payment Network ID: c114483219512158

*** Aird & Berlis LLP does not accept interac/email transfers ***

Payment is due on receipt.

Please quote our Matter No. and the invoice number(s) to ensure correct allocation of payment.

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 12% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS INVOICE IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001 | PST Registration #PST-1485-2365

* For legal services provided to clients residing in Quebec, Manitoba and Saskatchewan, clients are advised to self-assess provincial sales tax on fees and disbursements charged.



Aird & Berlis LLP
 Brookfield Place, Suite 1800
 181 Bay Street
 Toronto, Ontario M5J 2T9 Canada

T 416 863 1500
 F 416 863 1515
 airdberlis.com

BDO Canada Limited
 500-20 Wellington Street West
 Toronto, ON
 M5E 1C5 Canada

February 13, 2025

Attention: Clark Lonergan

Invoice No: 1422493

Re: Insolvency proceedings re Upper Canada Growers Ltd., et al.

Client No: 013137
 Matter No: 326388

REMITTANCE SLIP

Total Fees	\$39,107.50
Total Taxable Disbursements	342.00
Total Taxes	5,128.44

AMOUNT DUE \$44,577.94 CAD

Payment by EFT / Wire Transfer:

Beneficiary Bank:	Beneficiary:	Aird & Berlis LLP
TD Canada Trust	Bank No.:	
TD Centre	Transit No.:	
55 King Street West	Account:	
Toronto, ON M5K 1A2	Swift Code:	

Payment by Cheque:

Payable To:
 Aird & Berlis LLP
 Brookfield Place, Suite 1800
 181 Bay Street
 Toronto, ON M5J 2T9

Email notification for EFT and WIRE payments: accounting@airdberlis.com Bill.Com Payment Network ID: c114483219512158

*** Aird & Berlis LLP does not accept interac/email transfers ***

Payment is due on receipt.

Please quote our Matter No. and the invoice number(s) to ensure correct allocation of payment.

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 12% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS INVOICE IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001 | PST Registration #PST-1485-2365

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T 416 863 1500
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airdberlis.com

BDO Canada Limited
500-20 Wellington Street West
Toronto, ON
M5E 1C5 Canada

March 12, 2025

Attention: Clark Lonergan

Invoice No: 1426647

Re: Insolvency proceedings re Upper Canada Growers Ltd., et al.

Client No: 013137
Matter No: 326388

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ending March 7, 2025

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
IEA	02/03/2025	850.00	0.50	425.00	Engaged with brief review of Company's factum and emails re same; Emails with client re service list; Emails re confirmation of motion and upcoming hearing
IEA	02/04/2025	850.00	0.30	255.00	Emails with client and counsel re upcoming hearing; Emails with Bonnefield's counsel, client and M. Lici re the hearing
IEA	02/05/2025	850.00	0.40	340.00	Engaged with reviewing the revised draft orders and emails and discussions re tomorrow's hearing
ML	02/05/2025	560.00	1.00	560.00	Review materials ahead of motion hearing
IEA	02/06/2025	850.00	0.40	340.00	Emails with client and M. Lici re the court attendance; Engaged with reviewing the order and endorsement
MES	02/06/2025	775.00	0.20	155.00	Review emails re outcome of first court hearing
ML	02/06/2025	560.00	5.30	2,968.00	Email to client re Zoom link for hearing; Attend at Hamilton hearing
IEA	02/07/2025	850.00	0.40	340.00	Engaged with reviewing the Teaser and the template NDA
IEA	02/10/2025	850.00	0.10	85.00	Emails with M. Lici re sale process and instructions re same
MES	02/10/2025	775.00	0.20	155.00	Review emails re ongoing mandates for company

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
IEA	02/11/2025	850.00	0.60	510.00	Emails with client re landlord matters; Emails with client and counsel re lien matters; Engaged with reviewing documents from Bonnefield; Instructions to M. Lici re security opinion; Engaged with brief review of NDAs (x2) and emails and discussions re same
ML	02/11/2025	560.00	0.30	168.00	Diarize relevant dates and call with I. Aversa
IEA	02/13/2025	850.00	0.10	85.00	Emails with D. Swift and M. Lici
IEA	02/14/2025	850.00	0.10	85.00	Emails with D. Swift
IEA	02/16/2025	850.00	0.20	170.00	Emails with counsel, client and M. Lici re correspondence from S. Dhanju-Dhillon and next steps re same
IEA	02/18/2025	850.00	0.20	170.00	Emails with client and M. Lici re update and next steps
IEA	02/19/2025	850.00	0.50	425.00	Emails with client and M. Lici re sales process and data room; Telephone call with D. Swift and M. Lici re update and next steps; Emails with client re same
ML	02/19/2025	560.00	0.30	168.00	Call with I. Aversa and D. Swift re landlord enquiries
IEA	02/20/2025	850.00	0.40	340.00	Engaged with reviewing correspondence from counsel for Bonnefield and emails and discussions with client and M. Lici re same; Engaged with reviewing NDAs from client and emails with client re same
MES	02/20/2025	775.00	0.20	155.00	Review emails re negotiations with landlord
IEA	02/21/2025	850.00	0.50	425.00	Telephone call with client and M. Lici re sale process and next steps re same; Discussions re ongoing litigation; Discussions with M. Lici re same
ML	02/21/2025	560.00	0.50	280.00	Call with I. Aversa; Call with I. Aversa and client re draft template APA
IEA	02/24/2025	850.00	0.50	425.00	Emails with S. Dhanju-Dhillon and client re litigation matters; Telephone call with C. Lonergan; Discussions with M. Spence
MES	02/24/2025	775.00	0.20	155.00	Exchange emails with Torkin Manes re outstanding matters

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
IEA	02/25/2025	850.00	1.00	850.00	Emails with client re the sale process, updates on the sale process to date, related NDAs re the sale process and next steps re the sale process; Telephone call with S. Dhanju-Dhillon and M. Spence re two pending litigation matters and next steps re same; Update to the client re same; Telephone call and discussions with M. Lici re template ADA and instructions re same; Telephone call with C. Lonergan and M. Spence
MES	02/25/2025	775.00	1.00	775.00	Review email re sale process update; Calls and exchanges of emails re Company's ongoing litigation; Call with S. Dhillon, I. Aversa re same
ML	02/25/2025	560.00	0.10	56.00	Email with I. Aversa re draft template APA
IEA	02/26/2025	850.00	0.20	170.00	Emails with client re NDAs and sale process
ML	02/26/2025	560.00	3.20	1,792.00	Draft template APA
IEA	02/27/2025	850.00	0.30	255.00	Engaged with reviewing NDAs and emails to client re proposed changes; Telephone call with C. Lonergan re update and next steps
ML	02/27/2025	560.00	0.10	56.00	Call with I. Aversa re SISP matters
IEA	02/28/2025	850.00	0.30	255.00	Emails with client and M. Spence re NDAs and sale process; Discussions with M. Spence re same
MES	02/28/2025	775.00	0.30	232.50	Review NDA, discuss with I. Aversa and email to H. Yin re same
ML	02/28/2025	560.00	0.90	504.00	Review and revise APA and email to I. Aversa re same; Review Northleaf NDA
IEA	03/01/2025	850.00	0.10	85.00	Emails with client
IEA	03/03/2025	850.00	0.60	510.00	Telephone call and emails with counsel, client and M. Spence re sale process and related NDAs; Telephone call with J. Leslie; Emails with client and M. Spence re questions from Bonnefield's counsel and next steps re same
IEA	03/04/2025	850.00	0.50	425.00	Emails with counsel, client and M. Lici re sale process and related NDAs; Emails with client and M. Spence re questions from Bonnefield's counsel and next steps re same
MES	03/04/2025	775.00	0.20	155.00	Revise response to Bonnefield counsel and circulate to BDO
IEA	03/05/2025	850.00	0.40	340.00	Emails with counsel, client and A&B team re next steps re upcoming motion; Emails re Bonnefield

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
ML	03/05/2025	560.00	0.10	56.00	Email to I. Aversa re APA
IEA	03/06/2025	850.00	0.40	340.00	Emails and discussions re fee affidavit; Emails with client, counsel and M. Spence re questions from Bonnefield
MES	03/06/2025	775.00	0.20	155.00	Email to Bonnefield counsel re outstanding questions
TOTAL:			23.30	\$16,195.50	

Name	Hours	Rate	Value
Aversa, Ian E (IEA)	9.00	\$850.00	\$7,650.00
Lici, Matilda (ML)	11.80	\$560.00	\$6,608.00
Spence, Miranda E. (MES)	2.50	\$775.00	\$1,937.50

OUR FEE \$16,195.50
HST @ 13% 2,105.42

AMOUNT DUE \$18,300.92 CAD

THIS IS OUR INVOICE HEREIN
AIRD & BERLIS LLP







Ian E Aversa

E.&O.E.

Payment by EFT / Wire Transfer:

Beneficiary Bank:
TD Canada Trust
TD Centre
55 King Street West
Toronto, ON M5K 1A2

Beneficiary: Aird & Berlis LLP
Bank No.: 
Transit No.: 
Account: 
Swift Code: 

Payment by Cheque:

Payable To:
Aird & Berlis LLP
Brookfield Place, Suite 1800
181 Bay Street
Toronto, ON M5J 2T9

Email notification for EFT and WIRE payments: accounting@airdberlis.com Bill.Com Payment Network ID: c114483219512158

*** Aird & Berlis LLP does not accept interac/email transfers ***

Payment is due on receipt.

Please quote our Matter No. and the invoice number(s) to ensure correct allocation of payment.

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 12% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS INVOICE IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001 | PST Registration #PST-1485-2365

* For legal services provided to clients residing in Quebec, Manitoba and Saskatchewan, clients are advised to self-assess provincial sales tax on fees and disbursements charged.



Aird & Berlis LLP
Brookfield Place, Suite 1800
181 Bay Street
Toronto, Ontario M5J 2T9 Canada

T 416 863 1500
F 416 863 1515
airdberlis.com

BDO Canada Limited
500-20 Wellington Street West
Toronto, ON
M5E 1C5 Canada

March 12, 2025

Attention: Clark Lonergan

Invoice No: 1426647

Re: Insolvency proceedings re Upper Canada Growers Ltd., et al.





Client No: 013137
Matter No: 326388

REMITTANCE SLIP

Total Fees	\$16,195.50
Total Taxes	2,105.42
AMOUNT DUE	<u>\$18,300.92 CAD</u>

Payment by EFT / Wire Transfer:

Beneficiary Bank:
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TD Centre
55 King Street West
Toronto, ON M5K 1A2

Beneficiary: Aird & Berlis LLP
Bank No.: 
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Attached is Exhibit "B"

Referred to in the
AFFIDAVIT OF IAN AVERSA

Sworn before me

this 13th day of March, 2025

DocuSigned by:

Matilda Lici

7CE570F4AA3D4CA...

Commissioner for taking Affidavits, etc

STATEMENT OF RESPONSIBLE INDIVIDUALS

Aird & Berlis LLP's professional fees herein are made with respect to the following individuals

Lawyer	Call to Bar	Hrly Rate	Total Time	Value
Aversa, I.	2008	\$850.00	36.20	\$30,770.00
Spence, M.	2011	\$775.00	6.30	\$4,882.50
Lici, M.	2020	\$560.00	34.30	\$19,208.00
Clerk/Student	Call to Bar	Hrly Rate	Total Time	Value
Williams, P.	N/A	\$295.00	1.50	\$442.50

**Standard hourly rates listed. However, in certain circumstances adjustments to the account were made.*

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

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

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

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

Proceedings commenced at Hamilton

**AFFIDAVIT OF IAN AVERSA
(Sworn March 13, 2025)**

AIRD & BERLIS LLP

Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Ian Aversa (LSO #55449N)

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Matilda Lici (LSO #79621D)

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Email: mlici@airdberlis.com

*Counsel for BDO Canada Limited, in its capacity
as Proposal Trustee*

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF UCG LAND INC., IN THE CITY OF HAMILTON, IN THE
PROVINCE OF ONTARIO
IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
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**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

Proceedings commenced at Hamilton

**SECOND REPORT OF PROPOSAL
TRUSTEE, BDO CANADA LIMITED**

AIRD & BERLIS LLP

Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

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Tel: (416) 865-3082
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