

**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. BK-25-03175820-0032  
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. BK-25-03175819-0032  
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**

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**MOTION RECORD  
(Returnable May 15, 2025)**

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May 6, 2025

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TO: SERVICE LIST

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**TAB**

**DOCUMENT**

1. Notice of Motion returnable May 15, 2025
2. Third Report of the Proposal Trustee dated May 6, 2025

**Appendices**

- A. First Report of the Proposal Trustee dated January 29, 2025 (without appendices)
- B. Initial Order dated February 6, 2025
- C. SISP Order dated February 6, 2025
- D. Second Report of the Proposal Trustee dated March 15, 2025 (without appendices)
- E. Stay Extension Order and Endorsement dated March 25, 2025
- F. Extended Cash Flow Forecasts for the period of January 17, 2025, to May 17, 2025
- G. Email from Robert Haynes to AreaOne dated April 11, 2025
- H. Letter from Proposal Trustee to Robert Haynes April 15, 2025
- I. Cash Flow Variance Analysis for the 8-week period ending March 8, 2025

J. Fee Affidavit of Clark Lonergan, sworn May 6, 2025

K. Fee Affidavit of Ian Aversa, sworn May 5, 202

L. Avison Young Agreement

3. Draft Order

4. Service List

**TAB 1**

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

**NOTICE OF MOTION**

(returnable May 15, 2025 at 10:00 a.m.)

BDO Canada Limited (“**BDO**”), in its capacity as Licensed Insolvency Trustee (the “**Proposal Trustee**”) under the Notices of Intention to Make a Proposal (the “**NOI**”) filed by each of Upper Canada Growers Ltd. and UCG Land Inc. (collectively, the “**Companies**”) pursuant to Subsection 50.4(6) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 (the “**BIA**”) will make a motion to a judge presiding over the Ontario Superior Court of Justice (in Bankruptcy & Insolvency) on Thursday, May 15, 2025 at 10:00 a.m., or as soon after that time as the motion can be heard.

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

**THE MOTION IS FOR:**

1. An Order, substantially in the form attached at Tab 3 of the Proposal Trustee's Motion Record:
  - (a) if necessary, abridging the time for service and filing of the notice of motion and the Motion Record, validating service of the notice of motion and the motion record so that this motion is properly returnable on May 15, 2025, and dispensing with further service thereof;
  - (b) approving the third report of the Proposal Trustee dated May 6, 2025 (the "**Third Report**") and the Confidential Supplement to the Third Report dated May 6, 2025 (the "**Confidential Supplement**") and approving the actions of the Proposal Trustee described therein;
  - (c) approving the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Third Report and the fee affidavits appended to the Third Report (the "**Fee Affidavits**");
  - (d) approving the Remaining Fees and Disbursements (as defined in the Third Report);
  - (e) authorizing BDO to act as trustee-in-bankruptcy (the "**Bankruptcy Trustee**") of the Companies upon the deemed bankruptcies of the Companies pursuant to the BIA;
  - (f) authorizing and directing the Bankruptcy Trustee to administer the bankruptcies of the Companies on a consolidated basis;
  - (g) sealing the Confidential Supplement until further Order of the Court; and

- (h) discharging the Proposal Trustee upon the Proposal Trustee filing a Discharge Certificate, substantially in the form appended to the draft order at Tab 3 of the Motion Record, certifying that the Proposal Trustee has completed the Remaining Activities (as defined in the Third Report); and
2. Such further and other relief as to this Honourable Court may seem just.

**THE GROUNDS FOR THE MOTION ARE:**

- 3. Upper Canada Growers Ltd. ("**UCG**") operates a nursery and orchard business in Southwestern Ontario, primarily in Harrow, Ontario.
- 4. UCG Land Inc. ("**LandCo**") operates as a real estate holding company for the land and buildings used by UCG in its nursery and orchard business.
- 5. On January 17, 2025, the Companies each filed an NOI under the BIA.
- 6. On February 6, 2025, the Companies applied for, and the Court issued, certain initial relief orders (the "**Initial NOI Orders**"), which, among other things:
  - a. administratively consolidated the two NOI proceedings, so that they will be administered jointly; and
  - b. approved of a Sale and Investment Solicitation Process (the "**SISP**"), to be administered by the Proposal Trustee.
- 7. The Proposal Trustee administered the SISP in accordance with the various Court-approved milestones.
- 8. The deadline for submission of binding letters of intent was April 25, 2025. No binding letters of intent were received.

9. A detailed discussion of the progress of the SISP is set out in the Third Report.
10. The Third Report also includes a detailed discussion of these proceedings and the activities of the Proposal Trustee and its counsel since the date of the second report of the Proposal Trustee.
11. The Third Report includes the affidavits of each of the Proposal Trustee and its counsel in respect their fees and disbursements. As required by the BIA and prevailing insolvency practice, the Proposal Trustee seeks approval of its fees and disbursements and those of its counsel.
12. The Third Report and the Fee Affidavits appended thereto accurately reflect the activities, fees and disbursements of the Proposal Trustee and its counsel.
13. The stay of proceedings will expire on May 16, 2025.
14. The Proposal Trustee does not expect the Companies to be in a position to file a proposal with the official receiver for the benefit of creditors.
15. Accordingly, pursuant to s. 50.4(8) of the BIA, upon the expiration of the stay of proceedings, the Companies will be deemed to have made an assignment in bankruptcy.
16. The Bank of Nova Scotia, the Companies' interim lender, supports the relief sought herein.
17. The other grounds set out in the Third Report.
18. The Consolidated Practice Direction Concerning the Central Southwest Region and the inherent and equitable jurisdiction of this Court.

19. Sections 50.4(9), 50.6, 64.1 and 64.2 of the BIA.
20. Rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended.
21. Such further and other grounds as counsel may advise and this Court may permit.

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

1. the Third Report and the Confidential Supplement, and the appendices thereto;  
and,
2. such further and other evidence as counsel may advise and this Honourable Court may permit.

May 6, 2025

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Lawyers for BDO Canada Limited, in its capacity  
as Proposal Trustee of Upper Canada Growers  
Ltd. and UCG Land Inc.

TO: **SERVICE LIST**

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

PROCEEDING COMMENCED AT  
HAMILTON

**NOTICE OF MOTION**

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Trustee of Upper Canada Growers Ltd. and UCG Land Inc.

**TAB 2**

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**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**

**THIRD REPORT OF THE PROPOSAL TRUSTEE  
May 6, 2025**

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- A. First Report of the Proposal Trustee dated January 29, 2025 (without appendices)
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- L. Avison Young Agreement

## 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 and the associated stay of proceedings 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 Sale and Investment Solicitation Process (the “**SISP**”), which was approved and directed to be administered by the Proposal Trustee pursuant to a further order dated February 6, 2025 (the “**SISP Order**”);
  - (e) approving the interim financing (the “**DIP Facility**”) funded by the Companies’ secured lender, The Bank of Nova Scotia (“**BNS**” or the “**DIP Lender**”), and granting a priority charge in favour of BNS to secure the Companies’ obligations under the DIP Facility;
  - (f) granting an administration charge (the “**Administration Charge**”) to secure payment of the fees and disbursements of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Companies;
  - (g) granting a directors’ charge (the “**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. Copies of the Initial Order and the SISP Order are attached hereto as **Appendix “B”** and **Appendix “C”** respectively.
- 5. On March 14, 2025, the Proposal Trustee prepared a report (the “**Second Report**”) to the Court in advance of the Companies’ motion (the “**Motion**”) dated March 14, 2025. A copy of the Second Report without appendices is attached hereto as **Appendix “D”**.
- 6. On March 25, 2025, the Court issued an order (the “**Stay Extension Order**”) granting the following material relief:
  - (a) extending the time to file proposals pursuant to s. 50.4(9) of the BIA and the associated stay of proceedings up to and including May 16, 2025;
  - (b) approving the Second Report, and the actions, activities and conduct of the Proposal Trustee described therein; and
  - (c) approving the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Second Report and the fee affidavits appended to the Second Report.
- 7. A copy of the Stay Extension Order and the related endorsement are attached hereto as **Appendix “E”**.

**PURPOSE**

- 8. The purpose of this third report of the Proposal Trustee (the “**Third Report**”) is to provide the Court with a detailed update on the activities undertaken by the Proposal Trustee since the Second Report and, *inter alia*:
  - (a) the Companies’ operations since the date of the Second Report;
  - (b) an update on the SISP; and
  - (c) the Companies’ actual cash flow results for the 8-week period ended May 3, 2025, versus the same budgeted period as outlined in the Companies’ cash flow forecasts for the period January 17, 2025 to May 17, 2025 (the “**Extended Cash Flow Period**”), separately for each of the Companies (the “**Extended Cash Flow Forecasts**”), projections and the Proposal Trustee’s comments regarding the variances. Copies of the Extended Cash Flow Forecasts are attached hereto as **Appendix “F”**.

9. The Third Report is also filed in support of the Proposal Trustee’s motion for an order (the “**Discharge Order**”), substantially in the form attached as Tab 3 to the Motion Record of the Proposal Trustee, *inter alia*:
- (a) approving the Third Report and the Confidential Supplement to the Third Report dated May 6, 2025 (the “**Confidential Supplement**”) and approving the actions of the Proposal Trustee described therein;
  - (b) sealing the Confidential Supplement until further Order of the Court;
  - (c) authorizing BDO to act as trustee-in-bankruptcy (the “**Bankruptcy Trustee**”), a licensed insolvency trustee, of the Companies upon the deemed bankruptcies of the Companies pursuant to the BIA (the “**Deemed Bankruptcies**”);
  - (d) authorizing the Trustee, upon or after the Deemed Bankruptcies of the Companies, to administer the bankruptcy estates of UCG OpCo and LandCo on a consolidated basis;
  - (e) approving the fees and disbursements of the Proposal Trustee, as set out in the Fee Affidavit of Clark Lonergan sworn May 6, 2025 (the “**BDO Fee Affidavit**”);
  - (f) approving the fees and disbursements of the Proposal Trustee’s independent legal counsel, Aird & Berlis LLP (“**A&B**”), as set out in the Fee Affidavit of Ian Aversa sworn May 5, 2025 (the “**A&B Fee Affidavit**”);
  - (g) approving the Proposal Trustee’s estimate of the operating costs and reserves required to complete these Proposal Proceedings and the funding of the bankruptcy proceedings (the “**Remaining Fees and Disbursements**”);
  - (h) discharging the Proposal Trustee upon the Proposal Trustee filing a Discharge Certificate, substantially in the form appended to the draft order at Tab 3 of the Motion Record, certifying that the Proposal Trustee has completed the Remaining Activities (as defined below).
10. Finally, the Third Report is filed to provide the Proposal Trustee’s recommendations vis-à-vis the order (the “**Receivership Order**”) sought by the DIP Lender to, *inter alia*:
- (a) appoint BDO Canada Limited as receiver (in such capacity, the “**Receiver**”) of all of the assets and undertaking of UCG OpCo and LandCo (the “**Receivership Proceedings**”);

- (b) establish a charge over the Companies' assets in favour of the Receiver and its counsel for the administration of the Receivership Proceedings (the "**Receiver's Charge**");
  - (c) establishing a charge over the Companies' assets, in an amount not to exceed \$500,000, to fund the Receivership Proceedings (the "**Receiver's Borrowings Charge**");
  - (d) approving an engagement between Avison Young Commercial Real Estate Services, LP ("**Avison**") and the Receiver.
11. The Proposal Trustee has also prepared the Confidential Supplement, which should be read by the Court in conjunction with this Third Report, and which will assist the Court in considering the relief being sought by the Proposal Trustee and the DIP Lender.
  12. The Proposal Trustee understands that the DIP Lender will be relying on the affidavit of Mr. James Cook, Senior Manager, Special Accounts Management at BNS, sworn May 5, 2025 (the "**Cook Affidavit**") in support of the relief sought in the Receivership Order.
  13. The Proposal Trustee understands that the Companies support the relief sought by the Proposal Trustee.
  14. The Cook Affidavit, along with all other materials filed with the Court in these Proposal Proceedings, the Receivership Proceedings or the Deemed Bankruptcies are 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](http://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/upper-canada-growers-ltd) (the "**Case Website**").

#### **TERMS OF REFERENCE**

15. In preparing this Third Report, 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**"). The Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the 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. The Proposal Trustee has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided.

16. Some of the Information referred to in this Third 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.
17. Future oriented financial information referred to in this Third 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.
18. Unless otherwise indicated, the Proposal Trustee's understanding of factual matters expressed in this Third Report concerning the Companies and their business is based on the Information, and not independent factual determinations made by the Proposal Trustee.
19. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

#### **THE COMPANIES' OPERATIONS**

20. Since the Second Report, Management of the Companies have focused on oversight of regular operations and assisting the Proposal Trustee with the SISP. Management, with the assistance of the Proposal Trustee, has engaged in discussions with various stakeholders, suppliers, customers, and employees to minimize disruption to the operations and reduce conflicts. As of the date of this Third Report, the Companies have maintained their business operations without significant disruption or issues. Additionally, Management has assisted with the SISP by assisting the Proposal Trustee with responding to due diligence requests from Qualified Bidders.

#### **PROPOSAL TRUSTEE'S ACTIVITIES**

21. Since the date of the Second Report, the Proposal Trustee has undertaken the following activities:
  - (a) attended the Companies' second motion on March 25, 2025;
  - (b) uploaded all court materials and certain other relevant documents to the Case Website;
  - (c) engaged with its legal counsel, 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 stakeholders;
- (f) reviewed the Companies' actual cash receipts and disbursements and variances to the DIP budget for the same period as outlined in the Extended Cash Flow Forecasts;
- (g) corresponded with BNS regarding the bi-weekly reporting as outlined in the DIP Term Sheet;
- (h) assisted Management with the Companies' interim funding requests;
- (i) assisted the Companies in responding to information requests from orchard partners, namely Essex Farmland Holdings LP ("**Essex**") and Bonnefield Canadian Farmland LP V Master ("**Bonnefield**", and together with Essex, the "**Orchard Partners**"), regarding maintenance and capital expenditure plans for their respective orchards;
- (j) corresponded with Aginvest Farmland IV Inc. and Aginvest Farmland IV LP. (collectively, "**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;
- (k) assisted Management in analyzing a number of operational matters, including:
  - (i) deposits received to date for 2025 and 2026 sales;
  - (ii) matters related to headcount and timing of the return of employees (including those in the foreign worker program); and
  - (iii) pursuing the collection of certain insurance proceeds from the Agristability program, which is administered by Agricorp, a crown agency of the Government of Ontario.
- (l) continued to assist Management with other supplier, customer and stakeholder communications;
- (m) attended to other matters pertaining to the administration of these Proposal Proceedings;
- (n) reviewed the security of BNS and Agricultural Credit Corporation ("**ACC**") engaged in discussions with counsel regarding same;
- (o) administered the SISP, including:

- (i) supervising and assisting with activities related to the SISP;
  - (ii) updating the virtual data room (“VDR”) with financial and operational information to aid potential purchasers in their due diligence process;
  - (iii) reviewing the expressions of interest (“EOIs”) received and providing a summary comparison of same to the DIP Lender;
  - (iv) providing recommendations and assistance to BNS regarding the selection of EOIs and determination of Qualified Bidders;
  - (v) communicating with potential purchasers regarding either their selection to become a Qualified Bidder or their exit from the SISP;
  - (vi) working with A&B and the Companies’ legal counsel to draft the template agreement of purchase and sale;
  - (vii) corresponding with Management to address due diligence questions and inquiries from Qualified Bidders;
  - (viii) following up with potential bidders regarding their interest in the Companies’ assets; and
  - (ix) providing various updates to the BNS regarding the SISP;
- (p) prepared this Third Report and the Confidential Supplement; and
- (q) attended to other matters pertaining to the administration of these Proposal Proceedings.

22. The Proposal Trustee is requesting approval of this Third Report, its confidential supplement and the activities of the Proposal Trustee described herein.

#### **SISP UPDATE**

23. Immediately following the issuance of the SISP Order on February 6, 2025, the Proposal Trustee, among other things:

- (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 Confidential Information Memorandum, 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.
24. A summary of the status of the 174 Known Potential Bidders who were emailed the opportunity is as follows:
- (a) five of the Known Potential Bidders (the “**EOI Bidders**”) provided non-binding expressions of interest on or before March 28, 2025 (the “**EOI Bid Date**”). These EOIs were then assessed by the Proposal Trustee and BNS and, on April 1, 2025, the EOI Bidders were notified if they had been selected to participate in the next phase of the SISP or if they were rejected;
  - (b) three of the EOI Bidders were selected to proceed to the next round of the SISP which required binding letters of intent (“**LOI**”) to be received on or before April 25, 2025 (the “**LOI Bid Date**”); and
  - (c) all three Qualified Bidders exited the process prior to the LOI Bid Date. Accordingly, no binding offer for the business were received by the LOI Bid Date.
25. The Proposal Trustee attempted to assist the Qualified Bidders by connecting them with certain other members of the EOI Bidders and the Orchard Partners to address their operational concerns and enable them to submit an LOI by the LOI Bid Date. Nevertheless, no binding offers were received.
26. The Proposal Trustee is of the view that re-running the SISP would be costly and unlikely to yield any better result than the SISP that was already administered.
27. Further details on the SISP are outlined in the Confidential Supplement.

***Interference by Robert Haynes***

28. On April 11, 2025, after learning that AreaOne Farms (“**AreaOne**”) had reservations about continuing to pursue a potential acquisition of the Companies’ assets, the Chief Executive Officer of the Companies, Robert Haynes, sent an unauthorized email to the Chief Executive Officer of AreaOne with his commentary on the value of the Companies’ assets and suggested that AreaOne could significantly lower their offer price and BNS would likely agree to the closing of such transaction. A copy of this email is attached as **Appendix “G”**.

29. The Proposal Trustee considered Mr. Haynes' email to be prejudicial to the SISP and indicative of a failure to act in good faith. Accordingly, through its counsel, the Proposal Trustee issued a letter to Mr. Haynes requiring him to cease and desist all communications with any Potential Bidders without the approval of and direction from the Proposal Trustee, and advising that the Proposal Trustee would consider next steps relating to his continued employment and compensation. A copy of this letter is attached as **Appendix "H"**.

#### **CASH FLOW PROJECTIONS**

30. The Proposal Trustee has monitored the banking activities of the Companies and reviewed the actual cash flows from operations for the eight-week period ending May 3, 2025.
31. The Companies' negative cash flow for the eight-week period ending May 3, 2025 exceeded the corresponding Extended Cash Flow Forecasts for that same period by approximately \$280,000. This negative variance is largely due to:
- (a) receipts were approximately \$480,000 lower due to cold weather, which delayed spring sales;
  - (b) the receipts were offset by approximately \$460,000 of lower professional fee disbursements due to delayed payments, to be reversed shortly;
  - (c) operating costs (farm materials, labour, utilities, equipment, etc.) were approximately \$220,000 higher than projected due to the reversal of timing differences from the prior period and an acceleration of material purchases; and
  - (d) approximately \$35,000 of fees and interest were charged by the DIP Lender, which were not forecasted until June (i.e., the period beyond the Extended Cash Flow Forecast Period).
32. A summary of the variance analysis regarding the same are attached hereto as **Appendix "I"**.
33. It is anticipated that the positive variances will likely reverse over the final weeks of the Proposal Proceedings, as the majority of the KERF will be paid out prior to the Discharge Order.

#### **THE RELIEF AND ORDER BEING SOUGHT BY THE PROPOSAL TRUSTEE**

##### ***Approval of the Proposal Trustee's Fees and Disbursements***

34. 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.

35. The Proposal Trustee and A&B have maintained records of their professional time and costs. The Proposal Trustee requests approval of its interim fees and disbursements for the period from March 1, 2025 to May 3, 2025 (the “**BDO Fee Period**”), and the interim fees and disbursements for A&B for the period from March 1, 2025 to May 2, 2025 (the “**A&B Fee Period**”).
36. The total interim fees and disbursements of the Proposal Trustee for the BDO Fee Period total \$198,079.96 (including HST and net of \$25,000 of courtesy discounts), comprising fees in the amount of \$175,292 (exclusive of HST) and disbursements in the amount of \$0, as more particularly described in the BDO Fee Affidavit, a copy of which is attached hereto as **Appendix “J”**.
37. The total interim fees and disbursements of A&B for the A&B Fee Period total \$53,704.89 (including HST), comprising fees in the amount of \$53,704.89 and disbursements in the amount of \$741.22, as more particularly described in the A&B Fee Affidavit, a copy of which is attached hereto as **Appendix “K”**.
38. The Proposal Trustee respectfully submits that the fees and disbursements of the Proposal Trustee and its counsel 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 Third Report.
39. The fees of the Proposal Trustee and A&B Fees for the period from each of the BDO Fee Period and the A&B Fee Period to the effective date of the Proposal Trustee’s discharge will be calculated and billed at the standard hourly rates currently in effect. Assuming no opposition to the relief requested by the Proposal Trustee, and that such relief is granted on May 15, 2025, the additional fees and disbursements of the Proposal Trustee and A&B up to the effective date of the Proposal Trustee’s discharge are estimated not to exceed \$70,000, plus applicable taxes and disbursements (the “**Remaining Fees and Disbursements**”). The Remaining Fees and Disbursements includes the costs payable in respect of the bankruptcies of the Companies.

#### ***Termination of the Proposal Proceedings***

40. Under the BIA, the current stay of proceedings will expire on May 16, 2025 (the “**Stay Period**”).
41. Given the results of the SISF, and the lack of ongoing interim financing, the Proposal Trustee is of the view that the Companies no longer have the ability to make a viable proposal within

the Proposal Proceedings. Accordingly, the Stay Period should not be extended any further, and the appointment of the Receiver is appropriate and reasonable in the circumstances.

***Bankruptcy Proceedings***

42. Under the Initial Order, the Proposal Trustee is not prevented from subsequently acting as trustee in bankruptcy of the Companies or their property.
43. Given BDO's background, knowledge and experience as Proposal Trustee of the Companies, it makes economic sense for BDO to act as the Bankruptcy Trustee of the Companies if they are deemed bankrupt.
44. The Companies are part of a single business enterprise. They share the same directors, Management, books and records and DIP Lender.
45. The Proposal Trustee seeks an order consolidating the Companies' bankruptcy estates on a procedural basis, upon their deemed bankruptcies, in order to save costs. The Discharge Order and the Receivership Order provide for an allocation of funds for the administration of the Companies' bankruptcy estates.
46. The procedural consolidation of the bankruptcy estates will not prejudice creditors. Rather, consolidation will yield cost savings insofar as the Bankruptcy Trustee will only be required to, among other things, convene one meeting of creditors for both estates, and review a single proof of claim from each creditor. The costs saved by avoiding the duplication of procedural steps will benefit creditors.
47. The proposed consolidation of the bankruptcy estates is solely administrative in nature. It is not proposed that the creditor pools for each of the Companies be co-mingled or substantively consolidated. All creditors shall continue to hold distinct claims and rights against the individual estates of the Companies, which will be addressed in accordance with the law.
48. Pursuant to the Initial Order, the Charges (as defined in the Initial Order) and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") shall not be limited or impaired in any way by the deemed bankruptcies of the Companies. The continuation of the Charges into the Receivership Proceedings, as contemplated in the Receivership Order being sought by BNS, will ensure that the Chargees are not prejudiced by the appointment of the Receiver or the deemed bankruptcies of the Companies.

## THE RELIEF AND ORDER BEING SOUGHT BY THE DIP LENDER

### *Appointment of a Receiver*

49. Given BDO's background, knowledge and experience as Proposal Trustee of the Companies, it makes economic sense for BDO to act as the Receiver of the assets and undertakings of the Companies.
50. The Proposal Trustee obtained written opinions (the “**Security Opinions**”) from A&B, its independent legal counsel, with respect to the validity and enforceability of each of BNS’ and ACC’s respective security.
51. Subject to qualifications and assumptions customary in rendering security opinions of this nature, the Security Opinions confirm that the security interests granted by the Companies in favour of BNS and ACC, respectively, are valid and enforceable. Pursuant to an Acknowledgement and Postponement dated November 21, 2023, delivered by ACC to BNS, the security interest of BNS in the personal property of the Companies is subordinate only to the security interest of ACC with respect to:
  - (a) all present and future deciduous tree crops of the Debtor, including all proceeds thereof, for which a cash advance payment was issued by the Creditor under the “Advance Payments Program” (APP) pursuant to the Agricultural Marketing Programs Act (AMPA) and any subsequent present and future agricultural products of the same nature produced by the Debtors whether or not harvested, and whether or not attached by root to the land of the Debtors; and
  - (b) all proceeds made payable to the Debtors under the Business Risk Management Program (BRM).

### *Receiver’s Charge*

52. The Receivership Order provides for a charge as security for the professional fees and disbursements of the Receiver and the Receiver’s independent counsel, A&B.
53. The fees and disbursements secured by the Receiver’s Charge will be paid in the normal course using proceeds from the Companies’ inventory sales or through borrowings secured by the Receiver’s Borrowings Charge.
54. BDO is of the view that given the current liquidity constraints of the Companies and the extensive time period that may be required to sell the Companies’ real property, the proposed Receiver’s Charge is required. BDO is of the view that the Receiver’s Charge is necessary for the effective participation of the professionals in the Receivership Proceedings.

### ***Receiver's Borrowings Charge***

55. The Receivership Order contemplates that the Receiver shall be granted the requisite authority to exercise borrowing powers (as needed) to fund the payment of ongoing costs for the Receivership Proceedings to a maximum of \$500,000.
56. BDO is of the view that given the current liquidity constraints of the Companies and the extensive time period that may be required to sell the Companies' real property, the proposed Receiver's Borrowings Charge is necessary.
57. BDO is of the view that the Receiver's Borrowings Charge is necessary for the operation of the Receivership Proceedings and believes that the quantum of the Receiver's Borrowings Charge is reasonable in the circumstances based upon a review and assessment of the anticipated costs of the Receivership Proceedings.

### ***Approval of the Avison Engagement***

58. Prior to the EOI Bid Deadline, the Proposal Trustee sought proposals from four real estate brokerages in case the SISP failed to yield a going-concern bid for the Companies' business.
59. Of these four parties solicited, three submitted proposals to the Proposal Trustee. The Proposal Trustee discussed the proposals with the DIP Lender and recommended the selection of Avison. Further details on the three proposals and the selection of Avison can be found in the Confidential Supplement.
60. After all Qualified Bidders exited the SISP, BDO entered into negotiations with Avison to formalize listing agreements for the marketing and sale of the Companies' real estate (collectively, the "**Avison Agreement**"). The Avison Agreement is conditional on Court approval of Avison's engagement. A copy of the Avison Agreement can be found in **Appendix "L"**.
61. The DIP Lender has no objections to the engagement of Avison pursuant to the Avison Agreement.
62. Given the competitive process that was run to solicit proposals, and the DIP Lender's approval of the Avison Agreement, BDO is of the opinion that the terms of the Avison Agreement are fair and reasonable in the circumstances and should be approved by this Court.

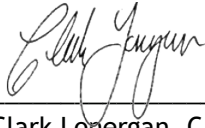
### **CONCLUSION AND RECOMMENDATIONS**

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

64. For the reasons stated in this Third Report, the Proposal Trustee supports the relief sought by the Proposal Trustee and the DIP Lender as set out above.

All of which is respectfully submitted this 6<sup>th</sup> day of May 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.**



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



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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  
Division No. 07 - Hamilton  
Court File No. 32-3175820  
Estate No. 32-3175820

**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 C - Companies' Initial Cash Flow projections for the period ended April 12, 2025
- 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 30<sup>th</sup>, 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.
<b>Current Assets</b>		
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
<b>Total Current Assets</b>	<b>24,499,972</b>	<b>4,927,022</b>
Property, Plant and Equipment	3,325,107	12,382,600
<b>Total Assets</b>	<b>27,825,079</b>	<b>17,309,622</b>
<b>Current Liabilities</b>		
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
<b>Total Current Liabilities</b>	<b>24,325,291</b>	<b>11,742,165</b>
Long Term Debt	1,136,991	4,734,498
<b>Total Debt</b>	<b>25,462,282</b>	<b>16,476,663</b>
Equity	2,362,797	832,959
<b>Total Debt and Equity.</b>	<b>27,825,079</b>	<b>17,309,622</b>

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
<b>Total</b>				<b>27,800,000</b>	<b>22,052,585</b>

\* 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
<b>Total</b>			<b>4,737,054</b>

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.

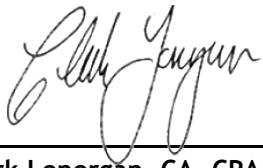
124. The Proposal Trustee is of the view that the proposed enhanced powers in favour of the Proposal Trustee are appropriate given the operational challenges still impacting the Companies; the uncertainty associated with the Special Shareholder Powers and who might be otherwise in control of the business; 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 29<sup>th</sup> 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.**



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



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**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)**

**AIRD & BERLIS LLP**  
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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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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.

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Justice J. Henderson

Issued and Entered Electronically by

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Register T. Lecuyer

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

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

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

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

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

**Proceeding commenced at Hamilton**

**ORDER  
(INITIAL PROPOSAL ORDER)**

**DICKINSON WRIGHT LLP**

199 Bay Street, Suite 2200  
Commerce Court West  
Toronto ON, M5L 1G4

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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  
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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.

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Justice J. Henderson

Issued and Entered Electronically by

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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):

<b>SISP Milestones</b>	<b>Deadline</b>
Go to market	Friday February 7, 2025
Expression of Interest Date (“ <b>EOI Deadline</b> ”)	Friday, March 28, 2025 (5:00 PM Eastern Time) (8-week marketing process)
Select Qualified Bidders	Tuesday, April 1, 2025
Binding Letter of Intent (“ <b>LOI Deadline</b> ”)	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 (“ <b>Outside Date</b> ”)	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](mailto:clonergan@bdo.ca)

Email: [mbasso@bdo.ca](mailto: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  
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*Counsel for UCG Land Inc. and Upper Canada Growers Ltd.*

# Appendix D

**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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## LIST OF APPENDICES

- Appendix A - First Report of the Proposal Trustee dated January 29, 2025 (without appendices)
- Appendix B - Initial Court Order dated February 6, 2025
- Appendix C - SISP Order dated February 6, 2025
- Appendix D - Original Cash Flow Forecasts for the period January 17, 2025 to April 12, 2025
- Appendix E - Cash Flow Variance Analysis for the 8-week period ending March 8, 2025
- Appendix F - Extended Cash Flow Forecasts for the period of January 17, 2025 to May 17, 2025
- Appendix G - Fee Affidavit of Clark Lonergan, sworn March 14, 2025
- Appendix H - Fee Affidavit of Ian Aversa, sworn March 13, 2025

## 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](http://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
<b>Total</b>	<b>174</b>	<b>19</b>	<b>5</b>	<b>15</b>	<b>15</b>

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.

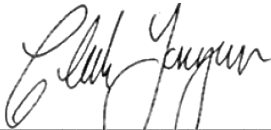
#### **CONCLUSION AND RECOMMENDATIONS**

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.

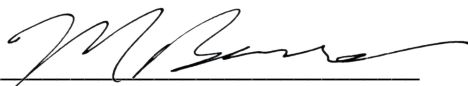
All of which is respectfully submitted this 14<sup>th</sup> day of March 2025.

**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.**



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



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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  
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

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

**AIRD & BERLIS LLP**

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

**Ian Aversa** (LSO #55449N)

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

# Appendix E

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

THE HONOURABLE  
JUSTICE SHEARD

)  
)  
)

TUESDAY, THE 25TH  
DAY OF MARCH, 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**

**THIS MOTION**, made by Upper Canada Growers Ltd. and UCG Land Inc. (collectively, the "**Companies**") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 (the "**BIA**"), for an order, among other things: (a) extending the time for the Companies to file proposals under section 50.4(9) of the BIA to and including May 16, 2025; (b) approving the second report of BDO Canada Limited in its capacity as proposal trustee of the Companies (in that capacity, the "**Proposal Trustee**") dated March 14, 2025 (the "**Second Report**") and approving the actions of the Proposal Trustee described in the Second Report; and (c) approving the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Second Report and the fee affidavits appended to the

Second Report, was heard this day by Zoom videoconference at the courthouse at 45 Main Street East, in Hamilton, Ontario.

**ON READING** the affidavit of Robert Haynes sworn March 14, 2025 and the Second Report, and on hearing the submissions of the respective counsel for the Companies, the Proposal Trustee, and such other counsel and parties present, no one else appearing although duly served as appears from the Affidavit of Service of Talya Bertler sworn March 14, 2025, filed,

### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Motion Record and Second Report is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

### **EXTENSION OF STAY PERIOD**

2. **THIS COURT ORDERS** that, pursuant to subsection 50.4(9) of the BIA, the time for the Companies to file proposals is extended up to and including May 16, 2025.

### **APPROVAL OF THE REPORT, ACTIONS, AND FEES OF THE PROPOSAL TRUSTEE**

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

4. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee up to and including February 28, 2025, as set out in the Second Report and the fee affidavit of Clark Lonergan sworn March 14, 2025, appended to the Second Report, be and are hereby approved.

5. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee's independent legal counsel, Aird & Berlis LLP, up to and including February 28, 2025, as

set out in the Second Report and the fee affidavit of Ian Aversa sworn March 13, 2025, appended to the Second Report, be and are hereby approved.

### **SERVICE OF DOCUMENTS**

6. **THIS COURT ORDERS** that the Guide Concerning Commercial List E-Service (the “**Guide**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* (the “**Rules**”), this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/upper-canada-growers-ltd>.

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

8. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Companies and the Proposal Trustee and their respective counsel and agents are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding copies thereof by prepaid ordinary mail, courier, personal delivery, email or facsimile transmission to the Companies’ creditors or other interested parties at their

respective addresses (including email addresses) as last shown on the records of the Companies and that any such service or distribution shall be deemed to be received on the earlier of (a) the date of transmission thereof, if sent by electronic message on or prior to 5:00 p.m. Eastern Time; (b) the next business day following the date of forwarding or transmission thereof, if sent by courier, personal delivery, facsimile transmission or electronic message sent after 5:00 p.m. Eastern; or (c) on the third business day following the date of forwarding thereof, if sent by ordinary mail.

## **GENERAL**

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

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

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

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

L. Sheard J.

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**

**DICKINSON WRIGHT LLP**

Barristers & Solicitors  
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Lawyers for Upper Canada Growers Ltd. and UCG Land  
Inc.



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**DOCKET # 16**  
**ENDORSEMENT SHEET FOR CIVIL MOTIONS**

**ACTION COMMENCED AT:** SCJ 45 Main St E. Hamilton, Ontario

**SHORT TITLE OF PROCEEDINGS:** UCG Land Inc. v. Upper Canada Growers Ltd.

**COURT FILE NO.:** BK-25-03175819-032 and BK-25-03175820-0032

**BEFORE:** JUSTICE HENDERSON

**HEARD ON:** February 6, 2025

**COUNSEL:** D. Seifer, for UCG Land and Upper Canada Growers,  
Counsel also appeared for BDO and Bank of Nova Scotia

**MOVING PARTY**     Plaintiff/Applicant     Defendant/Respondent     Other

**RELIEF REQUESTED:**                      TO BE COMPLETED BY PARTY

**ORDER SIGNED**                                       **ON CONSENT**

**UNOPPOSED**     **NO ONE APPEARED**

**ADJOURNED TO:** \*

**ENDORSEMENT:**

Orders to go in accordance with the draft orders uploaded to Case Center at page A474 and page A491.

**Date:** February 6, 2025

  
Justice J. HENDERSON

# Appendix F

Upper Canada Growers Ltd. ("UCG")

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

	Projected	Actual	Variance	Comment
<b>Receipts</b>				
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.
<b>Total Receipts</b>	<b>321,609</b>	<b>250,345</b>	<b>(71,264)</b>	
<b>Disbursements</b>				
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.
<b>Total Disbursements</b>	<b>2,218,003</b>	<b>1,436,432</b>	<b>781,572</b>	
<i>Cumulative Cash Flow</i>	<i>(1,896,394)</i>	<i>(1,186,087)</i>	<i>710,307</i>	
<b>Funding Source</b>				
<b>Revolving Facility</b>				
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	
<b>DIP Facility</b>				
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

----- Forwarded message -----

From: **Robert Haynes** <[rob@uppercanadagrowers.ca](mailto:rob@uppercanadagrowers.ca)>

Date: Fri, Apr 11, 2025 at 5:39 PM

Subject: UCG

To: <[joelle@areaonefarms.ca](mailto:joelle@areaonefarms.ca)>

Hi Joelle,

I think you should take another look at this again and at a lower offer. The key is the 250ac of Wealhouse. There is going to be 15 million in inventory on this piece of property shortly, and if you purchased just the property, the inventory becomes yours for free. Keep in mind that this inventory has no value unless it's cared for. We showed BDO a unsigned lease agreement for this property

Then the home farm the appraised value is not there im sure you figured this into your number already  
The 110 ac is 2 million maybe

Joe's is worth 400,000 at the best but i doubt they would get that

Ferris road 47ac is worth 1.2 million

The lab, ignoring it has no value even if the equipment has no value, we can shut it down. I would suggest we keep it running just to fill our needs for the time being but that can be decide later.

The leases will go with whoever takes my family, that's Bonnefields concern.

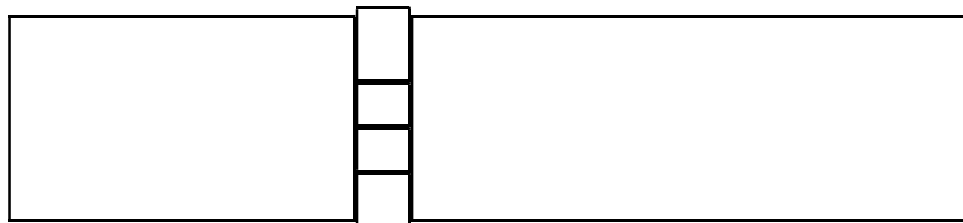
You should get this for 12 million with there being 15 million on Wealhouse. And you can see what the orchard will produce. Remember we can not dig nursery stock at this time of the year. It would have to be dug in November and put in storage until spring. The bank would have to sit on this for a long time, which I know they won't.

I believe we could make a deal to get some of this money back from the total price tag. There is a grape nursery looking at it too. They are interested in the grape vine out of the lab. Supply them with clean material out of the lab.

Think about it we can talk more if you want

Thanks,  
Robert

--



# Appendix H

April 15, 2025

**DELIVERED BY EMAIL** [rob@uppercanadagrowers.ca](mailto:rob@uppercanadagrowers.ca)

Robert Haynes  
921 Concession 2 Rd  
Niagara-on-the-Lake, ON L0S 1J0

Dear Mr. Haynes:

**Re: In the Matter of the Proposal of Upper Canada Growers Ltd. and UCG Land Inc.  
Court File Nos. 32-3175819 and 32-3175820**

---

As you know, we are the lawyers for BDO Canada Limited, in its capacity as the proposal trustee (the “**Proposal Trustee**”) of Upper Canada Growers Ltd. and UCG Land Inc. (the “**Companies**”) in the above-referenced proceedings.

The Proposal Trustee was provided a copy of your email correspondence to Joelle Faulkner of Area One Farms of April 11, 2025 at 5:39 p.m. Your communication to Ms. Faulkner was inappropriate, compromises the integrity of the Court-approved sale and investment solicitation process (the “**SISP**”), and is potentially damaging to the Companies’ efforts to restructure. The Proposal Trustee views this conduct as a failure by you to act in good faith.

You ought not to be communicating with Potential Bidders (as that term is defined in the SISP) without the oversight of the Proposal Trustee, and the Proposal Trustee considers this conduct to be grounds for termination of your employment with the Companies.

The Proposal Trustee requires that you immediately cease and desist all communications with any Potential Bidders without the approval of and direction from the Proposal Trustee, and is considering next steps relating to your continued employment and compensation, including whether your conduct disqualifies you from receiving the Retention Fee contemplated under the Key Employee Retention Plan.

Please direct any questions or concerns regarding this letter or the SISP to the Proposal Trustee or its counsel.

Yours truly,

AIRD & BERLIS LLP



Ian Aversa  
IA/ML

cc: Clark Lonergan and Michael Basso, BDO Canada Limited  
John Leslie, Counsel to the Companies

64164953.2

# Appendix I

Upper Canada Growers Ltd. ("UCG")

2024-03-09 to 2025-05-03 Cumulative				
	Projected	Actual	Variance	Comment
<b>Receipts</b>				
AR Receipts	1,435,600	1,088,991	(346,609)	Lower due to colder weather and delay in Spring ramp up.
Other Receipts	245,734	114,007	(131,727)	April HST refund not yet received.
<b>Total Receipts</b>	<b>1,681,334</b>	<b>1,202,998</b>	<b>(478,336)</b>	
<b>Operating Disbursements</b>				
Operational Costs	431,842	690,801	(258,959)	Higher farm costs for materials and fuel (fuel forecasted in the utilities line item).
Payroll & Benefits	682,028	703,062	(21,034)	Negative variance for vacation payout and mix of regular workers vs. temporary foreign workers.
Rent	24,982	25,504	(522)	
Equipment loans	46,584	74,918	(28,334)	Reversal of prior timing variance.
Utilities	154,306	69,626	84,680	Fuel costs included in operating cost line.
Interim Financing Fees and Interest	-	34,032	(34,032)	Payment of interest on pre-filing revolver, request to credit against DIP fees.
Key Employee Retention Program	-	-	-	
Professional Fees	557,083	99,528	457,555	Timing difference.
<b>Total Disbursements</b>	<b>1,896,825</b>	<b>1,697,470</b>	<b>199,355</b>	
<b>Cumulative Cash Flow</b>	<b>(215,491)</b>	<b>(494,472)</b>	<b>(278,981)</b>	
<b>Cash Balance</b>				
Opening Balance	-	411,958	411,958	
Net Cash Flow	(215,491)	(494,472)	(278,981)	
DIP Draws/(Repayments)	215,491	600,000	384,509	
<b>Ending Balance</b>	<b>-</b>	<b>517,487</b>	<b>517,487</b>	
<b>DIP Balance</b>				
Opening Balance	1,896,394	1,500,000	396,394	
DIP Draws/(Repayments)	215,491	600,000	(384,509)	
<b>Ending Balance</b>	<b>2,111,885</b>	<b>2,100,000</b>	<b>11,885</b>	

UCG Landco Inc.

2024-03-09 to 2025-05-03 Cumulative				
	Projected	Actual	Variance	Comment
<b>Receipts</b>				
Other Receipts	-	-	-	
<b>Total Receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Operating Disbursements</b>				
Other	-	-	-	
<b>Total Disbursements</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Cumulative Cash Flow</b>	<b>-</b>	<b>-</b>	<b>-</b>	

# Appendix J

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

**Court File No. BK-25-03175819-0032  
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. BK-25-03175820-0032  
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 May 6, 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 and UCG Land Inc. (collectively, 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 delivered its First Report to the Court, in which it outlined its activities with respect to Proposal Proceedings.
4. On March 14, 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 "**Initial Period**"), and those of its legal counsel.

5. On May 6, 2025, the Proposal Trustee finalized its Third 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 March 1, 2025, to May 28, 2024 (the "**Period**"), and those of its legal counsel.
6. The Proposal Trustee commenced its activities on the Filing Date.
7. During the Period, the Proposal Trustee has provided services in the amount of \$175,292.00 (inclusive of \$25,000 in courtesy discounts but exclusive of HST). Attached hereto and marked as **Exhibit "A"** and **Exhibit "B"** to this Affidavit is a summary 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**").
8. 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.
9. In the course of performing its duties as set out above at paragraph 7, the Proposal Trustee's staff expended a total of 311.30 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 \$563.10.
10. The Proposal Trustee requests that this Court approve its Proposal Trustee's Accounts for the Period, in the total amount of \$175,292.00 (excluding HST) for services rendered and recorded during the Period.

11. 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, which reflect the Proposal Trustee's time as billed at the standard billing rates.
12. 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 March 1, 2025, to May 2, 2025, (the "**Counsel's Period**"). The Proposal Trustee has reviewed the invoices rendered by Aird during the Counsel's Period.
13. 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.
14. 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
15. 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 video conference )  
by Clark Lonergan at the City of Toronto, )  
in the Province of Ontario this 6<sup>th</sup> day of )  
May 2025 )

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

DocuSigned by: )  
*Clark Lonergan* )  
E3CC158198EC49A... )

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A commissioner, etc.  
Matilda Lici

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**CLARK LONERGAN**

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF CLARK LONERGAN

Sworn before me

this 6<sup>th</sup> day of May, 2025

DocuSigned by:

*Matilda Lici*

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Matilda Lici

Commissioner for taking Affidavits, 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 MARCH 1, 2025 TO MAY 3, 2025

Invoice #	Description	Period	Fees Incurred	Disbursements	Discounts	Sub Total	HST	Total
CINV3345998	NOI	March 1, 2025 to March 31, 2025	\$ 49,902.00	\$ -	\$ -	\$ 49,902.00	\$ 6,487.26	\$ 56,389.26
CINV3345977	SISP	March 1, 2025 to March 31, 2025	\$ 57,660.00	\$ -	\$ -	\$ 57,660.00	\$ 7,495.80	\$ 65,155.80
CINV3417111	NOI	April 1, 2025 to May 3, 2025	\$ 66,880.00	\$ -	\$ (15,000.00)	\$ 51,880.00	\$ 6,744.40	\$ 58,624.40
CINV3417102	SISP	April 1, 2025 to May 3, 2025	\$ 25,850.00	\$ -	\$ (10,000.00)	\$ 15,850.00	\$ 2,060.50	\$ 17,910.50
			<u>\$ 200,292.00</u>	<u>\$ -</u>	<u>\$ (25,000.00)</u>	<u>\$ 175,292.00</u>	<u>\$ 22,787.96</u>	<u>\$ 198,079.96</u>

Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF CLARK LONERGAN

Sworn before me

this 6<sup>th</sup> day of May, 2025

DocuSigned by:

*Matilda Lici*

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Matilda Lici

Commissioner for taking Affidavits, 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 MARCH 1, 2025 TO MAY 3, 2025

Meals	-
Mileage	-
Lodging	-
<b>Total</b>	<u>-</u>
	\$ -

Attached is Exhibit "C"

Referred to in the

AFFIDAVIT OF CLARK LONERGAN

Sworn before me

this 6<sup>th</sup> day of May, 2025

DocuSigned by:

*Matilda Lici*

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Matilda Lici

Commissioner for taking Affidavits, 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

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**Strictly Private & Confidential**

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

Attention: Mr. Robert Haynes

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Date	Invoice
April 4, 2025	CINV3345977

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**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 March 1, 2025 to March 31, 2025 for work related to the Sale and Investment Solicitation Process ("SISP").

Our Fee	\$ 57,660.00
HST - 13% (#R101518124)	7,495.80
<b>Total</b>	<b>\$ 65,155.80</b>

**Summary of Time Charges:**

	Hours	Rate	Amount
C. Lonergan, Partner	27.8	750.00	20,850.00
M. Basso, Partner	22.4	650.00	14,560.00
P. Kouadio, Manager	4.6	500.00	2,300.00
H. Yin, Manager	39.9	500.00	19,950.00
<b>Total</b>	<b>94.7</b>		<b>\$ 57,660.00</b>

**BANK WIRE TRANSFER/EFT PAYMENTS:** Payment can be made online in Canadian funds. Please ensure you email your online payment confirmations including invoice #, amount paid and payment date) to [EFTPayments@bdo.ca](mailto:EFTPayments@bdo.ca)

The banking information for BDO Canada Limited is as follows for Canadian Funds

CIBC Main Branch  
Commerce Court  
199 Bay Street  
Toronto, ON M5L 1G9  
Account Name: BDO Canada Limited

Bank: Canadian Imperial Bank of Commerce  
Bank Institution #: 010  
Transit #: 00002  
Account #: 91-26910  
Swift Reference #: CIBCCATT



Staff	Date	Comments	Hours
C. Lonergan	3-Mar-25	Update call with Company counsel re: M. Nayar entrance and requirements re: the same, update correspondence with Company re: NDA, and next steps re: SISP, update discussion with Counsel re: M. Nayar next steps, etc.	0.9
M. Basso	4-Mar-25	Meeting with C. Lonergan re: Oya NDA etc. Correspondence with M. Nayar re: SISP meeting. Meeting with M. Nayar and C. Lonergan re: status update. Correspondence with counsel to Wealhouse re: NDA. Correspondence with C. Lonergan re: Wealhouse.	1.5
C. Lonergan	4-Mar-25	Update call with M. Nayar, correspondence re: the same, discussion with BDO team and Counsel re: the same, etc.	0.8
H. Yin	4-Mar-25	Various correspondence with potential buyers.	0.5
C. Lonergan	5-Mar-25	Update re: SISP, site visits, data room access and insurance update, etc.	0.8
M. Basso	5-Mar-25	Correspondence with R. Haynes re: Wealhouse etc.	0.3
H. Yin	6-Mar-25	Various correspondence with potential buyers; Follow up with interested parties, send out information packages, etc.	1.5
M. Basso	7-Mar-25	Meeting with C. Lonergan re: realtor proposals etc. Review appraisals, collect pins and draft realtor proposal correspondence and send to C. Lonergan for comment.	1.4
C. Lonergan	7-Mar-25	Review of SISP activity, calls with potential purchasers re: process and next steps, review of real estate proposal notices, review of update correspondence for stakeholders, discussion with BDO team and Bank re: the same, etc.	3.5
H. Yin	7-Mar-25	Continue to follow up with various interested parties, send out information packages, etc.; Send out reminders for NDA, forward and organize NDAs to R. Haynes for signature and organize; Update buyer's list tracker and draft update email to C. Lonergan for review.	3.5
H. Yin	10-Mar-25	Various correspondence with potential buyers, follow ups, calls, etc.	2.8
H. Yin	11-Mar-25	Review various correspondence from Company; Correspondence with R. Haynes re: potential buyer outreach; Attend meeting with Company re: Bonfield irrigation issue, etc.; Draft summary for Heartnut Grove lien amount; Email counsel re: NDA revisions for potential buyer; Attend call with Bonfield and take notes, review email received subsequently as recap of call; Various continued correspondence with potential buyers.	3.8
P. Kouadio	12-Mar-25	Call with H. Yin re: follow ups calls to interested parties; Various calls to interested parties from buyers list re: SISP.	1.2
C. Lonergan	12-Mar-25	Update correspondence re: real estate proposals and discussion with relators re: the same, etc. Update with	1.6



Staff	Date	Comments	Hours
		potential purchasers, review of NDA, follow up with BDO team re: SISP update, etc.	
H. Yin	12-Mar-25	Send out emails, update buyer list, continued follow up, etc. Meeting with P. Kouadio re: coordination.	1.2
M. Basso	12-Mar-25	Correspondence from C. Lonergan re : realtor sale proposals. Correspondence from M. Nayar re: information requests.	0.4
P. Kouadio	13-Mar-25	Research phone numbers of interested parties from buyers list and calls re: SISP.	1.1
C. Lonergan	13-Mar-25	Update discussion with Realtors re: sales process, update call with potential purchaser, etc.	0.5
H. Yin	13-Mar-25	Meet with N. Garcia and R. Haynes re: sales process, buyers, etc. Correspondence with and outreach to potential buyers.	3.1
P. Kouadio	14-Mar-25	Various calls to interested parties from buyers list re: SISP; Research phone numbers of missing parties.	1.8
C. Lonergan	14-Mar-25	Update on Second Report re: SISP, follow up with BDO re: status and purchaser outreach follow-up, follow up with potential purchasers re: next steps, update Real Estate proposals and appraisals re: the same, discussion with BDO team re: the same, etc.	1.6
M. Basso	14-Mar-25	Updates to appraisal summary re: owned properties and correspondence with S. Ford on same. Correspondence with M. Nayar re: information requests and correspondence with S. Ford on same. Coordinate posting of internal financials, AR and AP listings in dataroom with H. Yin. Meeting with S. Ford re; old appraisals and review of same.	1.7
H. Yin	14-Mar-25	Follow up with S. Ford re: financials. Upload to data room re: same; Circulate invites to potential bidders re: sales process; Draft Heartnut grove irrigation lien email for C. Lonergan's review. Send to Company re: same; Update buyers list, conduct review, sent to M. Basso for review; Multiple correspondence with potential buyers, etc.	2.8
C. Lonergan	15-Mar-25	Update correspondence to realtors re: proposal changes, etc.	0.4
M. Basso	17-Mar-25	Correspondence from C. Lonergan re: Realtor information. Meeting with H. Yin, R. Haynes, S. Ford and staff as well as various reps of RHA ventures and AreaOne farms. Meeting with H. Yin re: GM analysis. Correspondence with P. Chabot re: site visit.	1.4
H. Yin	17-Mar-25	Prepare for and attend call with potential bidder and Company re: sales process; Attend call with Company's counsel and Company re: irrigation lien, etc.; Multiple correspondence with potential bidders.	2.5
C. Lonergan	17-Mar-25	Follow up with BDO team re: call with potential purchaser and next steps, update re: relator process and appraisal updates, etc.	1.1



Staff	Date	Comments	Hours
M. Basso	18-Mar-25	Correspondence with S. Ford re: appraisals. Prepare except packages for realtors. Prepare for and meeting with H. Yin, C. Cain and Northwind re: SISP process etc. Correspondence with H. Yin re: dataroom access.	1.8
H. Yin	18-Mar-25	Multiple correspondence with potential bidders, Company, etc. Add additional parties into the data room; Call with C. Lonergan re: updates to potential buyers in the data room; Meeting with potential bidder and Company re: next steps, questions, etc. Meeting with M. Basso, company and potential purchaser.	2.0
C. Lonergan	18-Mar-25	Discussion and update with BDO team re: updates to potential buyers in the data room; etc.	0.4
P. Kouadio	19-Mar-25	Call to companies and discuss call progress with H. Yin.	0.5
M. Basso	19-Mar-25	Correspondence from M. Lici re: draft APA, review and provide comments on same. Correspondence with Colliers re: real-estate proposals.	0.6
H. Yin	19-Mar-25	Multiple correspondence with Company and potential bidders, NDAs, and data room access to parties; Export data room activities and send to Company, C. Lonergan for review.	1.0
M. Basso	20-Mar-25	Meeting with Colliers re: background and proposal request. Correspondence from C. Lonergan re: bidder tracking. Correspondence with Avison young re: appraisal excerpts.	1.1
H. Yin	20-Mar-25	Correspondence with C. Lonergan re: parties in the data room and updates; Draft email to J. D. Leslie re: Heartnut Grove lien matter; Multiple correspondence with potential bidder and counsel re: finalizing draft NDA.	1.0
C. Lonergan	20-Mar-25	Review of BDO team correspondence re: parties in the data room and updates, review of re: Heartnut Grove lien matter; review of APA and counsel comments re the same, etc.	1.3
M. Basso	21-Mar-25	Correspondence with J. Frazier and H. Yin re: dataroom. Meeting with D. Cairns re: SISP. Meeting with H. Yin re: bidder updates. Meeting with C. Lonergan re: bidder updates.	0.7
H. Yin	21-Mar-25	Multiple discussions with Company re: status of sales process. Multiple outreach emails and calls to buyers re: approaching EOI deadline.	3.5
C. Lonergan	21-Mar-25	Update correspondence with Realtors, update on potential bidders, etc.	0.8
C. Lonergan	24-Mar-25	Update call with potential purchaser, due diligence review outstanding items and model review, etc.	1.2
C. Lonergan	24-Mar-25	Update call with Company and Counsel re: liens and Bonfield items, cash flow update, etc.	1.4



Staff	Date	Comments	Hours
H. Yin	24-Mar-25	Continued correspondence and outreach to interested buyers. Correspondence with R. Haynes re: same, additional buyer requested information, etc.	2.5
M. Basso	25-Mar-25	Review real-estate proposal from Colliers and correspondence on same.	0.5
C. Lonergan	25-Mar-25	APA review and review of correspondence re: the same, follow up with potential purchasers re: EOIs, etc.	0.5
H. Yin	25-Mar-25	Correspondence with Company re: status of interested parties, etc.; Outreach to buyers, email NDA and teasers, etc.	1.2
M. Basso	26-Mar-25	Meeting with C. Lonergan re: process preparation. Correspondence from P. Chabot re: proposal Correspondence with R. Haynes re: Bonnefield	0.7
C. Lonergan	26-Mar-25	Review of real estate proposals and discussion with realtors re: the same, etc.	2.9
H. Yin	26-Mar-25	Email reminder to various interested buyers. Phone call follow up re: same, etc.	1.0
C. Lonergan	27-Mar-25	Follow up with potential purchasers re: remaining items and/or missing items, update re: EOI submission, discussion with BDO team re: the same, update appraisal excerpts discussion re: data room, etc.	1.2
H. Yin	27-Mar-25	Follow ups with parties, correspondence with Company re: same. Meeting with C. Lonergan re: status update.	1.1
C. Lonergan	28-Mar-25	Update calls with Purchasers re: EOIs, review of EOIs, update call with BDO team re: the same, update call with AY Realtor proposal, update call with Bank re: update, various calls with BDO team re: the same, update correspondence to working group, etc.	2.8
M. Basso	28-Mar-25	Meeting with C. Lonergan re: offer analysis etc. Meeting with S Ford re: Wealhouse visit and Area 1. Correspondence with C. Lonergan and S. Ford re: Wealhouse. Correspondence with H. Yin and I. Aversa re: APA posting etc. Correspondence from C. Lonergan re: offer template and review same. Updates to appraisal and proposal summary and meeting with C. Lonergan on same. Correspondence with C. Lonergan re: offers and review of same. Draft EOI analysis	4.2
H. Yin	28-Mar-25	Multiple follow ups with potential buyers re: EOI deadline; Discussions with potential buyers re: EOI requirements, etc.	3.7
C. Lonergan	29-Mar-25	Review of EOIs, review of EOI summary and review of correspondence to Bank re: the same, etc. Correspondence with M. Basso re: EOIs.	2.0
M. Basso	29-Mar-25	Updates to draft EOI analysis re: additional EOI, updates to draft correspondence on same. Correspondence with C. Lonergan re: comments on updated EOI analysis and changes	2.2



Staff	Date	Comments	Hours
		to same. Correspondence with C. Lonergan re: additional revisions to EOI analysis and send final version of same to BNS.	
C. Lonergan	30-Mar-25	Update review of EOI analysis and ESR update re: the Bank, etc.	0.8
C. Lonergan	31-Mar-25	Update with Bank re: EOI, follow up with BDO team re: the same, ESR review update, discussion with Company and Bonnefield re: SISP, follow up review of EOI submissions and next steps re: terms and conditions, etc.	1.3
M. Basso	31-Mar-25	Correspondence from J. Mitges re: realization request and prepare analysis on same. Updates to draft realization estimate and meeting with C. Lonergan on same. Prepare for and meeting with J. Cook, J. Mitges, K. Rodenberg and H. Yin re: EOIs and next steps. Meeting with C. Lonergan re: debrief meeting with BNS. Correspondence to J. Mitges re: appraisals. Correspondence to I. Aversa re: EOIs etc. Meeting with I. Aversa, M. Lici and M. Spence re: EOI's and action plan. Review notes on same. Meeting with C. Lonergan re: A&B meeting debrief. Correspondence to I. Aversa and J. Leslie re: update meeting scheduling.	3.9
H. Yin	31-Mar-25	Update call with Bank re: offers received, next steps, etc. Take notes re: same.	1.2



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

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**Strictly Private & Confidential**

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

Attention: Mr. Robert Haynes

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Date	Invoice
April 4, 2025	CINV3345998

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**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 March 1, 2025 to March 31, 2025.

Our Fee	\$ 49,902.00
HST - 13% (#R101518124)	6,487.26
<b>Total</b>	<b>\$ 56,389.26</b>

**Summary of Time Charges:**

	Hours	Rate	Amount
C. Lonergan, Partner	28.2	750.00	21,150.00
M. Basso, Partner	33.5	650.00	21,775.00
P. Kouadio, Manager	13.2	500.00	6,600.00
H. Yin, Manager	0.6	500.00	300.00
T. Montesano, Sr. Administrator	0.2	385.00	77.00
<b>Total</b>	<b>75.7</b>		<b>\$ 49,902.00</b>

**BANK WIRE TRANSFER/EFT PAYMENTS:** Payment can be made online in Canadian funds. Please ensure you email your online payment confirmations including invoice #, amount paid and payment date) to [EFTPayments@bdo.ca](mailto:EFTPayments@bdo.ca)

The banking information for BDO Canada Limited is as follows for Canadian Funds

CIBC Main Branch  
Commerce Court  
199 Bay Street  
Toronto, ON M5L 1G9  
Account Name: BDO Canada Limited

Bank: Canadian Imperial Bank of Commerce  
Bank Institution #: 010  
Transit #: 00002  
Account #: 91-26910  
Swift Reference #: CIBCCATT



Staff	Date	Comment	Hours
C. Lonergan	3-Mar-25	Treasury update, review of correspondence from the Bank, etc.	0.4
M. Basso	4-Mar-25	Correspondence with S. Ford re: grape purchase considerations. Prepare appraisal summary.	0.4
C. Lonergan	4-Mar-25	Review of correspondence from Counsel re: Bonnefield and follow-up with Company re: same, etc.	0.4
C. Lonergan	5-Mar-25	Update re: grapes and Bonnefield, DIP funding, discussion with Company and BDO team re: the same, etc.	1.6
M. Basso	5-Mar-25	Correspondence from M. Lici re: Bonnefield responses etc. Correspondence from S. Ford re: Grapes. Correspondence from D. Seifer re: stay extension. Correspondence with S. Ford re: funding request. Correspondence with S. Ford re: appraisals. Correspondence re: Bonnefield response. Meeting with C. Lonergan and S. Ford re: DIP funding etc.	1.4
M. Basso	6-Mar-25	Correspondence from C. Lonergan and M. Haynes re: grape orders. Correspondence from S. Ford re: Royal Brinkman issue. Correspondence to Royal Brinkman re: delivery performance. Correspondence with RBC re: mortgage payout statements and review of same. Meeting with C. Lonergan re: LC issue. Additional correspondence with J. Cook re: RBC and LC. Prepare draft second report.	2.2
C. Lonergan	6-Mar-25	Update correspondence to Bonnefield. Update Company re: vendors, grapes, pre-filing amounts, update correspondence to Company re: 2026 grapes and deposits, etc. Meeting with M. Basso re: RBC LC etc.	1.4
M. Basso	7-Mar-25	Meeting with C. Lonergan re: Court report and cash flow. Review updated DIP budget re: extended NOI cash flow. Updates to draft report. Correspondence from J. Cook and S. Ford re: DIP draw	0.9
C. Lonergan	7-Mar-25	Update correspondence re: DIP funding, vendor issues, update re: Bonnefield next steps and call re: the same, etc.	1.0
M. Basso	9-Mar-25	Correspondence with S. Ford and staff re: funding request.	0.3
P. Kouadio	10-Mar-25	Review cashflow workbook and email to S. Ford re: bi-weekly cashflow monitoring; Call and emails with C. Lonergan re: expenses and Hydro One security deposit; Call with S. Ford thereto.	0.6
C. Lonergan	10-Mar-25	Follow up correspondence and calls with Company re: operations items, cash flows, and orchard capex, follow up with Company re: cash payment requires, etc.	1.1
M. Basso	10-Mar-25	Correspondence with S. Ford and staff re: funding request.	0.2
C. Lonergan	11-Mar-25	Upcall with BDO team re: Bonnefield items with regards to Coolio and Neudorf orchards, update on lien claim items, call with Bonnefield, Company team re: the same, next steps discussion with Company, etc.	2.8
C. Lonergan	12-Mar-25	Review of correspondence re: deposits, etc. Call with Company and Essex Farmlands, etc.	1.0



Staff	Date	Comment	Hours
M. Basso	11-Mar-25	Meeting with C. Lonergan re: Bonnefield and orchard issues.	0.5
M. Basso	12-Mar-25	Correspondence from C. Lonergan re: work plan and outstanding items. Updates to draft report.	1.6
P. Kouadio	13-Mar-25	Emails with K. Mangham re: outstanding invoice from Ford Credit; Calls with K. Mangham and Kelly at Ford Credit re: same; Call with S. Ford re: cash flow monitoring; Review cash flow and email to S. Ford thereto; Update cash flow monitoring workbook; Meeting with S. Ford to discuss variance and changes to prior week's actuals; Further updates to cash flow monitoring workbook and send to M. Basso.	3.3
C. Lonergan	13-Mar-25	Report review, prepare fee affidavit, discussion with BDO team re: the same, etc.	1.5
M. Basso	13-Mar-25	Meeting with S. Ford re: appraisals and cash flow updates. Updates to draft report. Meeting with C. Lonergan re: cash flows and draft report. Correspondence with J. Leslie re: draft report and motion. Correspondence from M. Lici re: fee affidavit and review same. Correspondence with C. Lonergan re: invoices for fee affidavit. Prepare updated cash flow for stay extension. Meeting with C. Lonergan re: cash flow update. Correspondence from S. Ford re: cash flow variances. Meeting with S. Ford re: cash flow variances. Updates to draft cash flows and meeting with C. Lonergan on same. Send draft cash flows to S. Ford for execution. Correspondence re: realtor appraisals. Meeting with P. Kouadio re: cash flow variance report.	5.3
H. Yin	13-Mar-25	Draft fee affidavit appendices for court report; Correspondence with M. Basso re: variance analysis for cash flow.	0.6
P. Kouadio	14-Mar-25	Call with M. Pho from CRA re: examination on unsecured creditors list for GST/HST purposes; Email to Company re: same; Emails re: cash flow variance monitoring and DIP cash flow; Arrange for upload of motion materials to creditor website; Email and call to IT thereto.	1.6
C. Lonergan	14-Mar-25	Review and update on Second Report, update and review of the fee affidavits, update on operational items and dash board, update on DIP report and cash flow variances, etc.	4.2
M. Basso	14-Mar-25	Correspondence from C. Lonergan re; comments on draft report, updates to same. Correspondence with S. Ford re: NOI cash flows and updates to same. Send executed cash flows to S. Ford and T. Bertler. Updates to draft report and send same to I. Aversa. Correspondence from T. Bertler re: motion materials, review and comment on same. Send comments to M. Lici. Meeting with S. Ford re: open items. Meeting and correspondence with S. Ford re: DIP variance analysis etc. Correspondence from M. Nayar re: Oya request, meeting with C. Lonergan on same, correspondence to I. Aversa and J. Leslie on same.	3.8
C. Lonergan	16-Mar-25	Correspondence to Company re: irrigation issue and operations memo, etc.	0.4



Staff	Date	Comment	Hours
P. Kouadio	17-Mar-25	Arrange for upload of Companies' motion to creditor website; Correspond with IT and team thereto.	0.2
M. Basso	17-Mar-25	Correspondence from C. Lonergan and UCG staff re: irrigation issue. Correspondence to I. Aversa re: report comments. Meeting with C. Lonergan re: status update. Review appraisals from S. Ford re: additional appraisals. Review appraisals from S. Ford re: additional appraisals. Prepare excerpt package for Ferris farm and send to realtors. Correspondence with S. Ford and C. Lonergan re: M. Nayar issue and planning for meeting with J. Leslie. Review initial order re: enhanced powers. Correspondence with C. Lonergan and S. Ford re: preparation and coordination of meeting with J. Leslie. Prepare for and meeting with C. Lonergan, H. Yin, R. Haynes, J. Leslie, S. Ford, J. Haynes and S. Hunt re: various issues (Colio lien, Essex rent request and M. Nayar action). Correspondence with J. Leslie re: draft report, review same. Correspondence from M. Lici re: comments on draft report, updates to same and finalize with appendices. Meeting with C. Lonergan re: fee affidavit.	4.1
C. Lonergan	17-Mar-25	Correspondence from BDO team and Company re: irrigation issue, review of correspondence with Counsel re: draft proposal trustee report, meeting with BDO team re: status update, correspondence with Company re: shareholder issue, and planning for meeting with Company and Counsel, review of correspondence with Company re: preparation and coordination of meeting with Counsel, attend meeting with Company, Counsel and BDO team, update with BDO team re: fee affidavit and other draft report items, follow up correspondence with Essex Farms re: next steps, etc.	3.6
P. Kouadio	18-Mar-25	Call to McDougall Energy re: voicemail left to C. Lonergan re: NOI and email thereto; Respond to email from McDougall Energy and Company re: extension of stay period future deliveries. Respond to calls from creditors.	0.9
T. Montesano	18-Mar-25	Update creditor information.	0.1
M. Basso	18-Mar-25	Correspondence with S. Ford re: diesel payment. Correspondence to Royal Birkman re: isopropyl purchase issue. Correspondence with M. Lici re: Second report of the Proposal Trustee. Correspondence with I. Aversa and P. Kouadio re: posting of report. Correspondence from R. Tohomson re: meeting request for Mori Essex matter. Meeting with C. Lonergan re: Mori Essex matter.	1.0
C. Lonergan	18-Mar-25	Update and review of correspondence re: shareholder dispute with Counsel, call with Bonnefield and review and follow up of capex schedule re: the same, etc.	2.6
P. Kouadio	19-Mar-25	Email with K. Mangham re: Ford Credit; Various emails with A. Miller from Phillips Lytle re: proof of claims and service list requests.	0.6
M. Basso	19-Mar-25	Review statement of claim on Mori Essex matter. Correspondence from RBC re: account closures and meeting with S. Ford on same. Meeting with S. Ford re: operating issues etc. Meeting with T. Sillanpaa and J. Barr re: Mori Essex matter, correspondence to same	2.2



Staff	Date	Comment	Hours
		re: PT's website. Correspondence to J. Leslie and I. Aversa re: service list. Meeting with S. Ford re: cash flow and M. Nayar inquires.	
C. Lonergan	19-Mar-25	Review of litigation correspondence and discussion with BDO team re: the same, etc.	0.4
P. Kouadio	20-Mar-25	Emails with M. Lici from Aird & Berlis re: service list request; Emails with M. Basso and A. Miller from Phillips Lytle re: same; Call from Ford Credit re: outstanding payments and various emails with K. Mangham re: same; Arrange with IT for update of new service list on creditor website.	1.2
M. Basso	20-Mar-25	Correspondence from P. Kouadio re: service list. Correspondence with S. Ford and I. Aversa re: Mori Essex. Correspondence with S. Ford re: new legal issues. Correspondence with J. Leslie and R. Haynes re: lien issue. Correspondence from R. Cooper re: APA comments. Prepare for and meeting with S. Ford and R. Haynes re: Essex land sale etc.	1.6
C. Lonergan	20-Mar-25	Review correspondence from counsel re: Torkin Manes items, update correspondence with Counsel re: the same, review Company counsel update re: Bonfield and discussion re: the same, etc.	0.6
P. Kouadio	21-Mar-25	Email with WSP re: change requested to unsecured amount; Respond re: proof of claim; Review invoices and email to T. Montesano re: same.	0.3
M. Basso	21-Mar-25	Correspondence to J. Leslie re: Essex Colchester issue. Correspondence from J. Leslie re: land sale.	0.4
C. Lonergan	21-Mar-25	Update re: Essex, review of correspondence from Company and Counsel re: the same, operational update, discussion with Company re: the same, etc.	1.1
P. Kouadio	24-Mar-25	Review HST examination letter received from CRA and email to S. Ford re: same.	0.3
T. Montesano	24-Mar-25	Review of CRA correspondence, send same to P. Kaudio	0.1
M. Basso	24-Mar-25	Correspondence with T. Bertler re: court Correspondence with C. Lonergan and J. Cook re: next steps meeting. Correspondence with G. Larocque re: greenhouses. Correspondence from P. Kouadio re: CRA notice and review of same. Correspondence with S. Ford re: payment request and meeting with S. Ford on same.	1.4
P. Kouadio	25-Mar-25	Review cash flow workbook and update cash flow variance monitoring worksheet; Compare workbook versions and extend monitoring weeks re: new NOI period extension; Call to M. Basso, finalize updates and send workbook and report to M. Basso; Upload Court order to creditor website.	2.4
M. Basso	25-Mar-25	Correspondence from S. Ford re: revised payment request and review of same. Correspondence to P. Kouadio re: variance analysis. Meeting with C. Lonergan re: ops scorecard etc. Correspondence to S. Ford on same. Prepare for and attend virtual Court	1.5



Staff	Date	Comment	Hours
C. Lonergan	25-Mar-25	Update with BDO team re: Court appearance, DIP funding, operations dashboard update and discussion with BDO team and Company re: the same, update re: Lien, etc.	1.1
P. Kouadio	26-Mar-25	Correspond with IT re: upload of Court order to creditor website; Call from creditor re: further extension and NOI; Discuss cash flow variance report with M. Basso and review same; Call from CRA re: GST/HST returns status for UCG Land and proof of claim; Email with S. Ford thereto.	1.8
M. Basso	26-Mar-25	Correspondence with K. Mangham and S. Ford re: Royalbirkman issue. Meeting with S. Ford re: variances. Updates to variance analysis. Correspondence to J. Cook re: interest issue follow up. Correspondence to S. Ford re: variance reporting. Correspondence from J. Leslie re: letters to M. Nayar and etc., review and comments on same. Correspondence from S. Ford re: ops scorecard, review same and comment. Meeting with S. Ford re: ops scorecard etc.	2.7
C. Lonergan	26-Mar-25	Review of Company legal letters, update on operations dashboard, update on DIP request, grapes and nursery sales and deposit, etc.	1.3
M. Basso	27-Mar-25	Correspondence with S. Ford re: appraisal summary. Correspondence with C. Lonergan re: appraisal excerpts, updates to same and send to dataroom. Correspondence with M. Stephenson re: draft APA review comments on same.	1.1
C. Lonergan	28-Mar-25	Update with Company and BDO team re: operations summary, variance reporting and reforecast re: the same, etc.	1.1
M. Basso	28-Mar-25	Correspondence re: APA template and send same to H. Yin for dataroom posting. Correspondence with S. Ford and J. Cook re: funding request.	0.4
C. Lonergan	31-Mar-25	Operational update and cash flow update re: the same, etc.	0.6
M. Basso	31-Mar-25	Meeting with S. Ford re: funding. Correspondence with M. Stephenson re: changes to APA. Correspondence with S. Ford and J. Cook re: funding.	0.5



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 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
May 5, 2025	CINV3417102

**RE: Upper Canada Growers - SISP**

**TO OUR FEE FOR PROFESSIONAL SERVICES** rendered in connection with our engagement as Proposal Trustee of the above noted entity from April 1, 2025, to May 3, 2025, for work related to the Sale and Investment Solicitation Process (“SISP”).

Our Fee	\$ 25,850.00
Courtesy Discount	(10,000.00)
Subtotal	<u>15,850.00</u>
HST - 13% (#R101518124)	2,060.50
<b>Total</b>	<b><u>\$ 17,910.50</u></b>

**Summary of Time Charges:**

	Hours	Rate	Amount
C. Lonergan, Partner	8.7	750.00	6,525.00
M. Basso, Partner	26.5	650.00	17,225.00
H. Yin, Manager	4.2	500.00	2,100.00
<b>Total</b>	<b><u>39.4</u></b>		<b><u>\$ 25,850.00</u></b>

**BANK WIRE TRANSFER/EFT PAYMENTS:** Payment can be made online in Canadian funds. Please ensure you email your online payment confirmations including invoice #, amount paid and payment date) to [EFTPayments@bdo.ca](mailto:EFTPayments@bdo.ca)

**The banking information for BDO Canada Limited is as follows for Canadian Funds**

CIBC Main Branch  
 Commerce Court  
 199 Bay Street  
 Toronto, ON M5L 1G9  
 Account Name: BDO Canada Limited

Bank: Canadian Imperial Bank of Commerce  
 Bank Institution #: 010  
 Transit #: 00002  
 Account #: 91-26910  
 Swift Reference #: CIBCCATT



Staff	Date	Comments	Hours
C. Lonergan	1-Apr-25	Update call with Bonnefield re: SISP process and bid received, update with BDO team and Bank re: next round bidders and review of correspondence re: the same, etc.	1.8
M. Basso	1-Apr-25	Correspondence with J. Cook re: Phase 2 bidders. Meeting with C. Lonergan re: Phase 2 reach outs. Correspondence to EOI bidders re: advancement or rejection in SISP. Correspondence with AreaOne re: EOI meeting and meeting with C. Lonergan re: same. Review and take notes on AreaOne offer. Prepare for and meeting with AreaOne re: EOI. Meeting with C. Lonergan re: debrief AreaOne meeting. Meeting with S. Ford re: due diligence requests. Correspondence to AreaOne re: purchase agreement for Agrinvest land and lease. Meeting with S. Ford re: AreaOne scheduling etc. Meeting with S. Ford re: diligence requests. Correspondence with S. Ford and D. Bacon re: AreaOne DD meetings.	3.7
M. Basso	2-Apr-25	Correspondence to JD Irving and VineTech re: EOI(s). Prepare for and meeting with J. Leslie, I. Aversa, M. Spence and M. Lici re: EOI's, Essex and Heartnut Grove. Meeting with S. Ford and A. Hourihan re: SISP process and due diligence. Prepare for and meeting with D. Bacon et. Al from AreaOne and S. Ford et. Al. From UCG re: due diligence requests. Meeting with S. Ford re: debrief call with AreaOne. Meeting with C. Lonergan re: AreaOne debrief. Correspondence with S. Ford re: AreaOne items. Meeting with R. Haynes re: AreaOne meeting.	3.1
C. Lonergan	3-Apr-25	Update call with potential purchaser, review of purchaser correspondence, update call with Company re: meetings and due diligence requests, etc.	1.0
C. Lonergan	4-Apr-25	Follow-up call with proposed purchaser re: due diligence requirements, management, orchard partners and potential purchaser update call, etc.	0.8
M. Basso	7-Apr-25	Prepare for and meeting with S. Ford, D. Bacon and R. Jansen re: DD items, site visit etc. Correspondence from S. Ford and N. Garcia re: dd items. Meeting with C. Lonergan re: status update etc. Correspondence to J.D. Irving re: due diligence needs. Review correspondence from R. Jansen and S. Ford re: DD requests. Correspondence with H. Yin re: Vinetech reach out.	1.9
C. Lonergan	7-Apr-25	Meeting with BDO team re: SISP update and due-diligence requests, etc.	0.4
C. Lonergan	8-Apr-25	Update call with Bonnefield re: SISP and next steps with potential purchasers, etc.	0.5
M. Basso	8-Apr-25	Correspondence from S. Ford and C. Cain re: due diligence requests. Meeting with C. Lonergan re: Bonnefield update and correspondence to J. Falkner re: meeting request. Meeting with R. Haynes re: other bidder reach outs etc.	0.7



Staff	Date	Comments	Hours
C. Lonergan	9-Apr-25	Review of sales process update with Bank, discussion with potential purchaser re: next steps, etc.	0.3
M. Basso	9-Apr-25	Correspondence with J. Faulkner and S. Ford re: DD meeting. Meeting with R. Ford re: other bidder updates. Meeting with S. Ford and J. Faulkner re: DD status. Meeting with S. Ford re: debrief AreaOne DD meeting.	0.9
C. Lonergan	10-Apr-25	Update discussion with Company and BDO team re: potential purchaser re: next steps, etc..	0.6
M. Basso	10-Apr-25	Meeting with S. Ford and C. Lonergan re: AreaOne and contingency planning. Meeting and correspondence with K. Martin re: SISP. Correspondence to J. Faulkner re: Martin's.	1.3
M. Basso	11-Apr-25	Meeting with S. Ford re: AreaOne issue. Meeting with R. Ford re: AreaOne. Meeting with C. Lonergan re: contingency planning.	0.7
C. Lonergan	11-Apr-25	Meeting with BDO team re: SISP contingency planning, etc.	0.2
C. Lonergan	14-Apr-25	SISP update to Bonnefield and discussion with them re: the same, review of ownership email to prospective purchaser, update with Bank and Counsel re: the same, update call with prospective purchaser re: next steps, etc.	1.0
M. Basso	14-Apr-25	Meeting with S. Ford re: AreaOne and updated cash flow. Meetings and correspondence with C. Lonergan re: process integrity etc. Meeting with H. Yin re: late bidder. Meeting and correspondence with C. Lonergan re: SISP update for BNS. Correspondence to J. Mitges and J. Cook re: update. Meeting with C. Lonergan, I. Aversa, M. Lici and J. Leslie re: SISP update.	2.2
M. Basso	15-Apr-25	Correspondence with C. Hanes re: Vinetech offer. Draft SISP update to BNS and send to C. Lonergan for comment. Voicemail to Vinetech re: process.	0.7
C. Lonergan	15-Apr-25	Review of the SISP update for the Bank, etc.	0.3
C. Lonergan	16-Apr-25	SISP update call with Bonnefield and discussion with BDO team re: SISP next steps, etc. Debrief with BDO team re: meeting with the Bank, etc.	0.8
M. Basso	16-Apr-25	Meeting with C. Lonergan re: bidder communications and next steps. Correspondence with R. Haynes re: additional interested parties. Meeting with K. Martin re: UCG assets. Prepare for and meeting with J. Mitges and R. Fabiano re: SISP update and liquidation planning. Meeting with W. Weins re: due diligence and site visit. Meeting with C. Lonergan re: debrief Bank and VineTech meeting. Meeting with S. Ford re: Vinetech visit and liquidation cash flows. Correspondence to W. Weins re: appraisals etc.	2.7
M. Basso	17-Apr-25	Meeting with R. Haynes re: preparation for Vinetech site visit etc. Meeting with R. Haynes and W. Weins re: due diligence etc. Correspondence to M. Nayar re: SISP update request. Meeting with R. Haynes re: Vinetech debrief. Correspondence to J. Mitges and J. Cook re: Vinetech. Meeting with C. Lonergan re: Vinetech and status update.	1.6



Staff	Date	Comments	Hours
C. Lonergan	17-Apr-25	Update with BDO team re: VineTech due diligence and next steps, etc.	0.3
M. Basso	21-Apr-25	Correspondence with M. Haynes re: DD items and scheduling meeting. Meeting with R. Haynes re: capex etc. Meeting with M. Haynes, R. Haynes and H. Yin re: DD requests. Correspondence with M. Haynes re: DD requests. Meeting with C. Lonergan re: Vinetech DD update. Meeting with R. Ford re: Vinetech DD request. Correspondence to W. Weins re: update meeting. Correspondence with R. Ford re: Re-Max inquiry.	2.7
H. Yin	21-Apr-25	Multiple correspondence with Company re: due diligence items, financial model inquiries, etc.; Draft of Capex schedule details for potential buyer, call with Company re: same, etc.	4.2
M. Basso	22-Apr-25	Correspondence from R. Haynes re: biological assets. Correspondence from S. Ford re: deposits. Correspondence with M. Haynes re: employee details.	0.3
M. Basso	23-Apr-25	Correspondence with M. Haynes and H. Yin re: Capex plan, review same. Meeting with H Yin, R. Haynes and staff re: CAPEX summary for Vinetech. Correspondence from H. Yin re: updated CAPEX summary. Correspondence with M. Stephenson re: update meeting. Meeting with R. Haynes re: Vinetech.	1.0
C. Lonergan	24-Apr-25	Update of SISP due diligence, etc.	0.2
M. Basso	24-Apr-25	Meeting with R. Ford re: status of Vinetech due diligence etc. Correspondence with J. Leslie re: status update. Meeting with R. Haynes re: Vinetech DD requests, review same. Meeting with D. Reimer re: DD requests and process path. Correspondence with R. Ford re: capex request and review summary on same.	1.5
C. Lonergan	25-Apr-25	Update on final purchaser due diligence and potential offer, update discussion with BDO team re: related party offer and next steps, etc.	0.5
M. Basso	25-Apr-25	Meeting with R. Haynes re: additional Vinetech DD requests, review same. Correspondence with W. Weins and R. Haynes re: status update meeting. Meeting with R. Haynes, M. Haynes, J. Haynes, D. Reimer and W. Weins re: status of Vinetech LOI, rejection feedback and next steps. Meeting with C. Lonergan re: debrief meeting with Vinetech.	1.5



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 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
May 5, 2025	CINV3417111

**RE: Upper Canada Growers - NOI**

TO OUR FEE FOR PROFESSIONAL SERVICES rendered in connection with our engagement as Proposal Trustee of the above noted entity from April 1, 2025 to May 3, 2025.

Our Fee	\$ 66,880.00
Courtesy Discount	(15,000.00)
Subtotal	<u>51,880.00</u>
HST - 13% (#R101518124)	6,744.40
Total	<u><u>\$ 58,624.40</u></u>

**Summary of Time Charges:**

	Hours	Rate	Amount
C. Lonergan, Partner	18.5	750.00	13,875.00
M. Basso, Partner	76.7	650.00	49,855.00
P. Kouadio, Manager	6.3	500.00	3,150.00
Total	<u>101.5</u>		<u><u>\$ 66,880.00</u></u>

**BANK WIRE TRANSFER/EFT PAYMENTS:** Payment can be made online in Canadian funds. Please ensure you email your online payment confirmations including invoice #, amount paid and payment date) to [EFTPayments@bdo.ca](mailto:EFTPayments@bdo.ca)

The banking information for BDO Canada Limited is as follows for Canadian Funds

CIBC Main Branch  
 Commerce Court  
 199 Bay Street  
 Toronto, ON M5L 1G9  
 Account Name: BDO Canada Limited

Bank: Canadian Imperial Bank of Commerce  
 Bank Institution #: 010  
 Transit #: 00002  
 Account #: 91-26910  
 Swift Reference #: CIBCCATT



Staff	Date	Comments	Hours
M. Basso	1-Apr-25	Correspondence with M. Lici re: update meeting. Correspondence with C Lonergan re: Essex payments.	0.5
P. Kouadio	2-Apr-25	Respond to inquiry from CGCN-RCCV re: claim process and stay of proceedings.	0.2
C. Lonergan	2-Apr-25	Update call with Counsel re: operations, lien, Bonfield and Essex, etc. Discussion with BDO team re: the same and operations dashboard, etc.	1.0
M. Basso	2-Apr-25	Prepare for and meeting with S. Ford and team re: operations scorecard. Correspondence with RBC and S. Ford re: account closures. Correspondence from J. Leslie re: Heartnut Grove. Discussion with C. Lonergan re: the same.	1.1
P. Kouadio	3-Apr-25	Call from CRA re: GST/HST proposed reassessment; Email to Company re: same.	0.4
M. Basso	3-Apr-25	Review of cash flows, invoices and analysis for professional fee budgets.	0.8
M. Basso	7-Apr-25	Correspondence with S. Ford re: update meeting. Meeting with S. Ford re: outstanding items. Correspondence to operations group re: scorecard. Correspondence from S. Ford re: payment requests and cash flow, review same. Meeting with S. Ford re: funding requests. Correspondence with C. Lonergan re: A&B invoices and legal letter regarding the lien. Review and sign February bank reconciliation	1.5
C. Lonergan	7-Apr-25	Review of legal letter re: lien and discussion with BDO team and Counsel re: the same, etc.	0.4
P. Kouadio	8-Apr-25	Review and update cashflow monitoring worksheet and DIP cashflow; Emails with M. Basso thereto; Calls to S. Ford.	2.7
M. Basso	8-Apr-25	Updates to draft cash flow. Review cash flow actuals. Correspondence with P. Kouadio re: variance reporting. Prepare professional fee estimate. Meeting with S. Ford, R. Haynes and department managers re: lab operations etc. Meeting with S. Ford re: debrief ops meeting. Correspondence from J. Leslie re: Heartnut grove update. Correspondence with S. Ford re: priorities.	4.9
P. Kouadio	9-Apr-25	Email with Canadian Grapevine Certification Network re: NOI extension.	0.1
M. Basso	9-Apr-25	Correspondence from P. Kouadio re: variance reporting. Correspondence to I. Aversa re: Torkin Manes settlement issue. Meeting with S. Ford re: cash receipts. Correspondence with I. Aversa re: Torkin Manes settlement. Various correspondence and meetings with R. Hayes re: Oxley easement settlement. Correspondence with I. Aversa re: Oxley easement issue.	2.6
M. Basso	10-Apr-25	Prepare for and meeting with S. Ford, R. Haynes and management team re: operations scorecard and status of work. Updates to bi-weekly reporting and DIP budget and correspondence with S. Ford on same.	2.0



Staff	Date	Comments	Hours
C. Lonergan	11-Apr-25	Update call with BDO team and Company re: operations and potential wind-down plans, etc.	0.7
M. Basso	11-Apr-25	Correspondence with S. Ford re: reporting package. Correspondence and meeting with S. Ford and C. Lonergan re: contingency planning. Meeting with C. Lonergan re; contingency planning.	1.3
C. Lonergan	14-Apr-25	Update call BDO team re: next steps, SISP update and various operational items including Essex and Bonnefield, litigation matters, drafting Bank update correspondence, etc.	0.8
M. Basso	14-Apr-25	Meeting and correspondence with C. Lonergan and re: contingency planning.	0.8
P. Kouadio	15-Apr-25	Call from M. Pho from CRA re: GST/HST examination; Emails with S. Ford thereto.	0.3
C. Lonergan	15-Apr-25	Update meetings with Company & Counsel re: monetization plans, update to the Bank re: the same, foreign worker program analysis, update on inventory and orchard operations, etc.	3.7
M. Basso	15-Apr-25	Meetings with C. Lonergan re: next steps. Meeting with R. Haynes re: operations and lab. Meetings with J. Haynes, S. Ford, M. Haynes, R. Haynes and C. Lonergan re: wind-down planning etc. Meeting with C. Lonergan and I. Aversa re: update and wind-down considerations. Gather documents from data room re: Acc and orchards and send to M. Lici. Correspondence with J. Haynes re: wind-down option costs.	7.1
C. Lonergan	16-Apr-25	Update meetings with Company re: monetization plans, update to the Bank re: the same, foreign worker program analysis, update on inventory and orchard operations, review of Manish and Essex correspondence, etc.	0.6
M. Basso	16-Apr-25	Meeting with J. Leslie re: mori Essex matter etc. Correspondence from M. Lici re: Mori Essex legal letter, review and comments on same	0.6
P. Kouadio	17-Apr-25	Respond to creditor inquiries re: NOI extension for UCG and UCG Land.	0.4
M. Basso	17-Apr-25	Correspondence with M. Lici re: Mori Essex letter. Correspondence with S. Ford re: updated cash flow. Correspondence with M. Haynes re: ACC. Correspondence with M. Haynes re: Christensen law firm inquiry. Correspondence with I. Aversa re: security opinions, review prior correspondence re: FCC claims. Correspondence to M. Nayar re: Essex payments. Meeting with R. Ford re: current sales. Correspondence with S. Ford re: funding requests. Correspondence with S. Ford re: Blue Mountain. Correspondence with R. Ford re: Wealhouse. Correspondence from S. Ford re: DIP draw. Correspondence with C. Lonergan re: funding and DIP draw. Correspondence from S. Ford re: funding details.	3.0
C. Lonergan	17-Apr-25	Update on cash flow and DIP funding, etc.	0.3



Staff	Date	Comments	Hours
M. Basso	18-Apr-25	Meeting with C. Lonergan re: funding analysis. Correspondence from S. Ford re: AgriStability receipt. Update draft correspondence to J. Cook and send same. Meeting with S. Ford re: funding requirements. Correspondence from S. Ford re: updated funding requirements. Prepare for and meeting with S. Ford, R. Haynes and M. Haynes re: liquidation cash flows.	2.1
C. Lonergan	18-Apr-25	Meeting with BDO team re: funding requirements, review of Bank correspondence, etc.	0.4
C. Lonergan	21-Apr-25	Update with BDO team re: next steps, operations update, and farming operations, cash flow variance analysis, update for the Bank, Review of draft liquidation scenarios, et.	0.7
M. Basso	21-Apr-25	Correspondence from S. Ford re: cash flows, review same and prepare professional fee estimates. Meeting with C. Lonergan re: professional fee estimates, status of operations and output for meeting with BNS. Updates to draft professional fee estimates, updates to draft liquidation cash flows re: scenario analysis. Correspondence with S. Ford re: revised cash flow. Correspondence with G. Crossman re: Wealhouse. Correspondence with I. Aversa on same. Draft liquidation scenario considerations. Correspondence to R. Haynes re: cooler inventory.	3.3
M. Basso	22-Apr-25	Correspondence with P. Kouadio re: variance reporting. Updates to draft contingency plans. Meeting with C. Lonergan re: status update. Correspondence with S. Ford re: cash flow meeting. Meeting with S. Ford re: draft liquidation cash flows. Updates to liquidation cash flows. Updates to liquidation narratives. Meeting with C. Lonergan re: liquidation estimates. Reconciliation of professional fees. Correspondence to C. Lonergan re: professional fee variances.	4.5
C. Lonergan	22-Apr-25	Meeting with BDO team re: realization estimates, professional fees update, etc.	0.8
P. Kouadio	23-Apr-25	Prepare and update cashflow monitoring worksheet and DIP budget; Discuss with M. Basso and email thereto.	1.8
C. Lonergan	23-Apr-25	Update call with Bank and BDO team re: next steps, review of Bank update re: the same, etc.	1.3
M. Basso	23-Apr-25	Correspondence from C. Lonergan re: liquidations analysis and updates to same. Meeting with P. Kouadio re: variance analysis, review of same. Correspondence to J. Mitges and J. Cook. Meeting with R. Fabiano J. Mitges, J. Cook, K. Rondberg and C. Lonergan re: realization analysis and status update. Correspondence with J. Cook re: variance reporting and DIP budget.	3.4
M. Basso	24-Apr-25	Prepare for and meeting with M. Stephenson and S. Brotman re: SISP update and next steps. Meeting with C. Lonergan re status update and planning for liquidation.	1.1



Staff	Date	Comments	Hours
C. Lonergan	24-Apr-25	Meeting with BDO team re: status update and contingency planning, etc.	0.4
C. Lonergan	25-Apr-25	Update call with Bonnefield re: next steps, discussion with BDO team re: next steps and contingency planning, etc.	0.4
M. Basso	25-Apr-25	Prepare for and meeting with M. Stephenson and S. Brotman re: SISP update and next steps. Meeting with C. Lonergan re status update and planning for liquidation.	1.1
M. Basso	28-Apr-25	Correspondence with S. Ford re: update meeting. Meeting with S. Ford re: status and next steps. Meeting with C. Lonergan re: action items and supplemental report. Meeting with R. Ford and J. Laframboise re: interested party. Updates to draft report. Meeting with J. Leslie re: next steps etc. Updates to draft third report. Meeting with reps of Wealhouse and M. Lici and M. Spence re: Aginvest land. Correspondence to M. Spence and M. Lici re: land lease etc. Correspondence with R. Haynes and S. Ford re: NDA. Meeting with C. Lonergan re: Wealhouse and other updates. Correspondence with J. Caruso re: SISP results. Meeting with J. Caruso re: order requirements. Correspondence with J. Caruso re: advisors planning meeting. Correspondence with C. Lonergan re: order requirements.	7.7
C. Lonergan	28-Apr-25	Meeting and correspondence with BDO team re: motion materials required reports and Court Orders and Wealhouse and other operational updates, etc.	0.6
C. Lonergan	29-Apr-25	Follow-up call with Bonnefield re: next steps, discussion with Company and BDO team re: the same, review of Bank update correspondence, etc.	1.1
M. Basso	29-Apr-25	Correspondence with S. Ford re: cash flow changes. Correspondence with S. Ford and J. Haynes re: chemical and diesel purchases. Correspondence with H. Yin re: appraisal summary. Prepare for and meeting with C. Lonergan, H. Yin and representatives of Bonnefield. Meeting with C. Lonergan re: debrief meeting with Bonnefield. Meeting with S. Ford re: Bonnefield requests. Meeting and correspondence with M. Wilk. Meeting with C. Lonergan on same. Draft correspondence to BNS re: update. Draft update to BNS and send same to C. Lonergan for comment.	3.5
C. Lonergan	30-Apr-25	Review of correspondence re: Bank update, meeting with Counsels re: motion materials and required Court Orders, etc.	0.7
M. Basso	30-Apr-25	Correspondence with M. Wilk. Correspondence with S. Ford and R. Haynes re: meeting with M. Nayar. Correspondence to C. Lonergan re: BNS update. Prepare for and meeting with C. Lonergan, A&B team and Fasken's team re: preparation of Court materials etc. Meeting with J. Leslie. Correspondence to BNS re: status update. Correspondence with J. Mitges re: update meeting. Meeting with J. Cook and J. Mitges re: credit committee requests etc. Prepare draft information request on same. Correspondence with S. Ford re: incremental costs for	7.1



Staff	Date	Comments	Hours
		Bonnefield. Meeting with M. Wilk re: meeting agenda. Meeting with M. Wilk, R. Haynes, S. Ford, M. Nayar and M. Nahar re: status of business etc. Updates to draft third report. Correspondence with I. Aversa re: structure of report and affidavits. Updates to draft third report. Meeting with S. Ford re: cash transactions.	
P. Kouadio	1-May-25	Respond to creditor inquiries re: Proposal Trustee's report and NOI.	0.4
C. Lonergan	1-May-25	Update call with Bank and BDO team re: next steps, review of Bonnefield and Essex farming requirements, update with BDO team re: next steps and potential asset purchases, follow up with realtor re: next steps, review of their proposal, etc.	1.2
M. Basso	1-May-25	Correspondence from KPMG re: NDA and data room access. Meeting with J. Mitges re: buyers list etc. Meeting with J. Mitges, J. Cook, R. Fabiano and J. Holzschere re: status and next steps. Correspondence to J Holzschere re: buys list and models. Correspondence with B. Sykes re: engagement letters. Meeting with C. Lonergan re: debrief meeting with BNS. Correspondence to C. Lonergan re: draft report. Correspondence with J. Haynes re; chemicals. Meeting with S. Ford re: cash flow. Meeting with advisors to Double Diamond re: process etc. Meeting and correspondence with S. Ford re: cash flow and Bonnefield costs. Meeting with C. Lonergan re: Bonnefield cost estimate. Updates to Confidential Supplemental report and send same to C. Lonergan. Correspondence to M. Nayar re: inventory. Meeting with M. Nayar, K. Ho, P.V. Eyk, M. Wilk, R. Haynes and S. Ford re: due diligence requests. Meeting with C, Lonergan re: debrief. Correspondence from M. Lici re: security opinion and review of same. Correspondence from S. Ford re: Essex orchard costs, updates to same and send to M. Nayar.	8.2
C. Lonergan	2-May-25	Update discussion with Bank re: next steps, update conversation with Counsel re: foreign workers and NOI/Receivership materials, review of Court materials, etc.	1.2
M. Basso	2-May-25	Correspondence from S. Ford and J. Haynes re: labour allocations. Correspondence with M. Nayar re: temporary foreign workers. Correspondence to J Mitges and J. Cook re: status update. Correspondence to Double Diamond's advisors re: request for status meeting. Meeting with C. Lonergan re: prep for meeting with BNS. Meeting with S. Ford re: orchard payments and updates to same. Review security opinion. Meeting with C. Lonergan, J. Mitges, J. Cook and J Holzschere re: status. Calculate Bonnefield DCF. Meeting with J. Mitges re: AgriStability program etc. Correspondence with B. Sykes and A. Mallovy re: share crop arrangements. Correspondence with I. Aversa re: security opinion. Correspondence with A. Mallovy re: response to crop share request. Correspondence to R. Ford re: crop sharing lease. Meeting with I. Aversa and M. Lici re: foreign workers, security and draft reports. Updates to draft reports and send same to C. Lonergan. Correspondence from J. Caruso re: draft receivers materials review of same.	6.6



Staff	Date	Comments	Hours
C. Lonergan	3-May-25	Review of Court materials and review of Court reports, etc.	2.2
M. Basso	3-May-25	Correspondence from C. Lonergan re: comments on draft third, updates to same and send to counsel. Updates to draft confidential supplement and send to C. Lonergan for review and comment. Review and sign bank reconciliations. Draft list of outstanding items. Correspondence with C. Lonergan re: comments on draft supplemental report and updates to same. Correspondence to I. Aversa re: draft report.	1.9

Attached is Exhibit "D"

Referred to in the

AFFIDAVIT OF CLARK LONERGAN

Sworn before me

this 6<sup>th</sup> day of May, 2025

DocuSigned by:

*Matilda Lici*

7CE576F4AA3D4CA...

Matilda Lici

Commissioner for taking Affidavits, 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 MARCH 1, 2025 TO MAY 3, 2025

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Clark Lonergan, Partner	83.20	\$ 750.00	\$ 62,400.00
Michael Basso, Partner	159.10	\$ 650.00	\$ 103,415.00
Paul Kouadio, Manager	24.10	\$ 500.00	\$ 12,050.00
Heron Yin, Manager	44.70	\$ 500.00	\$ 22,350.00
Tony Montesano, Senior Administrator	0.20	\$ 385.00	\$ 77.00
Jessie Hue, Senior Analyst	-	\$ 345.00	\$ -
Gabriela Arenas, Administrator	-	\$ 150.00	\$ -
<b>Subtotal</b>	<u>311.30</u>		<u>\$ 200,292.00</u>
Less Discounts			\$ (25,000.00)
<b>Total</b>			<u>\$ 175,292.00</u>
<b>Average Hourly Amount</b>			<u><u>\$ 563.10</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 May 6, 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](mailto:iaversa@airdberlis.com)

**Miranda Spence** (LSO # 60621M)

Tel: (416) 865-3414

Email: [mspence@airdberlis.com](mailto:mspence@airdberlis.com)

**Matilda Lici** (LSO #79621D)

Tel: (416) 865-3428

Email: [mlici@airdberlis.com](mailto:mlici@airdberlis.com)

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

# Appendix K

**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 May 5, 2025)**

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

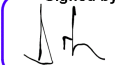
1. I am a partner and lawyer at Aird & Berlis LLP and, as such, I have knowledge of the matters to which I hereinafter depose. Aird & Berlis LLP is acting as counsel for BDO Canada Limited, in its capacity as the proposal trustee of Upper Canada Growers Ltd. and UCG Land Inc. (in such capacity, the **“Proposal 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 April 8, 2025 in the amount of \$25,864.01 in respect of the period from March 1, 2025 to March 31, 2025; and
  - (b) an account dated May 5, 2025 in the amount of \$27,840.88 in respect of the period from April 1, 2025 to May 2, 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 \$698.52.
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 5<sup>th</sup> day of May, 2025, in )  
accordance with O. Reg. 431/20, )  
Administering Oath or Declaration )  
Remotely )

DocuSigned by:  
  
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\_\_\_\_\_  
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 5<sup>th</sup> day of May, 2025

DocuSigned by:

*Matilda Lici*

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Matilda Lici

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

April 8, 2025

Attention: Clark Lonergan

**Invoice No: 1430214**

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

Client No: 013137  
Matter No: 326388

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

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
MES	03/03/2025	775.00	0.20	155.00	Call with J. Leslie re debtor's access to data room
MES	03/09/2025	775.00	0.10	77.50	Review sale process update
IEA	03/10/2025	850.00	1.10	935.00	Emails with client and M. Lici re SISP update week-ending March 7; Emails working group re draft motion materials and next steps re same; Engaged with reviewing the template APA and providing comments
IEA	03/12/2025	850.00	1.00	850.00	Emails with working group re motion materials and next steps re same; Emails and instructions re fee affidavit; Emails re data room
IEA	03/13/2025	850.00	1.00	850.00	Emails with working group re draft motion materials and next steps re hearing; Engaged with reviewing the draft motion materials and providing comments; Discussions and instructions to M. Lici re same; Engaged with reviewing and swearing the fee affidavit
ML	03/13/2025	560.00	1.90	1,064.00	Revise fee affidavit and call with I. Aversa; Set up Docusign for Fee Affidavit; Review dockets for redactions and email to BDO re same; Review NOM, Affidavit and Order and email to I. Aversa re same
IEA	03/14/2025	850.00	1.50	1,275.00	Engaged with reviewing the draft court materials and the draft proposal trustee report and providing comments; Emails and instructions to M. Lici re same; Engaged with reviewing the cash flows and emails and discussions re same; Voicemail from Torkin Manes

<b>MEMBER</b>	<b>DATE</b>	<b>RATE</b>	<b>HOURS</b>	<b>VALUE</b>	<b>DESCRIPTION</b>
ML	03/14/2025	560.00	0.90	504.00	Revise motion materials and email to client re same; Call with I. Aversa re motion materials; Arrangements with client re affidavit of fees; Email draft revisions to BDO et al
IEA	03/17/2025	850.00	2.00	1,700.00	Engaged with reviewing the draft proposal trustee report and providing comments; Instructions to M. Lici re same; Emails with client and M. Lici re same; Emails re Northleaf NDA; Emails with company counsel and M. Lici re service and filing; Emails re template APA; Emails with Torkin Manes
MES	03/17/2025	775.00	0.20	155.00	Discussion with I. Aversa re non-disclosure agreement issues
ML	03/17/2025	560.00	2.00	1,120.00	Revise report and email to I. Aversa re same; Finalize report and email to service list; Email to DW re Caselines
IEA	03/18/2025	850.00	1.20	1,020.00	Emails with working group re court materials and upcoming hearing; Emails re Royal Brinkman; Emails with J. Simpson re Torkin Manes litigation matters (x2); Telephone call and emails with M. Lici re template APA
ML	03/18/2025	560.00	0.40	224.00	Revise APA and email to BDO re draft APA
IEA	03/19/2025	850.00	2.20	1,870.00	Telephone call with J. Simpson and A&B team re Torkin Manes litigation and next steps re same; Emails with client re same; Emails with company counsel and M. Lici re service and filing of court materials and next steps re upcoming hearing; Emails with client and M. Lici re template APA; Emails and discussions re NDA; Emails and discussions re Mori Essex pleadings; Telephone call with H. Yin
MES	03/19/2025	775.00	0.20	155.00	Discussions with I. Aversa re Northleaf NDA
ML	03/19/2025	560.00	0.70	392.00	Revise APA per BDO comments and email to DW re same; Instructions re Caselines; Call with J. Simpson and I. Aversa and M. Spence re claim for WIP
ML	03/19/2025	560.00	1.20	672.00	Call with I. Aversa and revise Northleaf NDA, and email to BDO re same; Email to Fasken re template APA; Revise service list and emails to BDO and DW re same
IEA	03/20/2025	850.00	1.00	850.00	Engaged with reviewing the draft Northleaf NDA and emails and discussions with client and A&B team re same; Emails with client re Mori; Engaged with reviewing comments on revised draft APA; Emails and instructions re same; Emails with client and M. Lici re service list

<b>MEMBER</b>	<b>DATE</b>	<b>RATE</b>	<b>HOURS</b>	<b>VALUE</b>	<b>DESCRIPTION</b>
MES	03/20/2025	775.00	0.20	155.00	Review and comment on Northleaf NDA
IEA	03/21/2025	850.00	0.30	255.00	Emails with client and company counsel re Colchester property; Emails with client re NDA
ML	03/21/2025	560.00	0.10	56.00	Email to client re Northleaf NDA
IEA	03/24/2025	850.00	0.10	85.00	Emails with M. Lici re tomorrow's hearing
IEA	03/25/2025	850.00	0.50	425.00	Emails and discussions with working group re the hearing; Emails re template APA; Discussions with client and M. Lici re the hearing
ML	03/25/2025	560.00	6.30	3,528.00	Attend at Court in Hamilton re company's motion; Email to DW re signed Order
IEA	03/26/2025	850.00	0.50	425.00	Emails with working group re supplier issue; Emails with working group re template APA and next steps re same; Emails re letter to M. Nayar
IEA	03/27/2025	850.00	0.70	595.00	Emails with working group re template APA; Emails with client and Faskens re same; Engaged with reviewing correspondence from Torkin Manes; Emails with DW and client re same
ML	03/27/2025	560.00	1.50	840.00	Review and revise APA and email to BDO re same; Call with I. Aversa re APA
IEA	03/28/2025	850.00	0.20	170.00	Emails re template APA and next steps re sale process
IEA	03/28/2025	850.00	0.10	85.00	Emails with client
IEA	03/29/2025	850.00	0.20	170.00	Emails with counsel and client re update re sale process; Emails and discussions re same
MES	03/29/2025	775.00	0.20	155.00	Review emails re bid summary
IEA	03/31/2025	850.00	1.50	1,275.00	Engaged with reviewing the update from client regarding the sale process results and reviewing the underlying expressions of interest and submissions from potential purchasers; Telephone call and emails with client and A&B team re same; Emails and discussions with working group re template APA and next steps re same
MES	03/31/2025	775.00	0.60	465.00	Review bid summary and call with BDO re same

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
ML	03/31/2025	560.00	0.60	336.00	Revise APA template and email to I. Aversa re same; Email to group re revised APA template; Call with I. Aversa, M. Spence and M. Basso re SISP

**TOTAL:** 32.40 \$22,888.50

Name	Hours	Rate	Value
Aversa, Ian E (IEA)	15.10	\$850.00	\$12,835.00
Lici, Matilda (ML)	15.60	\$560.00	\$8,736.00
Spence, Miranda E. (MES)	1.70	\$775.00	\$1,317.50

**OUR FEE** \$22,888.50  
 HST @ 13% 2,975.51

**AMOUNT DUE** \$25,864.01 CAD

THIS IS OUR INVOICE HEREIN  
 AIRD & BERLIS LLP



Ian E Aversa

E.&O.E.

Payment by EFT / Wire Transfer:

Beneficiary Bank:	Beneficiary:	Aird & Berlis LLP
TD Canada Trust	Bank No.:	004
TD Centre	Transit No.:	10202
55 King Street West	Account:	5221521
Toronto, ON M5K 1A2	Swift Code:	TDOMCATTOR

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](mailto: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

May 5, 2025

Attention: Clark Lonergan

**Invoice No: 1434018**

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

Client No: 013137  
Matter No: 326388

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**FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ending May 2, 2025**

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
IEA	04/01/2025	850.00	0.50	425.00	Emails with working group re sale process update; Emails and discussions with A&B team re same
MES	04/01/2025	775.00	0.20	155.00	Exchange emails re meeting to discuss bids
IEA	04/02/2025	850.00	0.80	680.00	Telephone call and emails with company counsel, client and A&B team; Discussions with A&B team re next steps; Emails with client
MES	04/02/2025	775.00	0.50	387.50	Meet with BDO, A&B, Dickinson Wright re bid proposals
ML	04/02/2025	560.00	0.40	224.00	Call with client team, I. Aversa, M. Spence and J. Leslie
IEA	04/04/2025	850.00	0.20	170.00	Emails with J. Simpson and client re Mori litigation and next steps re same
IEA	04/07/2025	850.00	0.20	170.00	Emails with working group re cash flows and next steps re sale process
IEA	04/09/2025	850.00	0.40	340.00	Emails with client and M. Lici re Torkin litigation matters; Emails with working group re update re sale process
ML	04/09/2025	560.00	0.10	56.00	Emails to M. Basso re correspondence from I. Aversa
IEA	04/10/2025	850.00	0.10	85.00	Emails with client
IEA	04/14/2025	850.00	1.00	850.00	Emails with client and M. Lici re update and next steps; Telephone call with working group re same; Instructions to M. Lici re draft letter to principal of company
ML	04/14/2025	560.00	0.60	336.00	Call with clients and J. Leslie

<b>MEMBER</b>	<b>DATE</b>	<b>RATE</b>	<b>HOURS</b>	<b>VALUE</b>	<b>DESCRIPTION</b>
IEA	04/15/2025	850.00	2.50	2,125.00	Engaged with reviewing and revising draft letter to R. Haynes; Instructions to M. Lici re same; Emails with client and M. Lici re same; Telephone call with client and M. Lici re updates and next steps re sale process; Emails re Mori litigation; Emails re KERP; Emails re security opinion
ML	04/15/2025	560.00	3.10	1,736.00	Draft letter to R. Haynes and email to clients re same; Call with clients, revise letter and email to I. Aversa re same; Email to R. Haynes; Call with I. Aversa and clients; Call with I. Aversa; Draft letter, review KERP and email to clients re same
IEA	04/16/2025	850.00	1.00	850.00	Emails with working group re update and next steps re sale process; Engaged with reviewing draft letter re Mori litigation and providing comments; Instructions to M. Lici re same; Emails and discussions re security review
ML	04/16/2025	560.00	1.20	672.00	Assemble security documents and instructions re opinion; Email to clerk re opinion; Call with I. Aversa to revise letter to litigants and email to clients re same
IEA	04/17/2025	850.00	1.00	850.00	Emails with client and M. Lici re secured creditors and related security opinions; Emails with client and M. Lici re Mori litigation; Emails and discussions re Essex
ML	04/17/2025	560.00	0.10	56.00	Email to counsel re Mori litigation
CEC	04/21/2025	395.00	1.30	513.50	Receipt of emails from J. McLean and review of draft charge; Request and review of 12 parcel registers including various instruments registered thereon and review same; Draft of summary of all parcel registers via email to J. McLean;
IEA	04/21/2025	850.00	0.60	510.00	Emails and discussions re security opinions with M. Lici; Engaged with reviewing correspondence from counsel for Wealhouse and emails with client re same; Emails re Mori litigation
JEM	04/21/2025	415.00	0.60	249.00	Engaged with preparing security opinion
ML	04/21/2025	560.00	0.40	224.00	Call with I. Aversa; Review ACC documents and instructions to clerk re opinion
JEM	04/22/2025	415.00	1.20	498.00	Prepare security opinion; Review certified PPSA searches
IEA	04/24/2025	850.00	0.20	170.00	Emails with counsel, client and M. Lici re update and next steps

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
IEA	04/25/2025	850.00	0.30	255.00	Emails with client and working group re update and next steps
JEM	04/25/2025	415.00	0.50	207.50	Engaged with reviewing ACC non-neg security
IEA	04/26/2025	850.00	0.20	170.00	Emails with client, counsel and M. Lici
IEA	04/28/2025	850.00	0.30	255.00	Emails re next steps re proposed receivership proceedings; Discussions with M. Spence re same
JEM	04/28/2025	415.00	0.50	207.50	Prepare security opinion
MES	04/28/2025	775.00	1.00	775.00	Discussion with Wealhouse counsel and review correspondence re same; Discussion with M. Basso, M. Lici re subleasing lands, moving forward, negotiations with Manish
ML	04/28/2025	560.00	1.30	728.00	Prepare for and attend Wealhouse and BDO call; Call with M. Basso and M. Spence
IEA	04/29/2025	850.00	0.50	425.00	Emails with working group re proposed receivership; Emails re Mori litigation; Emails re security opinion
IEA	04/30/2025	850.00	1.20	1,020.00	Telephone call with Fasken, client and M. Spence re next steps re proposed hearing re trustee discharge and appointment of receiver; Instructions to M. Lici re same; Instructions re fee affidavit
MES	04/30/2025	775.00	0.70	542.50	Call with Fasken, BDO re concluding proposal; Discuss with I. Aversa; Instruct M. Lici re court documents
ML	04/30/2025	560.00	4.80	2,688.00	Diarize hearing date and procedural timelines; Draft order re discharge motion; Call with I. Aversa and email to Fasken re hearing; Review and revise security opinions (x2) and emails to I. Aversa and M. Spence re same
IEA	05/01/2025	850.00	2.90	2,465.00	Engaged with reviewing and revising the draft security opinions re BNS security and ACL security; Instructions to M. Lici re same; Emails with client and M. Lici re same; Telephone call with Faskens re same
JEM	05/01/2025	415.00	0.10	41.50	Discussions with M. Lici re security opinions
IEA	05/02/2025	850.00	2.20	1,870.00	Engaged with reviewing and revising the draft motion materials and instructions to M. Lici re same; Engaged with reviewing foreign workers agreement and emails re same; Emails with client and M. Lici re security opinions; Telephone call with client and M. Lici

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**TOTAL:** 34.70 \$23,982.00

Name	Hours	Rate	Value
Aversa, Ian E (IEA)	16.10	\$850.00	\$13,685.00
Casasola, Carlos E. (CEC)	1.30	\$395.00	\$513.50
Lici, Matilda (ML)	12.00	\$560.00	\$6,720.00
McLean, Jenaya E. (JEM)	2.90	\$415.00	\$1,203.50
Spence, Miranda E. (MES)	2.40	\$775.00	\$1,860.00

**OUR FEE** \$23,982.00  
HST @ 13% 3,117.66

**DISBURSEMENTS**

**Non-Taxable Disbursements**

Due Diligence-Gov Fee	46.00
Search Under P.P.S.A.	64.00
<b>Total Non-Taxable Disbursements</b>	<b>\$110.00</b>

**Taxable Disbursements**

Due Diligence	62.60
Service Provider Fee	41.20
Teraview Search	454.80
<b>Total Taxable Disbursements</b>	<b>\$558.60</b>
HST @ 13%	72.62

**AMOUNT DUE**

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**\$27,840.88 CAD**

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THIS IS OUR INVOICE HEREIN  
AIRD & BERLIS LLP



Ian E Aversa

E.&O.E.

Payment by EFT / Wire Transfer:

Beneficiary Bank:	Beneficiary:	Aird & Berlis LLP
TD Canada Trust	Bank No.:	004
TD Centre	Transit No.:	10202
55 King Street West	Account:	5221521
Toronto, ON M5K 1A2	Swift Code:	TDOMCATTOR

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](mailto: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.

Attached is Exhibit "B"

Referred to in the  
AFFIDAVIT OF IAN AVERSA

Sworn before me

this 5<sup>th</sup> day of May, 2025

DocuSigned by:

*Matilda Lici*

7CE570F4AA3D4CA...

Matilda Lici

Commissioner for taking Affidavits, etc

## STATEMENT OF RESPONSIBLE INDIVIDUALS

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

<b>Lawyer</b>	<b>Call to Bar</b>	<b>Hrly Rate</b>	<b>Total Time</b>	<b>Value</b>
Aversa, I.	2008	\$850.00	31.20	\$26,520.00
Spence, M.	2011	\$775.00	4.10	\$3,177.50
Lici, M.	2020	\$560.00	27.60	\$15,456.00
<b>Clerk/Student</b>	<b>Call to Bar</b>	<b>Hrly Rate</b>	<b>Total Time</b>	<b>Value</b>
Casasola, C.	N/A	\$395.00	1.30	\$513.50
McLean, J.	N/A	\$415.00	2.90	\$1,203.50

*\*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 May 5, 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](mailto:iaversa@airdberlis.com)

**Miranda Spence** (LSO # 60621M)

Tel: (416) 865-3414

Email: [mspence@airdberlis.com](mailto:mspence@airdberlis.com)

**Matilda Lici** (LSO #79621D)

Tel: (416) 865-3428

Email: [mlici@airdberlis.com](mailto:mlici@airdberlis.com)

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

# Appendix L

# Listing Agreement - Commercial

## Seller Designated Representation Agreement

### Authority to Offer for Sale

**Form 593**

for use in the Province of Ontario

This is a **Multiple Listing Service® Agreement**  **OR** **Exclusive Listing Agreement** 

(Seller's Initials) (Seller's Initials)

**BETWEEN:**  
**BROKERAGE:** ..... Avison Young Commercial Real Estate Services, LP

77 City Centre Drive, #301 Mississauga ON L5B 1M5 (the "Listing Brokerage") Tel. No. .... 905-712-2100

**SELLER:** BDO Canada Ltd. acting in its capacity as Court appointed receiver and Manager of Upper Canada Growers Ltd. and UCG Landco. Inc. (the "Seller")

**DESIGNATED REPRESENTATIVE(S):** Aidan Malloy, Ben Sykes & Glen Larocque  
(Name of Salesperson/Broker/Broker of Record)

The Designated Representative will be providing services and representation to the Seller and the Brokerage provides services but not representation.

In consideration of the Listing Brokerage listing the real property for sale known as 1110 Ridge Rd Harrow, ON, N0R 1G0 (the "Property")

the Seller hereby gives the Listing Brokerage the **exclusive and irrevocable** right to act as the Seller's agent,

commencing at 12:01 (a.m./p.m.) on the 21 day of May, 2025,

and expiring at 11:59 p.m. on the 20 day of November, 2025 (the "Listing Period"),

{ Seller acknowledges that the length of the Listing Period is negotiable between the Seller and the Listing Brokerage and, if an MLS® listing, may be subject to minimum requirements of the real estate board, however, in accordance with the Trust in Real Estate Services Act, 2002 (TRESA), the Listing Brokerage must obtain the Seller's initials. } (Seller's Initials)

to offer the Property for sale at a price of: Dollars (CDN\$) 1.00

..... Dollars

and upon the terms particularly set out herein, or at such other price and/or terms acceptable to the Seller. It is understood that the price and/or terms set out herein are at the Seller's personal request, after full discussion with the Listing Brokerage's representative regarding potential market value of the Property.

**The Seller hereby represents and warrants that the Seller is not a party to any other listing agreement for the Property or agreement to pay commission to any other real estate brokerage for the sale of the Property.** (Seller's Initials)

**Schedule A**, ..... attached hereto forms part of this Agreement, of which **Schedule A** sets out the details with respect to the services, confidentiality and representation of the Brokerage and Designated Representative.

**1. DEFINITIONS AND INTERPRETATIONS:** For the purposes of this Agreement ("Authority" or "Agreement"): "Seller" includes vendor and a "buyer" includes a purchaser or a prospective purchaser. "Self-represented assistance" shall mean assistance provided to a self-represented party. A purchase shall be deemed to include the entering into of any agreement to exchange, or the obtaining of an option to purchase which is subsequently exercised, or the causing of a First Right of Refusal to be exercised, or an agreement to sell or transfer shares or assets. "Real property" includes real estate as defined in the Trust in Real Estate Services Act (2002). The "Property" shall be deemed to include any part thereof or interest therein. A "real estate board" includes a real estate association. Commission shall be deemed to include other remuneration. This Agreement shall be read with all changes of gender or number required by the context. For purposes of this Agreement, anyone introduced to or shown the Property shall be deemed to include any spouse, heirs, executors, administrators, successors, assigns, related corporations and affiliated corporations. Related corporations or affiliated corporations shall include any corporation where one half or a majority of the shareholders, directors or officers of the related or affiliated corporation are the same person(s) as the shareholders, directors, or officers of the corporation introduced to or shown the Property.


**2. COMMISSION:** In consideration of the Listing Brokerage listing the Property, the Seller agrees to pay the Listing Brokerage a commission of 2.5% of the sale price of the Property or 2% in the event no co-operating broker is involved

for any valid offer to purchase the Property from any source whatsoever obtained during the Listing Period, as may be acceptable to the Seller. The Seller authorizes the Listing Brokerage to co-operate with any other registered real estate brokerage (co-operating brokerage) and to offer to pay the co-operating brokerage a commission of 1% of the sale price of the Property or

out of the commission the Seller pays the Listing Brokerage. The Seller further agrees to pay such commission as calculated above if an agreement to purchase is agreed to or accepted by the Seller or anyone

on the Seller's behalf within ..... days after the expiration of the Listing Period (**Holdover Period**), so long as such agreement is with anyone who was introduced to the Property from any source whatsoever during the Listing Period or shown the Property during the Listing Period. If, however, the offer for the purchase of the Property is pursuant to a new agreement in writing to pay commission to another registered real estate brokerage, the Seller's liability for commission shall be reduced by the amount paid by the Seller under the new agreement.

**INITIALS OF LISTING BROKERAGE:**  **INITIALS OF SELLER(S):** 

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The Seller further agrees to pay such commission as calculated above even if the transaction contemplated by an agreement to purchase agreed to or accepted by the Seller or anyone on the Seller's behalf is not completed, if such non-completion is owing or attributable to the Seller's default or neglect, said commission to be payable on the date set for completion of the purchase of the Property.  
 Any deposit in respect of any agreement where the transaction has been completed shall first be applied to reduce the commission payable. Should such amounts paid to the Listing Brokerage from the deposit or by the Seller's solicitor not be sufficient, the Seller shall be liable to pay to the Listing Brokerage on demand, any deficiency in commission and taxes owing on such commission.  
 In the event the buyer fails to complete the purchase and the deposit or any part thereof becomes forfeited, awarded, directed or released to the Seller, the Seller then authorizes the Listing Brokerage to retain as commission for services rendered, fifty (50%) per cent of the amount of the said deposit forfeited, awarded, directed or released to the Seller (but not to exceed the commission payable had a sale been consummated) and to pay the balance of the deposit to the Seller. All amounts set out as commission are to be paid plus applicable taxes on such commission.

**3. REPRESENTATION:** The Seller acknowledges that the Listing Brokerage has provided the Seller with written information explaining relationships, including information on Seller Representation, Sub-agency, Buyer Representation, Multiple Representation and Self-Represented Party assistance. The Seller understands that unless the Seller is otherwise informed, the co-operating brokerage is representing the interests of the buyer in the transaction. The Seller further acknowledges that the Listing Brokerage may be listing other properties that may be similar to the Seller's Property and the Seller hereby consents to the Listing Brokerage listing other properties that may be similar to the Seller's Property without any claim by the Seller of conflict of interest. The Seller hereby appoints the Listing Brokerage as the Seller's agent for the purpose of giving and receiving notices pursuant to any offer or agreement to purchase the Property. Unless otherwise agreed in writing between Seller and Listing Brokerage, any commission payable to any other brokerage shall be paid out of the commission the Seller pays the Listing Brokerage, said commission to be disbursed in accordance with the Commission Trust Agreement.

**MULTIPLE REPRESENTATION:** The Seller hereby acknowledges that the Listing Brokerage may be entering into buyer representation agreements with buyers who may be interested in purchasing the Seller's Property. In the event that the Listing Brokerage has entered into or enters into a buyer representation agreement with a prospective buyer for the Seller's Property, the Listing Brokerage will require the Seller's written consent to represent both the Seller and the buyer for the transaction. The Seller understands and acknowledges that the Listing Brokerage must be impartial when representing both the Seller and the buyer and equally protect the interests of the Seller and buyer. The Seller understands and acknowledges that when representing both the Seller and the buyer, the Listing Brokerage shall have a duty of full disclosure to both the Seller and the buyer.

However, the Seller further understands and acknowledges that the Listing Brokerage shall not disclose:

- that the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
- that the buyer may or will pay more than the offered price, unless otherwise instructed in writing by the buyer;
- the motivation of or personal information about the Seller or buyer, unless otherwise instructed in writing by the party to which the information applies or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
- the price the buyer should offer or the price the Seller should accept; and
- the Listing Brokerage shall not disclose to the buyer the terms of any other offer, unless otherwise directed in writing by the Seller.

However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the property will be disclosed to both Seller and Buyer to assist them to come to their own conclusions.

**The Brokerage shall not be appointed or authorized to be agent for either the Seller or the buyer for the purpose of giving and receiving notices where the Brokerage represents both the Seller and the buyer (multiple representation) or where the buyer or the seller is a self-represented party.**

**MULTIPLE REPRESENTATION AND DESIGNATED REPRESENTATION:** The Seller understands and acknowledges where both the Seller and buyer are represented by a designated representative of the Listing Brokerage, multiple representation will not result, unless that designated representative represents more than one client in the same trade, and will require consent in writing for such multiple representation. In the event of multiple representation and designated representation, the Brokerage duty of disclosure to both the seller and the buyer client is as more particularly set out in the agreement with the respective seller or buyer.

- 4. FINDERS FEES:** The Seller acknowledges that the Brokerage may be receiving a finder's fee, reward and/or referral incentive, and the Seller consents to any such benefit being received and retained by the Brokerage in addition to the Commission as described above.
- 5. REFERRAL OF ENQUIRIES:** The Seller agrees that during the Listing Period, the Seller shall advise the Listing Brokerage immediately of all enquiries from any source whatsoever, and all offers to purchase submitted to the Seller shall be immediately submitted to the Listing Brokerage by the Seller before the Seller accepts or rejects the same. If any enquiry during the Listing Period results in the Seller accepting a valid offer to purchase during the Listing Period or within the Holdover Period after the expiration of the Listing Period described above, the Seller agrees to pay the Listing Brokerage the amount of Commission set out above, payable within five (5) days following the Listing Brokerage's written demand therefor.
- 6. MARKETING:** The Seller agrees to allow the Listing Brokerage to show and permit prospective buyers to fully inspect the Property during reasonable hours and the Seller gives the Listing Brokerage the sole and exclusive right to place "For Sale" and "Sold" sign(s) upon the Property. The Seller consents to the Listing Brokerage including information in advertising that may identify the Property. The Seller further agrees that the Listing Brokerage shall have sole and exclusive authority to make all advertising decisions relating to the marketing of the Property for sale during the Listing Period. The Seller agrees that the Listing Brokerage will not be held liable in any manner whatsoever for any acts or omissions with respect to advertising by the Listing Brokerage or any other party, other than by the Listing Brokerage's gross negligence or wilful act.
- 7. WARRANTY:** The Seller represents and warrants that the Seller has the exclusive authority and power to execute this Authority to offer the Property for sale and that the Seller has informed the Listing Brokerage of any third party interests or claims on the Property such as rights of first refusal, options, easements, mortgages, encumbrances or otherwise concerning the Property, which may affect the sale of the Property.
- 8. INDEMNIFICATION AND INSURANCE:** The Seller will not hold the Listing Brokerage and representatives of the Brokerage responsible for any loss or damage to the Property or contents occurring during the term of this Agreement caused by the Listing Brokerage or anyone else by any means, including theft, fire or vandalism, other than by the Listing Brokerage's gross negligence or wilful act. The Seller agrees to indemnify and save harmless the Listing Brokerage and representatives of the Brokerage and any co-operating brokerage from any liability, claim, loss, cost, damage or injury, including but not limited to loss of the Commission payable under this Agreement, caused or contributed to by the breach of any warranty or representation made by the Seller in this Agreement and, if attached, the accompanying data form. The Seller warrants the Property is insured, including personal liability insurance against any claims or lawsuits resulting from bodily injury or property damage to others caused in any way on or at the Property and the Seller indemnifies the Brokerage and all of its employees, representatives, salespersons and brokers (Listing Brokerage) and any co-operating brokerage and all of its employees, representatives, salespersons and brokers (co-operating brokerage) for and against any claims against the Listing Brokerage or co-operating brokerage made by anyone who attends or visits the Property.
- 9. ENVIRONMENTAL INDEMNIFICATION:** The Seller agrees to indemnify and save harmless the Listing Brokerage and representatives of the Brokerage and any co-operating brokerage from any liability, claim, loss, cost, damage or injury as a result of the Property being affected by any contaminants or environmental problems.
- 10. FAMILY LAW ACT:** The Seller hereby warrants that spousal consent is not necessary under the provisions of the Family Law Act, R.S.O. 1990, unless the spouse of the Seller has executed the consent hereinafter provided.
- 11. VERIFICATION OF INFORMATION:** The Seller authorizes the Listing Brokerage to obtain any information from any regulatory authorities, governments, mortgagees or others affecting the Property and the Seller agrees to execute and deliver such further authorizations in this regard as may be reasonably required. The Seller hereby appoints the Listing Brokerage or the Listing Brokerage's authorized representative as the Seller's attorney to execute such documentation as may be necessary to effect obtaining any information as aforesaid. The Seller hereby authorizes, instructs and directs the above noted regulatory authorities, governments, mortgagees or others to release any and all information to the Listing Brokerage.

INITIALS OF LISTING BROKERAGE: 

INITIALS OF SELLER(S): 

**12. USE AND DISTRIBUTION OF INFORMATION:** The Seller consents to the collection, use and disclosure of personal information by the Brokerage for the purpose of listing and marketing the Property including, but not limited to: listing and advertising the Property using any medium including the Internet; disclosing Property information to prospective buyers, brokerages, salespersons and others who may assist in the sale of the Property; such other use of the Seller's personal information as is consistent with listing and marketing of the Property. The Seller consents, if this is an MLS® Listing, to placement of the listing information and sales information by the Brokerage into the database(s) of the MLS® System of the appropriate Board, and to the posting of any documents and other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) provided by or on behalf of the Seller into the database(s) of the MLS® System of the appropriate Board. The Seller hereby indemnifies and saves harmless the Brokerage and/or any of its employees, servants, brokers or sales representatives from any and all claims, liabilities, suits, actions, losses, costs and legal fees caused by, or arising out of, or resulting from the posting of any documents or other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) as aforesaid. The Seller acknowledges that the database, within the board's MLS® System is the property of the real estate board(s) and can be licensed, resold, or otherwise dealt with by the board(s). The Seller further acknowledges that the real estate board(s) may: during the term of the listing and thereafter, distribute the information in the database, within the board's MLS® System to any persons authorized to use such service which may include other brokerages, government departments, appraisers, municipal organizations and others; market the Property, at its option, in any medium, including electronic media; during the term of the listing and thereafter, compile, retain and publish any statistics including historical data within the board's MLS® System and retain, reproduce and display photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions which may be used by board members to conduct comparative analyses; and make such other use of the information as the Brokerage and/or real estate board(s) deem appropriate, in connection with the listing, marketing and selling of real estate during the term of the listing and thereafter. The Seller acknowledges that the information, personal or otherwise ("information"), provided to the real estate board or association may be stored on databases located outside of Canada, in which case the information would be subject to the laws of the jurisdiction in which the information is located.

In the event that this Agreement expires or is cancelled or otherwise terminated and the Property is not sold, the Seller, by initialling: ○ **Does** ○ **Does Not**

consent to allow other real estate board members to contact the Seller after expiration or other termination of this Agreement to discuss listing or otherwise marketing the Property.

- 13. SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms of this Agreement.
- 14. CONFLICT OR DISCREPANCY:** If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Authority from the Seller to the Listing Brokerage. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein.
- 15. ELECTRONIC COMMUNICATION:** This Agreement and any agreements, notices or other communications contemplated thereby may be transmitted by means of electronic systems, in which case signatures shall be deemed to be original. The transmission of this Agreement by the Seller by electronic means shall be deemed to confirm the Seller has retained a true copy of the Agreement.
- 16. ELECTRONIC SIGNATURES:** If this Agreement has been signed with an electronic signature the parties hereto consent and agree to the use of such electronic signature with respect to this Agreement pursuant to the *Electronic Commerce Act, 2000, S.O. 2000, c17* as amended from time to time.

**THE LISTING BROKERAGE AGREES TO MARKET THE PROPERTY ON BEHALF OF THE SELLER AND REPRESENT THE SELLER IN AN ENDEAVOUR TO OBTAIN A VALID OFFER TO PURCHASE THE PROPERTY ON THE TERMS SET OUT IN THIS AGREEMENT OR ON SUCH OTHER TERMS SATISFACTORY TO THE SELLER.**

*Sanjiv Chadha* May 5, 2025 Sanjiv Chadha  
(Authorized to bind the Listing Brokerage) (Date) (Name of Person Signing)

**THIS AGREEMENT HAS BEEN READ AND FULLY UNDERSTOOD BY ME, I ACCEPT THE TERMS OF THIS AGREEMENT AND I ACKNOWLEDGE ON THIS DATE I HAVE SIGNED UNDER SEAL.** Any representations contained herein or as shown on any accompanying data form respecting the Property are true to the best of my knowledge, information and belief.

SIGNED, SEALED AND DELIVERED I have hereunto set my hand and seal:

(Name of Seller) .....

(Signature of Seller/Authorized Signing Officer) ● (Seal) ..... (Date) ..... (Tel. No.)

(Signature of Seller/Authorized Signing Officer) ● (Seal) ..... (Date) ..... (Tel. No.)

**SPOUSAL CONSENT:** The undersigned spouse of the Seller hereby consents to the listing of the Property herein pursuant to the provisions of the Family Law Act, R.S.O. 1990 and hereby agrees to execute all necessary or incidental documents to further any transaction provided for herein.

(Spouse) ● (Seal) ..... (Date) ..... (Tel. No.)

**DECLARATION OF INSURANCE**

The Salesperson/Broker/Broker of Record Aidan Malloy, Ben Sykes & Glen Larocque  
(Name of Salesperson/Broker/Broker of Record)

hereby declares that he/she is insured as required by TRESA. *Aidan Malloy*

(Signature) of Salesperson/Broker/Broker of Record

**ACKNOWLEDGEMENT**

The Seller(s) hereby acknowledge that the Seller(s) fully understand the terms of this Agreement and have received a copy of this Agreement on the ..... day of ....., 20 .....

(Signature of Seller) ..... (Date)

(Signature of Seller) ..... (Date)

## SCHEDULE "A"

To the Listing Agreement between Avison Young Commercial Real Estate Services, LP. (the "**Listing Brokerage**") and BDO Canada Limited, solely in its capacity as receiver and manager of Upper Canada Growers Ltd. and UCG Landco. Inc. (the "**Receiver**" or the "**Seller**") and over the right, title and interest in the Property (as defined herein) for the property municipally known 1110 Ridge Road, Harrow, Ontario (the "**Property**")

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1. The Seller may in its sole and absolute discretion and without penalty or cost to the Seller terminate the Listing Agreement at any time, if the Listing Brokerage is in default hereunder or under any other agreement with the Seller. In addition, this Listing Agreement shall automatically terminate if: (a) the court order appointing the Receiver and/or the Receiver's appointment as Receiver in connection with the Property is revoked, appealed, suspended or terminated; and/or (b) the Seller is restricted in or enjoined from dealing with the Property by a court of competent jurisdiction.

2. While it is the Seller's intention to obtain the highest and best offer for the Property, the Listing Brokerage acknowledges and agrees that the Seller need not accept the highest offer and/or the best offer or any offer, and that acceptance by the Seller of an offer for the Property is subject at all times to the Seller's approval in its sole and absolute discretion and its obligations at law and at equity as Receiver as well as approval by the court.

3. Notwithstanding any other provision contained in the Listing Agreement or this Schedule, the Seller shall only be liable to pay the commission provided for in the Listing Agreement if the transaction contemplated therein is completed (a "**Transaction**"). The Listing Brokerage acknowledges that this sale agreement is conditional on its approval of an Order from the Ontario Superior Court of Justice (the "**Court**") as is the appointment of BDO Canada Limited to act in the capacity as Receiver and be a counter party to it. Additionally, further approval of the Court is required ("**Court Approval**") as a pre-condition to the completion of a Transaction. The Seller cannot guarantee that Court Approval for any such Transaction will be obtained. The Listing Brokerage also acknowledges that the purchaser of the Property may include in the agreement of purchase and sale certain conditions which the Seller is required to fulfil prior to closing (collectively, "**Conditions**"). The fulfilment of such Conditions by the Seller cannot be guaranteed. The parties agree that no commission shall be payable if a Transaction is not completed in the event that Court Approval is not obtained or if the Conditions are not met or are impracticable to meet.

4. It is further understood and agreed that the Listing Brokerage shall offer the Property for sale on an "as is, where is" basis and that the Listing Brokerage shall make no representations, warranties, promises or agreements with respect to or in any way connected with the Property, including, without limitation, the title, description, fitness, state, condition, environmental status nor the existence of any work orders or deficiency notices affecting the Property.

5. Any fee, commission or other compensation payable to the Listing Brokerage in connection with the Holdover Period shall: (a) only apply to those purchasers who were introduced to the Seller or to the Property by the Listing Brokerage during the Listing Period and who the Listing Brokerage has previously disclosed in writing to the Seller no later than three (3) days following

the earlier of the expiration or termination of the Agreement; and (b) be reduced by any fee, commission and/or other compensation paid to another broker or agent for the sale of the Property (the “**New Agent**”) on the basis of an agreement with the New Agent entered into with respect to the Holdover Period.

6. During the Holdover Period, the Listing Brokerage will not be entitled to any commission, payment or fee as the Seller’s agent if the Listing Brokerage represents the purchaser.

7. The Seller **does not** consent to the Listing Brokerage receiving and retaining, in addition to the commission provided for this Agreement, a finder’s fee for any financing of the Property. Section 4 of the pre-printed portion of this Agreement is amended accordingly.

8. The Seller represents and warrants that the Seller has the exclusive authority and power to execute this Agreement to offer the Property for sale. However, the Listing Brokerage acknowledges and agrees that the Seller has only limited knowledge about the Property and cannot confirm any third party interests or claims with respect to the Property such as rights of first refusal, options, easements, mortgages, encumbrances or otherwise concerning the Property, which may affect the sale of the Property, notwithstanding any terms of the pre-printed portion of this Agreement which is amended accordingly.

9. This Agreement shall not be assigned in whole or in part by the Listing Brokerage without the prior written consent of the Seller which consent may be unreasonably and/or arbitrarily withheld and any assignment made without that consent is void and of no effect.

10. The Seller at all times agrees to: (a) comply with all legal requirements under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and FINTRAC and (b) provide any and all reasonable assistance/information as soon as reasonably possible (but in no event no later than 5 business days) upon request by the Listing Brokerage in order to allow it to do the same.

11. In the event of any conflict between the provisions of this Schedule “A” and the provisions of the pre-printed portions of the Listing Agreement, the provisions of this Schedule “A” shall override and shall govern and prevail for all purposes.



# Listing Agreement - Commercial

## Seller Designated Representation Agreement

### Authority to Offer for Sale

**Form 593**

for use in the Province of Ontario

This is a **Multiple Listing Service® Agreement**  **OR** **Exclusive Listing Agreement**   
(Seller's Initials) (Seller's Initials)

**BETWEEN:**  
**BROKERAGE:** ..... Avison Young Commercial Real Estate Services, LP

77 City Centre Drive, #301 Mississauga ON L5B 1M5 (the "Listing Brokerage") Tel. No. .... 905-712-2100


**SELLER:** BDO Canada Ltd. acting in its capacity as Court appointed receiver and Manager of Upper Canada Growers Ltd. and UCG Landco. Inc. (the "Seller")

**DESIGNATED REPRESENTATIVE(S):** Aidan Malloy, Ben Sykes & Glen Larocque  
(Name of Salesperson/Broker/Broker of Record)

The Designated Representative will be providing services and representation to the Seller and the Brokerage provides services but not representation.  
In consideration of the Listing Brokerage listing the real property for sale known as N/A County Rd 50 E & N/A Schiller Beach Rd  
Essex, ON, N0R 1G0 ..... (the "Property")


the Seller hereby gives the Listing Brokerage the **exclusive and irrevocable** right to act as the Seller's agent,  
commencing at 12:01 (a.m./p.m.) on the 21 day of May, 2025,

and expiring at 11:59 p.m. on the 20 day of November, 2025 (the "Listing Period"),

{ Seller acknowledges that the length of the Listing Period is negotiable between the Seller and the Listing Brokerage and, if an MLS® listing, may be subject to minimum requirements of the real estate board, however, in accordance with the Trust in Real Estate Services Act, 2002 (TRESA), the Listing Brokerage must obtain the Seller's initials. } 

to offer the Property for sale at a price of: ..... Dollars (CDN\$) 1.00

..... Dollars  
and upon the terms particularly set out herein, or at such other price and/or terms acceptable to the Seller. It is understood that the price and/or terms set out herein are at the Seller's personal request, after full discussion with the Listing Brokerage's representative regarding potential market value of the Property.

**The Seller hereby represents and warrants that the Seller is not a party to any other listing agreement for the Property or agreement to pay commission to any other real estate brokerage for the sale of the Property.** 

**Schedule A**, ..... attached hereto forms part of this Agreement, of which **Schedule A** sets out the details with respect to the services, confidentiality and representation of the Brokerage and Designated Representative.

**1. DEFINITIONS AND INTERPRETATIONS:** For the purposes of this Agreement ("Authority" or "Agreement"):  
"Seller" includes vendor and a "buyer" includes a purchaser or a prospective purchaser. "Self-represented assistance" shall mean assistance provided to a self-represented party. A purchase shall be deemed to include the entering into of any agreement to exchange, or the obtaining of an option to purchase which is subsequently exercised, or the causing of a First Right of Refusal to be exercised, or an agreement to sell or transfer shares or assets. "Real property" includes real estate as defined in the Trust in Real Estate Services Act (2002). The "Property" shall be deemed to include any part thereof or interest therein. A "real estate board" includes a real estate association. Commission shall be deemed to include other remuneration. This Agreement shall be read with all changes of gender or number required by the context. For purposes of this Agreement, anyone introduced to or shown the Property shall be deemed to include any spouse, heirs, executors, administrators, successors, assigns, related corporations and affiliated corporations. Related corporations or affiliated corporations shall include any corporation where one half or a majority of the shareholders, directors or officers of the related or affiliated corporation are the same person(s) as the shareholders, directors, or officers of the corporation introduced to or shown the Property.


**2. COMMISSION:** In consideration of the Listing Brokerage listing the Property, the Seller agrees to pay the Listing Brokerage a commission of ..... 3.5% of the sale price of the Property or ..... 2.5% in the event no co-operating broker is involved

..... for any valid offer to purchase the Property from any source whatsoever obtained during the Listing Period, as may be acceptable to the Seller. The Seller authorizes the Listing Brokerage to co-operate with any other registered real estate brokerage (co-operating brokerage) and to offer to pay the co-operating brokerage a commission of ..... 1.5% of the sale price of the Property or .....

..... out of the commission the Seller pays the Listing Brokerage.  
The Seller further agrees to pay such commission as calculated above if an agreement to purchase is agreed to or accepted by the Seller or anyone

on the Seller's behalf within ..... days after the expiration of the Listing Period (**Holdover Period**), so long as such agreement is with anyone who was introduced to the Property from any source whatsoever during the Listing Period or shown the Property during the Listing Period. If, however, the offer for the purchase of the Property is pursuant to a new agreement in writing to pay commission to another registered real estate brokerage, the Seller's liability for commission shall be reduced by the amount paid by the Seller under the new agreement.

**INITIALS OF LISTING BROKERAGE:**  **INITIALS OF SELLER(S):** 

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© 2024, Ontario Real Estate Association ("OREA"). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard pre-set portion. OREA bears no liability for your use of this form.

The Seller further agrees to pay such commission as calculated above even if the transaction contemplated by an agreement to purchase agreed to or accepted by the Seller or anyone on the Seller's behalf is not completed, if such non-completion is owing or attributable to the Seller's default or neglect, said commission to be payable on the date set for completion of the purchase of the Property.  
 Any deposit in respect of any agreement where the transaction has been completed shall first be applied to reduce the commission payable. Should such amounts paid to the Listing Brokerage from the deposit or by the Seller's solicitor not be sufficient, the Seller shall be liable to pay to the Listing Brokerage on demand, any deficiency in commission and taxes owing on such commission.  
 In the event the buyer fails to complete the purchase and the deposit or any part thereof becomes forfeited, awarded, directed or released to the Seller, the Seller then authorizes the Listing Brokerage to retain as commission for services rendered, fifty (50%) per cent of the amount of the said deposit forfeited, awarded, directed or released to the Seller (but not to exceed the commission payable had a sale been consummated) and to pay the balance of the deposit to the Seller. All amounts set out as commission are to be paid plus applicable taxes on such commission.

**3. REPRESENTATION:** The Seller acknowledges that the Listing Brokerage has provided the Seller with written information explaining relationships, including information on Seller Representation, Sub-agency, Buyer Representation, Multiple Representation and Self-Represented Party assistance. The Seller understands that unless the Seller is otherwise informed, the co-operating brokerage is representing the interests of the buyer in the transaction. The Seller further acknowledges that the Listing Brokerage may be listing other properties that may be similar to the Seller's Property and the Seller hereby consents to the Listing Brokerage listing other properties that may be similar to the Seller's Property without any claim by the Seller of conflict of interest. The Seller hereby appoints the Listing Brokerage as the Seller's agent for the purpose of giving and receiving notices pursuant to any offer or agreement to purchase the Property. Unless otherwise agreed in writing between Seller and Listing Brokerage, any commission payable to any other brokerage shall be paid out of the commission the Seller pays the Listing Brokerage, said commission to be disbursed in accordance with the Commission Trust Agreement.

**MULTIPLE REPRESENTATION:** The Seller hereby acknowledges that the Listing Brokerage may be entering into buyer representation agreements with buyers who may be interested in purchasing the Seller's Property. In the event that the Listing Brokerage has entered into or enters into a buyer representation agreement with a prospective buyer for the Seller's Property, the Listing Brokerage will require the Seller's written consent to represent both the Seller and the buyer for the transaction. The Seller understands and acknowledges that the Listing Brokerage must be impartial when representing both the Seller and the buyer and equally protect the interests of the Seller and buyer. The Seller understands and acknowledges that when representing both the Seller and the buyer, the Listing Brokerage shall have a duty of full disclosure to both the Seller and the buyer.

However, the Seller further understands and acknowledges that the Listing Brokerage shall not disclose:

- that the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
- that the buyer may or will pay more than the offered price, unless otherwise instructed in writing by the buyer;
- the motivation of or personal information about the Seller or buyer, unless otherwise instructed in writing by the party to which the information applies or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
- the price the buyer should offer or the price the Seller should accept; and
- the Listing Brokerage shall not disclose to the buyer the terms of any other offer, unless otherwise directed in writing by the Seller.

However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the property will be disclosed to both Seller and Buyer to assist them to come to their own conclusions.

**The Brokerage shall not be appointed or authorized to be agent for either the Seller or the buyer for the purpose of giving and receiving notices where the Brokerage represents both the Seller and the buyer (multiple representation) or where the buyer or the seller is a self-represented party.**

**MULTIPLE REPRESENTATION AND DESIGNATED REPRESENTATION:** The Seller understands and acknowledges where both the Seller and buyer are represented by a designated representative of the Listing Brokerage, multiple representation will not result, unless that designated representative represents more than one client in the same trade, and will require consent in writing for such multiple representation. In the event of multiple representation and designated representation, the Brokerage duty of disclosure to both the seller and the buyer client is as more particularly set out in the agreement with the respective seller or buyer.

- 4. FINDERS FEES:** The Seller acknowledges that the Brokerage may be receiving a finder's fee, reward and/or referral incentive, and the Seller consents to any such benefit being received and retained by the Brokerage in addition to the Commission as described above.
- 5. REFERRAL OF ENQUIRIES:** The Seller agrees that during the Listing Period, the Seller shall advise the Listing Brokerage immediately of all enquiries from any source whatsoever, and all offers to purchase submitted to the Seller shall be immediately submitted to the Listing Brokerage by the Seller before the Seller accepts or rejects the same. If any enquiry during the Listing Period results in the Seller accepting a valid offer to purchase during the Listing Period or within the Holdover Period after the expiration of the Listing Period described above, the Seller agrees to pay the Listing Brokerage the amount of Commission set out above, payable within five (5) days following the Listing Brokerage's written demand therefor.
- 6. MARKETING:** The Seller agrees to allow the Listing Brokerage to show and permit prospective buyers to fully inspect the Property during reasonable hours and the Seller gives the Listing Brokerage the sole and exclusive right to place "For Sale" and "Sold" sign(s) upon the Property. The Seller consents to the Listing Brokerage including information in advertising that may identify the Property. The Seller further agrees that the Listing Brokerage shall have sole and exclusive authority to make all advertising decisions relating to the marketing of the Property for sale during the Listing Period. The Seller agrees that the Listing Brokerage will not be held liable in any manner whatsoever for any acts or omissions with respect to advertising by the Listing Brokerage or any other party, other than by the Listing Brokerage's gross negligence or wilful act.
- 7. WARRANTY:** The Seller represents and warrants that the Seller has the exclusive authority and power to execute this Authority to offer the Property for sale and that the Seller has informed the Listing Brokerage of any third party interests or claims on the Property such as rights of first refusal, options, easements, mortgages, encumbrances or otherwise concerning the Property, which may affect the sale of the Property.
- 8. INDEMNIFICATION AND INSURANCE:** The Seller will not hold the Listing Brokerage and representatives of the Brokerage responsible for any loss or damage to the Property or contents occurring during the term of this Agreement caused by the Listing Brokerage or anyone else by any means, including theft, fire or vandalism, other than by the Listing Brokerage's gross negligence or wilful act. The Seller agrees to indemnify and save harmless the Listing Brokerage and representatives of the Brokerage and any co-operating brokerage from any liability, claim, loss, cost, damage or injury, including but not limited to loss of the Commission payable under this Agreement, caused or contributed to by the breach of any warranty or representation made by the Seller in this Agreement and, if attached, the accompanying data form. The Seller warrants the Property is insured, including personal liability insurance against any claims or lawsuits resulting from bodily injury or property damage to others caused in any way on or at the Property and the Seller indemnifies the Brokerage and all of its employees, representatives, salespersons and brokers (Listing Brokerage) and any co-operating brokerage and all of its employees, representatives, salespersons and brokers (co-operating brokerage) for and against any claims against the Listing Brokerage or co-operating brokerage made by anyone who attends or visits the Property.
- 9. ENVIRONMENTAL INDEMNIFICATION:** The Seller agrees to indemnify and save harmless the Listing Brokerage and representatives of the Brokerage and any co-operating brokerage from any liability, claim, loss, cost, damage or injury as a result of the Property being affected by any contaminants or environmental problems.
- 10. FAMILY LAW ACT:** The Seller hereby warrants that spousal consent is not necessary under the provisions of the Family Law Act, R.S.O. 1990, unless the spouse of the Seller has executed the consent hereinafter provided.
- 11. VERIFICATION OF INFORMATION:** The Seller authorizes the Listing Brokerage to obtain any information from any regulatory authorities, governments, mortgagees or others affecting the Property and the Seller agrees to execute and deliver such further authorizations in this regard as may be reasonably required. The Seller hereby appoints the Listing Brokerage or the Listing Brokerage's authorized representative as the Seller's attorney to execute such documentation as may be necessary to effect obtaining any information as aforesaid. The Seller hereby authorizes, instructs and directs the above noted regulatory authorities, governments, mortgagees or others to release any and all information to the Listing Brokerage.

INITIALS OF LISTING BROKERAGE: 

INITIALS OF SELLER(S): 

**12. USE AND DISTRIBUTION OF INFORMATION:** The Seller consents to the collection, use and disclosure of personal information by the Brokerage for the purpose of listing and marketing the Property including, but not limited to: listing and advertising the Property using any medium including the Internet; disclosing Property information to prospective buyers, brokerages, salespersons and others who may assist in the sale of the Property; such other use of the Seller's personal information as is consistent with listing and marketing of the Property. The Seller consents, if this is an MLS® Listing, to placement of the listing information and sales information by the Brokerage into the database(s) of the MLS® System of the appropriate Board, and to the posting of any documents and other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) provided by or on behalf of the Seller into the database(s) of the MLS® System of the appropriate Board. The Seller hereby indemnifies and saves harmless the Brokerage and/or any of its employees, servants, brokers or sales representatives from any and all claims, liabilities, suits, actions, losses, costs and legal fees caused by, or arising out of, or resulting from the posting of any documents or other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) as aforesaid. The Seller acknowledges that the database, within the board's MLS® System is the property of the real estate board(s) and can be licensed, resold, or otherwise dealt with by the board(s). The Seller further acknowledges that the real estate board(s) may: during the term of the listing and thereafter, distribute the information in the database, within the board's MLS® System to any persons authorized to use such service which may include other brokerages, government departments, appraisers, municipal organizations and others; market the Property, at its option, in any medium, including electronic media; during the term of the listing and thereafter, compile, retain and publish any statistics including historical data within the board's MLS® System and retain, reproduce and display photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions which may be used by board members to conduct comparative analyses; and make such other use of the information as the Brokerage and/or real estate board(s) deem appropriate, in connection with the listing, marketing and selling of real estate during the term of the listing and thereafter. The Seller acknowledges that the information, personal or otherwise ("information"), provided to the real estate board or association may be stored on databases located outside of Canada, in which case the information would be subject to the laws of the jurisdiction in which the information is located.

In the event that this Agreement expires or is cancelled or otherwise terminated and the Property is not sold, the Seller, by initialling:

consent to allow other real estate board members to contact the Seller after expiration or other termination of this Agreement to discuss listing or otherwise marketing the Property.

Does                       Does Not

- 13. SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms of this Agreement.
- 14. CONFLICT OR DISCREPANCY:** If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Authority from the Seller to the Listing Brokerage. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein.
- 15. ELECTRONIC COMMUNICATION:** This Agreement and any agreements, notices or other communications contemplated thereby may be transmitted by means of electronic systems, in which case signatures shall be deemed to be original. The transmission of this Agreement by the Seller by electronic means shall be deemed to confirm the Seller has retained a true copy of the Agreement.
- 16. ELECTRONIC SIGNATURES:** If this Agreement has been signed with an electronic signature the parties hereto consent and agree to the use of such electronic signature with respect to this Agreement pursuant to the *Electronic Commerce Act, 2000, S.O. 2000, c17* as amended from time to time.

**THE LISTING BROKERAGE AGREES TO MARKET THE PROPERTY ON BEHALF OF THE SELLER AND REPRESENT THE SELLER IN AN ENDEAVOUR TO OBTAIN A VALID OFFER TO PURCHASE THE PROPERTY ON THE TERMS SET OUT IN THIS AGREEMENT OR ON SUCH OTHER TERMS SATISFACTORY TO THE SELLER.**

*Sanjiv Chadha* ..... **May 5, 2025** ..... *Sanjiv Chadha*  
 (Authorized to bind the Listing Brokerage) ..... (Date) ..... (Name of Person Signing)

**THIS AGREEMENT HAS BEEN READ AND FULLY UNDERSTOOD BY ME, I ACCEPT THE TERMS OF THIS AGREEMENT AND I ACKNOWLEDGE ON THIS DATE I HAVE SIGNED UNDER SEAL.** Any representations contained herein or as shown on any accompanying data form respecting the Property are true to the best of my knowledge, information and belief. SIGNED, SEALED AND DELIVERED I have hereunto set my hand and seal:

.....  
 (Name of Seller)

.....  
 (Signature of Seller/Authorized Signing Officer)      (Seal)      (Date)      (Tel. No.)

.....  
 (Signature of Seller/Authorized Signing Officer)      (Seal)      (Date)      (Tel. No.)

**SPOUSAL CONSENT:** The undersigned spouse of the Seller hereby consents to the listing of the Property herein pursuant to the provisions of the Family Law Act, R.S.O. 1990 and hereby agrees to execute all necessary or incidental documents to further any transaction provided for herein.

.....  
 (Spouse)      (Seal)      (Date)      (Tel. No.)

**DECLARATION OF INSURANCE**

The Salesperson/Broker/Broker of Record ..... **Aidan Malloy, Ben Sykes & Glen Larocque**  
 (Name of Salesperson/Broker/Broker of Record)

hereby declares that he/she is insured as required by TRESA.

.....  
*Aidan Malloy*  
 (Signature(s) of Salesperson/Broker/Broker of Record)

**ACKNOWLEDGEMENT**

The Seller(s) hereby acknowledge that the Seller(s) fully understand the terms of this Agreement and have received a copy of this Agreement on the ..... day of ....., 20 .....

.....  
 (Signature of Seller)      (Date)

.....  
 (Signature of Seller)      (Date)

## SCHEDULE "A"

To the Listing Agreement between Avison Young Commercial Real Estate Services, LP. (the "**Listing Brokerage**") and BDO Canada Limited, solely in its capacity as receiver and manager of Upper Canada Growers Ltd. and UCG Landco. Inc. (the "**Receiver**" or the "**Seller**") and over the right, title and interest in the Properties (as defined herein) for the properties municipally known N/A County Road 50 E, Harrow, Ontario & N/A Schiller Beach Road, Harrow, ON (the "**Properties**")

---

1. The Seller may in its sole and absolute discretion and without penalty or cost to the Seller terminate the Listing Agreement at any time, if the Listing Brokerage is in default hereunder or under any other agreement with the Seller. In addition, this Listing Agreement shall automatically terminate if: (a) the court order appointing the Receiver and/or the Receiver's appointment as Receiver in connection with the Properties is revoked, appealed, suspended or terminated; and/or (b) the Seller is restricted in or enjoined from dealing with the Properties by a court of competent jurisdiction.

2. While it is the Seller's intention to obtain the highest and best offer for the Properties, the Listing Brokerage acknowledges and agrees that the Seller need not accept the highest offer and/or the best offer or any offer, and that acceptance by the Seller of an offer for the Properties is subject at all times to the Seller's approval in its sole and absolute discretion and its obligations at law and at equity as Receiver as well as approval by the court.

3. Notwithstanding any other provision contained in the Listing Agreement or this Schedule, the Seller shall only be liable to pay the commission provided for in the Listing Agreement if the transaction contemplated therein is completed (a "**Transaction**"). The Listing Brokerage acknowledges that this sale agreement is conditional on its approval of an Order from the Ontario Superior Court of Justice (the "**Court**") as is the appointment of BDO Canada Limited to act in the capacity as Receiver and be a counter party to it. Additionally, further approval of the Court is required ("**Court Approval**") as a pre-condition to the completion of a Transaction. The Seller cannot guarantee that Court Approval for any such Transaction will be obtained. The Listing Brokerage also acknowledges that the purchaser of the Properties may include in the agreement of purchase and sale certain conditions which the Seller is required to fulfil prior to closing (collectively, "**Conditions**"). The fulfilment of such Conditions by the Seller cannot be guaranteed. The parties agree that no commission shall be payable if a Transaction is not completed in the event that Court Approval is not obtained or if the Conditions are not met or are impracticable to meet.

4. It is further understood and agreed that the Listing Brokerage shall offer the Properties for sale on an "as is, where is" basis and that the Listing Brokerage shall make no representations, warranties, promises or agreements with respect to or in any way connected with the Properties, including, without limitation, the title, description, fitness, state, condition, environmental status nor the existence of any work orders or deficiency notices affecting the Properties.

5. Any fee, commission or other compensation payable to the Listing Brokerage in connection with the Holdover Period shall: (a) only apply to those purchasers who were introduced to the Seller or to the Properties by the Listing Brokerage during the Listing Period and who the Listing

Brokerage has previously disclosed in writing to the Seller no later than three (3) days following the earlier of the expiration or termination of the Agreement; and (b) be reduced by any fee, commission and/or other compensation paid to another broker or agent for the sale of the Properties (the “**New Agent**”) on the basis of an agreement with the New Agent entered into with respect to the Holdover Period.

6. During the Holdover Period, the Listing Brokerage will not be entitled to any commission, payment or fee as the Seller’s agent if the Listing Brokerage represents the purchaser.

7. The Seller **does not** consent to the Listing Brokerage receiving and retaining, in addition to the commission provided for this Agreement, a finder’s fee for any financing of the Properties. Section 4 of the pre-printed portion of this Agreement is amended accordingly.

8. The Seller represents and warrants that the Seller has the exclusive authority and power to execute this Agreement to offer the Properties for sale. However, the Listing Brokerage acknowledges and agrees that the Seller has only limited knowledge about the Properties and cannot confirm any third party interests or claims with respect to the Properties such as rights of first refusal, options, easements, mortgages, encumbrances or otherwise concerning the Properties, which may affect the sale of the Properties, notwithstanding any terms of the pre-printed portion of this Agreement which is amended accordingly.

9. This Agreement shall not be assigned in whole or in part by the Listing Brokerage without the prior written consent of the Seller which consent may be unreasonably and/or arbitrarily withheld and any assignment made without that consent is void and of no effect.

10. The Seller at all times agrees to: (a) comply with all legal requirements under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and FINTRAC and (b) provide any and all reasonable assistance/information as soon as reasonably possible (but in no event no later than 5 business days) upon request by the Listing Brokerage in order to allow it to do the same.

11. In the event of any conflict between the provisions of this Schedule “A” and the provisions of the pre-printed portions of the Listing Agreement, the provisions of this Schedule “A” shall override and shall govern and prevail for all purposes.

# Listing Agreement - Commercial

## Seller Designated Representation Agreement

### Authority to Offer for Sale

**Form 593**

for use in the Province of Ontario

This is a **Multiple Listing Service® Agreement**  **OR** **Exclusive Listing Agreement**   
(Seller's Initials) (Seller's Initials)

**BETWEEN:**  
**BROKERAGE:** ..... Avison Young Commercial Real Estate Services, LP


77 City Centre Drive, #301 Mississauga ON L5B 1M5 (the "Listing Brokerage") Tel. No. .... 905-712-2100

**SELLER:** BDO Canada Ltd. acting in its capacity as Court appointed receiver and Manager of Upper Canada Growers Ltd. and UCG Landco. Inc. (the "Seller")

**DESIGNATED REPRESENTATIVE(S):** Aidan Malloy, Ben Sykes & Glen Larocque  
(Name of Salesperson/Broker/Broker of Record)


The Designated Representative will be providing services and representation to the Seller and the Brokerage provides services but not representation.  
In consideration of the Listing Brokerage listing the real property for sale known as V/L Ferriss Rd W/S  
Essex, ON ..... (the "Property")

the Seller hereby gives the Listing Brokerage the **exclusive and irrevocable** right to act as the Seller's agent,  
commencing at 12:01 (a.m./p.m.) on the 21 day of May, 2025,  
and expiring at 11:59 p.m. on the 20 day of November, 2025 (the "Listing Period"),

{ Seller acknowledges that the length of the Listing Period is negotiable between the Seller and the Listing Brokerage and, if an MLS® listing, may be subject to minimum requirements of the real estate board, however, in accordance with the Trust in Real Estate Services Act, 2002 (TRESA), the Listing Brokerage must obtain the Seller's initials. } 

to offer the Property for sale at a price of: ..... Dollars (CDN\$) 1.00

..... Dollars  
and upon the terms particularly set out herein, or at such other price and/or terms acceptable to the Seller. It is understood that the price and/or terms set out herein are at the Seller's personal request, after full discussion with the Listing Brokerage's representative regarding potential market value of the Property.

**The Seller hereby represents and warrants that the Seller is not a party to any other listing agreement for the Property or agreement to pay commission to any other real estate brokerage for the sale of the Property.** 

**Schedule A**, ..... attached hereto forms part of this Agreement, of which **Schedule A** sets out the details with respect to the services, confidentiality and representation of the Brokerage and Designated Representative.

**1. DEFINITIONS AND INTERPRETATIONS:** For the purposes of this Agreement ("Authority" or "Agreement"):  
"Seller" includes vendor and a "buyer" includes a purchaser or a prospective purchaser. "Self-represented assistance" shall mean assistance provided to a self-represented party. A purchase shall be deemed to include the entering into of any agreement to exchange, or the obtaining of an option to purchase which is subsequently exercised, or the causing of a First Right of Refusal to be exercised, or an agreement to sell or transfer shares or assets. "Real property" includes real estate as defined in the Trust in Real Estate Services Act (2002). The "Property" shall be deemed to include any part thereof or interest therein. A "real estate board" includes a real estate association. Commission shall be deemed to include other remuneration. This Agreement shall be read with all changes of gender or number required by the context. For purposes of this Agreement, anyone introduced to or shown the Property shall be deemed to include any spouse, heirs, executors, administrators, successors, assigns, related corporations and affiliated corporations. Related corporations or affiliated corporations shall include any corporation where one half or a majority of the shareholders, directors or officers of the related or affiliated corporation are the same person(s) as the shareholders, directors, or officers of the corporation introduced to or shown the Property.

**2. COMMISSION:** In consideration of the Listing Brokerage listing the Property, the Seller agrees to pay the Listing Brokerage a commission of ..... 3.5% of the sale price of the Property or ..... 2.5% in the event no co-operating broker is involved

..... for any valid offer to purchase the Property from any source whatsoever obtained during the Listing Period, as may be acceptable to the Seller. The Seller authorizes the Listing Brokerage to co-operate with any other registered real estate brokerage (co-operating brokerage) and to offer to pay the co-operating brokerage a commission of ..... 1.5% of the sale price of the Property or .....

..... out of the commission the Seller pays the Listing Brokerage.  
The Seller further agrees to pay such commission as calculated above if an agreement to purchase is agreed to or accepted by the Seller or anyone on the Seller's behalf within ..... days after the expiration of the Listing Period (**Holdover Period**), so long as such agreement is with anyone who was introduced to the Property from any source whatsoever during the Listing Period or shown the Property during the Listing Period. If, however, the offer for the purchase of the Property is pursuant to a new agreement in writing to pay commission to another registered real estate brokerage, the Seller's liability for commission shall be reduced by the amount paid by the Seller under the new agreement.

**INITIALS OF LISTING BROKERAGE:**  **INITIALS OF SELLER(S):** 

The Seller further agrees to pay such commission as calculated above even if the transaction contemplated by an agreement to purchase agreed to or accepted by the Seller or anyone on the Seller's behalf is not completed, if such non-completion is owing or attributable to the Seller's default or neglect, said commission to be payable on the date set for completion of the purchase of the Property.  
 Any deposit in respect of any agreement where the transaction has been completed shall first be applied to reduce the commission payable. Should such amounts paid to the Listing Brokerage from the deposit or by the Seller's solicitor not be sufficient, the Seller shall be liable to pay to the Listing Brokerage on demand, any deficiency in commission and taxes owing on such commission.  
 In the event the buyer fails to complete the purchase and the deposit or any part thereof becomes forfeited, awarded, directed or released to the Seller, the Seller then authorizes the Listing Brokerage to retain as commission for services rendered, fifty (50%) per cent of the amount of the said deposit forfeited, awarded, directed or released to the Seller (but not to exceed the commission payable had a sale been consummated) and to pay the balance of the deposit to the Seller. All amounts set out as commission are to be paid plus applicable taxes on such commission.

**3. REPRESENTATION:** The Seller acknowledges that the Listing Brokerage has provided the Seller with written information explaining relationships, including information on Seller Representation, Sub-agency, Buyer Representation, Multiple Representation and Self-Represented Party assistance. The Seller understands that unless the Seller is otherwise informed, the co-operating brokerage is representing the interests of the buyer in the transaction. The Seller further acknowledges that the Listing Brokerage may be listing other properties that may be similar to the Seller's Property and the Seller hereby consents to the Listing Brokerage listing other properties that may be similar to the Seller's Property without any claim by the Seller of conflict of interest. The Seller hereby appoints the Listing Brokerage as the Seller's agent for the purpose of giving and receiving notices pursuant to any offer or agreement to purchase the Property. Unless otherwise agreed in writing between Seller and Listing Brokerage, any commission payable to any other brokerage shall be paid out of the commission the Seller pays the Listing Brokerage, said commission to be disbursed in accordance with the Commission Trust Agreement.

**MULTIPLE REPRESENTATION:** The Seller hereby acknowledges that the Listing Brokerage may be entering into buyer representation agreements with buyers who may be interested in purchasing the Seller's Property. In the event that the Listing Brokerage has entered into or enters into a buyer representation agreement with a prospective buyer for the Seller's Property, the Listing Brokerage will require the Seller's written consent to represent both the Seller and the buyer for the transaction. The Seller understands and acknowledges that the Listing Brokerage must be impartial when representing both the Seller and the buyer and equally protect the interests of the Seller and buyer. The Seller understands and acknowledges that when representing both the Seller and the buyer, the Listing Brokerage shall have a duty of full disclosure to both the Seller and the buyer.

However, the Seller further understands and acknowledges that the Listing Brokerage shall not disclose:

- that the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
- that the buyer may or will pay more than the offered price, unless otherwise instructed in writing by the buyer;
- the motivation of or personal information about the Seller or buyer, unless otherwise instructed in writing by the party to which the information applies or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
- the price the buyer should offer or the price the Seller should accept; and
- the Listing Brokerage shall not disclose to the buyer the terms of any other offer, unless otherwise directed in writing by the Seller.

However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the property will be disclosed to both Seller and Buyer to assist them to come to their own conclusions.

**The Brokerage shall not be appointed or authorized to be agent for either the Seller or the buyer for the purpose of giving and receiving notices where the Brokerage represents both the Seller and the buyer (multiple representation) or where the buyer or the seller is a self-represented party.**

**MULTIPLE REPRESENTATION AND DESIGNATED REPRESENTATION:** The Seller understands and acknowledges where both the Seller and buyer are represented by a designated representative of the Listing Brokerage, multiple representation will not result, unless that designated representative represents more than one client in the same trade, and will require consent in writing for such multiple representation. In the event of multiple representation and designated representation, the Brokerage duty of disclosure to both the seller and the buyer client is as more particularly set out in the agreement with the respective seller or buyer.

- 4. FINDERS FEES:** The Seller acknowledges that the Brokerage may be receiving a finder's fee, reward and/or referral incentive, and the Seller consents to any such benefit being received and retained by the Brokerage in addition to the Commission as described above.
- 5. REFERRAL OF ENQUIRIES:** The Seller agrees that during the Listing Period, the Seller shall advise the Listing Brokerage immediately of all enquiries from any source whatsoever, and all offers to purchase submitted to the Seller shall be immediately submitted to the Listing Brokerage by the Seller before the Seller accepts or rejects the same. If any enquiry during the Listing Period results in the Seller accepting a valid offer to purchase during the Listing Period or within the Holdover Period after the expiration of the Listing Period described above, the Seller agrees to pay the Listing Brokerage the amount of Commission set out above, payable within five (5) days following the Listing Brokerage's written demand therefor.
- 6. MARKETING:** The Seller agrees to allow the Listing Brokerage to show and permit prospective buyers to fully inspect the Property during reasonable hours and the Seller gives the Listing Brokerage the sole and exclusive right to place "For Sale" and "Sold" sign(s) upon the Property. The Seller consents to the Listing Brokerage including information in advertising that may identify the Property. The Seller further agrees that the Listing Brokerage shall have sole and exclusive authority to make all advertising decisions relating to the marketing of the Property for sale during the Listing Period. The Seller agrees that the Listing Brokerage will not be held liable in any manner whatsoever for any acts or omissions with respect to advertising by the Listing Brokerage or any other party, other than by the Listing Brokerage's gross negligence or wilful act.
- 7. WARRANTY:** The Seller represents and warrants that the Seller has the exclusive authority and power to execute this Authority to offer the Property for sale and that the Seller has informed the Listing Brokerage of any third party interests or claims on the Property such as rights of first refusal, options, easements, mortgages, encumbrances or otherwise concerning the Property, which may affect the sale of the Property.
- 8. INDEMNIFICATION AND INSURANCE:** The Seller will not hold the Listing Brokerage and representatives of the Brokerage responsible for any loss or damage to the Property or contents occurring during the term of this Agreement caused by the Listing Brokerage or anyone else by any means, including theft, fire or vandalism, other than by the Listing Brokerage's gross negligence or wilful act. The Seller agrees to indemnify and save harmless the Listing Brokerage and representatives of the Brokerage and any co-operating brokerage from any liability, claim, loss, cost, damage or injury, including but not limited to loss of the Commission payable under this Agreement, caused or contributed to by the breach of any warranty or representation made by the Seller in this Agreement and, if attached, the accompanying data form. The Seller warrants the Property is insured, including personal liability insurance against any claims or lawsuits resulting from bodily injury or property damage to others caused in any way on or at the Property and the Seller indemnifies the Brokerage and all of its employees, representatives, salespersons and brokers (Listing Brokerage) and any co-operating brokerage and all of its employees, representatives, salespersons and brokers (co-operating brokerage) for and against any claims against the Listing Brokerage or co-operating brokerage made by anyone who attends or visits the Property.
- 9. ENVIRONMENTAL INDEMNIFICATION:** The Seller agrees to indemnify and save harmless the Listing Brokerage and representatives of the Brokerage and any co-operating brokerage from any liability, claim, loss, cost, damage or injury as a result of the Property being affected by any contaminants or environmental problems.
- 10. FAMILY LAW ACT:** The Seller hereby warrants that spousal consent is not necessary under the provisions of the Family Law Act, R.S.O. 1990, unless the spouse of the Seller has executed the consent hereinafter provided.
- 11. VERIFICATION OF INFORMATION:** The Seller authorizes the Listing Brokerage to obtain any information from any regulatory authorities, governments, mortgagees or others affecting the Property and the Seller agrees to execute and deliver such further authorizations in this regard as may be reasonably required. The Seller hereby appoints the Listing Brokerage or the Listing Brokerage's authorized representative as the Seller's attorney to execute such documentation as may be necessary to effect obtaining any information as aforesaid. The Seller hereby authorizes, instructs and directs the above noted regulatory authorities, governments, mortgagees or others to release any and all information to the Listing Brokerage.

**INITIALS OF LISTING BROKERAGE:** 

**INITIALS OF SELLER(S):** 

**12. USE AND DISTRIBUTION OF INFORMATION:** The Seller consents to the collection, use and disclosure of personal information by the Brokerage for the purpose of listing and marketing the Property including, but not limited to: listing and advertising the Property using any medium including the Internet; disclosing Property information to prospective buyers, brokerages, salespersons and others who may assist in the sale of the Property; such other use of the Seller's personal information as is consistent with listing and marketing of the Property. The Seller consents, if this is an MLS® Listing, to placement of the listing information and sales information by the Brokerage into the database(s) of the MLS® System of the appropriate Board, and to the posting of any documents and other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) provided by or on behalf of the Seller into the database(s) of the MLS® System of the appropriate Board. The Seller hereby indemnifies and saves harmless the Brokerage and/or any of its employees, servants, brokers or sales representatives from any and all claims, liabilities, suits, actions, losses, costs and legal fees caused by, or arising out of, or resulting from the posting of any documents or other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) as aforesaid. The Seller acknowledges that the database, within the board's MLS® System is the property of the real estate board(s) and can be licensed, resold, or otherwise dealt with by the board(s). The Seller further acknowledges that the real estate board(s) may: during the term of the listing and thereafter, distribute the information in the database, within the board's MLS® System to any persons authorized to use such service which may include other brokerages, government departments, appraisers, municipal organizations and others; market the Property, at its option, in any medium, including electronic media; during the term of the listing and thereafter, compile, retain and publish any statistics including historical data within the board's MLS® System and retain, reproduce and display photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions which may be used by board members to conduct comparative analyses; and make such other use of the information as the Brokerage and/or real estate board(s) deem appropriate, in connection with the listing, marketing and selling of real estate during the term of the listing and thereafter. The Seller acknowledges that the information, personal or otherwise ("information"), provided to the real estate board or association may be stored on databases located outside of Canada, in which case the information would be subject to the laws of the jurisdiction in which the information is located.

In the event that this Agreement expires or is cancelled or otherwise terminated and the Property is not sold, the Seller, by initialling: ○ **Does** ○ **Does Not**

consent to allow other real estate board members to contact the Seller after expiration or other termination of this Agreement to discuss listing or otherwise marketing the Property.

- 13. SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms of this Agreement.
- 14. CONFLICT OR DISCREPANCY:** If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Authority from the Seller to the Listing Brokerage. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein.
- 15. ELECTRONIC COMMUNICATION:** This Agreement and any agreements, notices or other communications contemplated thereby may be transmitted by means of electronic systems, in which case signatures shall be deemed to be original. The transmission of this Agreement by the Seller by electronic means shall be deemed to confirm the Seller has retained a true copy of the Agreement.
- 16. ELECTRONIC SIGNATURES:** If this Agreement has been signed with an electronic signature the parties hereto consent and agree to the use of such electronic signature with respect to this Agreement pursuant to the *Electronic Commerce Act, 2000, S.O. 2000, c17* as amended from time to time.


**THE LISTING BROKERAGE AGREES TO MARKET THE PROPERTY ON BEHALF OF THE SELLER AND REPRESENT THE SELLER IN AN ENDEAVOUR TO OBTAIN A VALID OFFER TO PURCHASE THE PROPERTY ON THE TERMS SET OUT IN THIS AGREEMENT OR ON SUCH OTHER TERMS SATISFACTORY TO THE SELLER.**


*Sanjiv Chadha* May 5, 2025 Sanjiv Chadha  
(Authorized to bind the Listing Brokerage) (Date) (Name of Person Signing)

**THIS AGREEMENT HAS BEEN READ AND FULLY UNDERSTOOD BY ME, I ACCEPT THE TERMS OF THIS AGREEMENT AND I ACKNOWLEDGE ON THIS DATE I HAVE SIGNED UNDER SEAL.** Any representations contained herein or as shown on any accompanying data form respecting the Property are true to the best of my knowledge, information and belief.

SIGNED, SEALED AND DELIVERED I have hereunto set my hand and seal:

.....  
 (Name of Seller)

.....  .....  
 (Signature of Seller/Authorized Signing Officer) (Seal) (Date) (Tel. No.)

.....  .....  
 (Signature of Seller/Authorized Signing Officer) (Seal) (Date) (Tel. No.)

**SPOUSAL CONSENT:** The undersigned spouse of the Seller hereby consents to the listing of the Property herein pursuant to the provisions of the Family Law Act, R.S.O. 1990 and hereby agrees to execute all necessary or incidental documents to further any transaction provided for herein.

.....  .....  
 (Spouse) (Seal) (Date) (Tel. No.)

**DECLARATION OF INSURANCE**

The Salesperson/Broker/Broker of Record ..... Aidan Malloy, Ben Sykes & Glen Larocque  
(Name of Salesperson/Broker/Broker of Record)

hereby declares that he/she is insured as required by TRESA. *Aidan Malloy*

..... (Signature of Salesperson/Broker/Broker of Record)

**ACKNOWLEDGEMENT**

The Seller(s) hereby acknowledge that the Seller(s) fully understand the terms of this Agreement and have received a copy of this Agreement on the ..... day of ....., 20 .....

.....  
 (Signature of Seller) (Date)

.....  
 (Signature of Seller) (Date)

## SCHEDULE "A"

To the Listing Agreement between Avison Young Commercial Real Estate Services, LP. (the "**Listing Brokerage**") and BDO Canada Limited, solely in its capacity as receiver and manager of Upper Canada Growers Ltd. and UCG Landco. Inc. (the "**Receiver**" or the "**Seller**") and over the right, title and interest in the Property (as defined herein) for the properties municipally known V/L Ferriss Road W/S, Harrow, ON (the "**Property**")

---

1. The Seller may in its sole and absolute discretion and without penalty or cost to the Seller terminate the Listing Agreement at any time, if the Listing Brokerage is in default hereunder or under any other agreement with the Seller. In addition, this Listing Agreement shall automatically terminate if: (a) the court order appointing the Receiver and/or the Receiver's appointment as Receiver in connection with the Property is revoked, appealed, suspended or terminated; and/or (b) the Seller is restricted in or enjoined from dealing with the Property by a court of competent jurisdiction.

2. While it is the Seller's intention to obtain the highest and best offer for the Property, the Listing Brokerage acknowledges and agrees that the Seller need not accept the highest offer and/or the best offer or any offer, and that acceptance by the Seller of an offer for the Property is subject at all times to the Seller's approval in its sole and absolute discretion and its obligations at law and at equity as Receiver as well as approval by the court.

3. Notwithstanding any other provision contained in the Listing Agreement or this Schedule, the Seller shall only be liable to pay the commission provided for in the Listing Agreement if the transaction contemplated therein is completed (a "**Transaction**"). The Listing Brokerage acknowledges that this sale agreement is conditional on its approval of an Order from the Ontario Superior Court of Justice (the "**Court**") as is the appointment of BDO Canada Limited to act in the capacity as Receiver and be a counter party to it. Additionally, further approval of the Court is required ("**Court Approval**") as a pre-condition to the completion of a Transaction. The Seller cannot guarantee that Court Approval for any such Transaction will be obtained. The Listing Brokerage also acknowledges that the purchaser of the Properties may include in the agreement of purchase and sale certain conditions which the Seller is required to fulfil prior to closing (collectively, "**Conditions**"). The fulfilment of such Conditions by the Seller cannot be guaranteed. The parties agree that no commission shall be payable if a Transaction is not completed in the event that Court Approval is not obtained or if the Conditions are not met or are impracticable to meet.

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5. Any fee, commission or other compensation payable to the Listing Brokerage in connection with the Holdover Period shall: (a) only apply to those purchasers who were introduced to the Seller or to the Properties by the Listing Brokerage during the Listing Period and who the Listing Brokerage has previously disclosed in writing to the Seller no later than three (3) days following

the earlier of the expiration or termination of the Agreement; and (b) be reduced by any fee, commission and/or other compensation paid to another broker or agent for the sale of the Property (the “**New Agent**”) on the basis of an agreement with the New Agent entered into with respect to the Holdover Period.

6. During the Holdover Period, the Listing Brokerage will not be entitled to any commission, payment or fee as the Seller’s agent if the Listing Brokerage represents the purchaser.

7. The Seller **does not** consent to the Listing Brokerage receiving and retaining, in addition to the commission provided for this Agreement, a finder’s fee for any financing of the Property. Section 4 of the pre-printed portion of this Agreement is amended accordingly.

8. The Seller represents and warrants that the Seller has the exclusive authority and power to execute this Agreement to offer the Property for sale. However, the Listing Brokerage acknowledges and agrees that the Seller has only limited knowledge about the Properties and cannot confirm any third party interests or claims with respect to the Property such as rights of first refusal, options, easements, mortgages, encumbrances or otherwise concerning the Property, which may affect the sale of the Property, notwithstanding any terms of the pre-printed portion of this Agreement which is amended accordingly.

9. This Agreement shall not be assigned in whole or in part by the Listing Brokerage without the prior written consent of the Seller which consent may be unreasonably and/or arbitrarily withheld and any assignment made without that consent is void and of no effect.

10. The Seller at all times agrees to: (a) comply with all legal requirements under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and FINTRAC and (b) provide any and all reasonable assistance/information as soon as reasonably possible (but in no event no later than 5 business days) upon request by the Listing Brokerage in order to allow it to do the same.

11. In the event of any conflict between the provisions of this Schedule “A” and the provisions of the pre-printed portions of the Listing Agreement, the provisions of this Schedule “A” shall override and shall govern and prevail for all purposes.

# Listing Agreement - Commercial

## Seller Designated Representation Agreement

### Authority to Offer for Sale

**Form 593**

for use in the Province of Ontario

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(Seller's Initials) (Seller's Initials)

**BETWEEN:**  
**BROKERAGE:** ..... Avison Young Commercial Real Estate Services, LP

77 City Centre Drive, #301 Mississauga ON L5B 1M5 (the "Listing Brokerage") Tel. No. .... 905-712-2100

**SELLER:** BDO Canada Ltd. acting in its capacity as Court appointed receiver and Manager of Upper Canada Growers Ltd. and UCG Landco, Inc. (the "Seller")

**DESIGNATED REPRESENTATIVE(S):** Aidan Malloy, Ben Sykes & Glen Larocque  
(Name of Salesperson/Broker/Broker of Record)


The Designated Representative will be providing services and representation to the Seller and the Brokerage provides services but not representation.

In consideration of the Listing Brokerage listing the real property for sale known as 1050 Ferriss Road  
Essex, ON ..... (the "Property")

the Seller hereby gives the Listing Brokerage the **exclusive and irrevocable** right to act as the Seller's agent,

commencing at 12:01 (a.m./p.m.) on the 21 day of May, 2025,


and expiring at 11:59 p.m. on the 20 day of November, 2025 (the "Listing Period"),

{ Seller acknowledges that the length of the Listing Period is negotiable between the Seller and the Listing Brokerage and, if an MLS® listing, may be subject to minimum requirements of the real estate board, however, in accordance with the Trust in Real Estate Services Act, 2002 (TRESA), the Listing Brokerage must obtain the Seller's initials. } 

to offer the Property for sale at a price of: ..... Dollars (CDN\$) 1.00

..... Dollars

and upon the terms particularly set out herein, or at such other price and/or terms acceptable to the Seller. It is understood that the price and/or terms set out herein are at the Seller's personal request, after full discussion with the Listing Brokerage's representative regarding potential market value of the Property.

**The Seller hereby represents and warrants that the Seller is not a party to any other listing agreement for the Property or agreement to pay commission to any other real estate brokerage for the sale of the Property.** 

**Schedule A**, ..... attached hereto forms part of this Agreement, of which **Schedule A** sets out the details with respect to the services, confidentiality and representation of the Brokerage and Designated Representative.

**1. DEFINITIONS AND INTERPRETATIONS:** For the purposes of this Agreement ("Authority" or "Agreement"): "Seller" includes vendor and a "buyer" includes a purchaser or a prospective purchaser. "Self-represented assistance" shall mean assistance provided to a self-represented party. A purchase shall be deemed to include the entering into of any agreement to exchange, or the obtaining of an option to purchase which is subsequently exercised, or the causing of a First Right of Refusal to be exercised, or an agreement to sell or transfer shares or assets. "Real property" includes real estate as defined in the Trust in Real Estate Services Act (2002). The "Property" shall be deemed to include any part thereof or interest therein. A "real estate board" includes a real estate association. Commission shall be deemed to include other remuneration. This Agreement shall be read with all changes of gender or number required by the context. For purposes of this Agreement, anyone introduced to or shown the Property shall be deemed to include any spouse, heirs, executors, administrators, successors, assigns, related corporations and affiliated corporations. Related corporations or affiliated corporations shall include any corporation where one half or a majority of the shareholders, directors or officers of the related or affiliated corporation are the same person(s) as the shareholders, directors, or officers of the corporation introduced to or shown the Property.

**2. COMMISSION:** In consideration of the Listing Brokerage listing the Property, the Seller agrees to pay the Listing Brokerage a commission of ..... 3.5% of the sale price of the Property or ..... 2.5% in the event no co-operating broker is involved

for any valid offer to purchase the Property from any source whatsoever obtained during the Listing Period, as may be acceptable to the Seller. The Seller authorizes the Listing Brokerage to co-operate with any other registered real estate brokerage (co-operating brokerage) and to offer to pay the co-operating brokerage a commission of ..... 1.5% of the sale price of the Property or .....

out of the commission the Seller pays the Listing Brokerage.

The Seller further agrees to pay such commission as calculated above if an agreement to purchase is agreed to or accepted by the Seller or anyone on the Seller's behalf within ..... days after the expiration of the Listing Period (**Holdover Period**), so long as such agreement is with anyone who was introduced to the Property from any source whatsoever during the Listing Period or shown the Property during the Listing Period. If, however, the offer for the purchase of the Property is pursuant to a new agreement in writing to pay commission to another registered real estate brokerage, the Seller's liability for commission shall be reduced by the amount paid by the Seller under the new agreement.

**INITIALS OF LISTING BROKERAGE:**  **INITIALS OF SELLER(S):** 

The Seller further agrees to pay such commission as calculated above even if the transaction contemplated by an agreement to purchase agreed to or accepted by the Seller or anyone on the Seller's behalf is not completed, if such non-completion is owing or attributable to the Seller's default or neglect, said commission to be payable on the date set for completion of the purchase of the Property.  
 Any deposit in respect of any agreement where the transaction has been completed shall first be applied to reduce the commission payable. Should such amounts paid to the Listing Brokerage from the deposit or by the Seller's solicitor not be sufficient, the Seller shall be liable to pay to the Listing Brokerage on demand, any deficiency in commission and taxes owing on such commission.  
 In the event the buyer fails to complete the purchase and the deposit or any part thereof becomes forfeited, awarded, directed or released to the Seller, the Seller then authorizes the Listing Brokerage to retain as commission for services rendered, fifty (50%) per cent of the amount of the said deposit forfeited, awarded, directed or released to the Seller (but not to exceed the commission payable had a sale been consummated) and to pay the balance of the deposit to the Seller. All amounts set out as commission are to be paid plus applicable taxes on such commission.

**3. REPRESENTATION:** The Seller acknowledges that the Listing Brokerage has provided the Seller with written information explaining relationships, including information on Seller Representation, Sub-agency, Buyer Representation, Multiple Representation and Self-Represented Party assistance. The Seller understands that unless the Seller is otherwise informed, the co-operating brokerage is representing the interests of the buyer in the transaction. The Seller further acknowledges that the Listing Brokerage may be listing other properties that may be similar to the Seller's Property and the Seller hereby consents to the Listing Brokerage listing other properties that may be similar to the Seller's Property without any claim by the Seller of conflict of interest. The Seller hereby appoints the Listing Brokerage as the Seller's agent for the purpose of giving and receiving notices pursuant to any offer or agreement to purchase the Property. Unless otherwise agreed in writing between Seller and Listing Brokerage, any commission payable to any other brokerage shall be paid out of the commission the Seller pays the Listing Brokerage, said commission to be disbursed in accordance with the Commission Trust Agreement.

**MULTIPLE REPRESENTATION:** The Seller hereby acknowledges that the Listing Brokerage may be entering into buyer representation agreements with buyers who may be interested in purchasing the Seller's Property. In the event that the Listing Brokerage has entered into or enters into a buyer representation agreement with a prospective buyer for the Seller's Property, the Listing Brokerage will require the Seller's written consent to represent both the Seller and the buyer for the transaction. The Seller understands and acknowledges that the Listing Brokerage must be impartial when representing both the Seller and the buyer and equally protect the interests of the Seller and buyer. The Seller understands and acknowledges that when representing both the Seller and the buyer, the Listing Brokerage shall have a duty of full disclosure to both the Seller and the buyer.

However, the Seller further understands and acknowledges that the Listing Brokerage shall not disclose:

- that the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
- that the buyer may or will pay more than the offered price, unless otherwise instructed in writing by the buyer;
- the motivation of or personal information about the Seller or buyer, unless otherwise instructed in writing by the party to which the information applies or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
- the price the buyer should offer or the price the Seller should accept; and
- the Listing Brokerage shall not disclose to the buyer the terms of any other offer, unless otherwise directed in writing by the Seller.

However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the property will be disclosed to both Seller and Buyer to assist them to come to their own conclusions.

**The Brokerage shall not be appointed or authorized to be agent for either the Seller or the buyer for the purpose of giving and receiving notices where the Brokerage represents both the Seller and the buyer (multiple representation) or where the buyer or the seller is a self-represented party.**

**MULTIPLE REPRESENTATION AND DESIGNATED REPRESENTATION:** The Seller understands and acknowledges where both the Seller and buyer are represented by a designated representative of the Listing Brokerage, multiple representation will not result, unless that designated representative represents more than one client in the same trade, and will require consent in writing for such multiple representation. In the event of multiple representation and designated representation, the Brokerage duty of disclosure to both the seller and the buyer client is as more particularly set out in the agreement with the respective seller or buyer.

- 4. FINDERS FEES:** The Seller acknowledges that the Brokerage may be receiving a finder's fee, reward and/or referral incentive, and the Seller consents to any such benefit being received and retained by the Brokerage in addition to the Commission as described above.
- 5. REFERRAL OF ENQUIRIES:** The Seller agrees that during the Listing Period, the Seller shall advise the Listing Brokerage immediately of all enquiries from any source whatsoever, and all offers to purchase submitted to the Seller shall be immediately submitted to the Listing Brokerage by the Seller before the Seller accepts or rejects the same. If any enquiry during the Listing Period results in the Seller accepting a valid offer to purchase during the Listing Period or within the Holdover Period after the expiration of the Listing Period described above, the Seller agrees to pay the Listing Brokerage the amount of Commission set out above, payable within five (5) days following the Listing Brokerage's written demand therefor.
- 6. MARKETING:** The Seller agrees to allow the Listing Brokerage to show and permit prospective buyers to fully inspect the Property during reasonable hours and the Seller gives the Listing Brokerage the sole and exclusive right to place "For Sale" and "Sold" sign(s) upon the Property. The Seller consents to the Listing Brokerage including information in advertising that may identify the Property. The Seller further agrees that the Listing Brokerage shall have sole and exclusive authority to make all advertising decisions relating to the marketing of the Property for sale during the Listing Period. The Seller agrees that the Listing Brokerage will not be held liable in any manner whatsoever for any acts or omissions with respect to advertising by the Listing Brokerage or any other party, other than by the Listing Brokerage's gross negligence or wilful act.
- 7. WARRANTY:** The Seller represents and warrants that the Seller has the exclusive authority and power to execute this Authority to offer the Property for sale and that the Seller has informed the Listing Brokerage of any third party interests or claims on the Property such as rights of first refusal, options, easements, mortgages, encumbrances or otherwise concerning the Property, which may affect the sale of the Property.
- 8. INDEMNIFICATION AND INSURANCE:** The Seller will not hold the Listing Brokerage and representatives of the Brokerage responsible for any loss or damage to the Property or contents occurring during the term of this Agreement caused by the Listing Brokerage or anyone else by any means, including theft, fire or vandalism, other than by the Listing Brokerage's gross negligence or wilful act. The Seller agrees to indemnify and save harmless the Listing Brokerage and representatives of the Brokerage and any co-operating brokerage from any liability, claim, loss, cost, damage or injury, including but not limited to loss of the Commission payable under this Agreement, caused or contributed to by the breach of any warranty or representation made by the Seller in this Agreement and, if attached, the accompanying data form. The Seller warrants the Property is insured, including personal liability insurance against any claims or lawsuits resulting from bodily injury or property damage to others caused in any way on or at the Property and the Seller indemnifies the Brokerage and all of its employees, representatives, salespersons and brokers (Listing Brokerage) and any co-operating brokerage and all of its employees, representatives, salespersons and brokers (co-operating brokerage) for and against any claims against the Listing Brokerage or co-operating brokerage made by anyone who attends or visits the Property.
- 9. ENVIRONMENTAL INDEMNIFICATION:** The Seller agrees to indemnify and save harmless the Listing Brokerage and representatives of the Brokerage and any co-operating brokerage from any liability, claim, loss, cost, damage or injury as a result of the Property being affected by any contaminants or environmental problems.
- 10. FAMILY LAW ACT:** The Seller hereby warrants that spousal consent is not necessary under the provisions of the Family Law Act, R.S.O. 1990, unless the spouse of the Seller has executed the consent hereinafter provided.
- 11. VERIFICATION OF INFORMATION:** The Seller authorizes the Listing Brokerage to obtain any information from any regulatory authorities, governments, mortgagees or others affecting the Property and the Seller agrees to execute and deliver such further authorizations in this regard as may be reasonably required. The Seller hereby appoints the Listing Brokerage or the Listing Brokerage's authorized representative as the Seller's attorney to execute such documentation as may be necessary to effect obtaining any information as aforesaid. The Seller hereby authorizes, instructs and directs the above noted regulatory authorities, governments, mortgagees or others to release any and all information to the Listing Brokerage.

INITIALS OF LISTING BROKERAGE: 

INITIALS OF SELLER(S): 

**12. USE AND DISTRIBUTION OF INFORMATION:** The Seller consents to the collection, use and disclosure of personal information by the Brokerage for the purpose of listing and marketing the Property including, but not limited to: listing and advertising the Property using any medium including the Internet; disclosing Property information to prospective buyers, brokerages, salespersons and others who may assist in the sale of the Property; such other use of the Seller's personal information as is consistent with listing and marketing of the Property. The Seller consents, if this is an MLS® Listing, to placement of the listing information and sales information by the Brokerage into the database(s) of the MLS® System of the appropriate Board, and to the posting of any documents and other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) provided by or on behalf of the Seller into the database(s) of the MLS® System of the appropriate Board. The Seller hereby indemnifies and saves harmless the Brokerage and/or any of its employees, servants, brokers or sales representatives from any and all claims, liabilities, suits, actions, losses, costs and legal fees caused by, or arising out of, or resulting from the posting of any documents or other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) as aforesaid. The Seller acknowledges that the database, within the board's MLS® System is the property of the real estate board(s) and can be licensed, resold, or otherwise dealt with by the board(s). The Seller further acknowledges that the real estate board(s) may: during the term of the listing and thereafter, distribute the information in the database, within the board's MLS® System to any persons authorized to use such service which may include other brokerages, government departments, appraisers, municipal organizations and others; market the Property, at its option, in any medium, including electronic media; during the term of the listing and thereafter, compile, retain and publish any statistics including historical data within the board's MLS® System and retain, reproduce and display photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions which may be used by board members to conduct comparative analyses; and make such other use of the information as the Brokerage and/or real estate board(s) deem appropriate, in connection with the listing, marketing and selling of real estate during the term of the listing and thereafter. The Seller acknowledges that the information, personal or otherwise ("information"), provided to the real estate board or association may be stored on databases located outside of Canada, in which case the information would be subject to the laws of the jurisdiction in which the information is located.

In the event that this Agreement expires or is cancelled or otherwise terminated and the Property is not sold, the Seller, by initialling:  Does  Does Not

consent to allow other real estate board members to contact the Seller after expiration or other termination of this Agreement to discuss listing or otherwise marketing the Property.


- 13. SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms of this Agreement.
- 14. CONFLICT OR DISCREPANCY:** If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Authority from the Seller to the Listing Brokerage. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein.
- 15. ELECTRONIC COMMUNICATION:** This Agreement and any agreements, notices or other communications contemplated thereby may be transmitted by means of electronic systems, in which case signatures shall be deemed to be original. The transmission of this Agreement by the Seller by electronic means shall be deemed to confirm the Seller has retained a true copy of the Agreement.
- 16. ELECTRONIC SIGNATURES:** If this Agreement has been signed with an electronic signature the parties hereto consent and agree to the use of such electronic signature with respect to this Agreement pursuant to the *Electronic Commerce Act, 2000, S.O. 2000, c17* as amended from time to time.


**THE LISTING BROKERAGE AGREES TO MARKET THE PROPERTY ON BEHALF OF THE SELLER AND REPRESENT THE SELLER IN AN ENDEAVOUR TO OBTAIN A VALID OFFER TO PURCHASE THE PROPERTY ON THE TERMS SET OUT IN THIS AGREEMENT OR ON SUCH OTHER TERMS SATISFACTORY TO THE SELLER.**

*Sanjiv Chadha* May 5, 2025  
(Authorized to bind the Listing Brokerage) (Date)  
4695V6PX-4YJPO6P3 (Name of Person Signing)

**THIS AGREEMENT HAS BEEN READ AND FULLY UNDERSTOOD BY ME, I ACCEPT THE TERMS OF THIS AGREEMENT AND I ACKNOWLEDGE ON THIS DATE I HAVE SIGNED UNDER SEAL.** Any representations contained herein or as shown on any accompanying data form respecting the Property are true to the best of my knowledge, information and belief. SIGNED, SEALED AND DELIVERED I have hereunto set my hand and seal:

.....  
(Name of Seller)

.....  ..... .....  
(Signature of Seller/Authorized Signing Officer) (Seal) (Date) (Tel. No.)

.....  ..... .....  
(Signature of Seller/Authorized Signing Officer) (Seal) (Date) (Tel. No.)

**SPOUSAL CONSENT:** The undersigned spouse of the Seller hereby consents to the listing of the Property herein pursuant to the provisions of the Family Law Act, R.S.O. 1990 and hereby agrees to execute all necessary or incidental documents to further any transaction provided for herein.

.....  ..... .....  
(Spouse) (Seal) (Date) (Tel. No.)

**DECLARATION OF INSURANCE**

The Salesperson/Broker/Broker of Record ..... *Aidan Malloy, Ben Sykes & Glen Larocque* .....  
(Name of Salesperson/Broker/Broker of Record)

hereby declares that he/she is insured as required by TRESA.

..... *Aidan Malloy* .....  
(Signature(s) of Salesperson/Broker/Broker of Record)

4KRWX5L2X-4YJPO6P3

**ACKNOWLEDGEMENT**

The Seller(s) hereby acknowledge that the Seller(s) fully understand the terms of this Agreement and have received a copy of this Agreement on the ..... day of ....., 20 .....

..... .....  
(Signature of Seller) (Date)

..... .....  
(Signature of Seller) (Date)

## SCHEDULE "A"

To the Listing Agreement between Avison Young Commercial Real Estate Services, LP. (the "**Listing Brokerage**") and BDO Canada Limited, solely in its capacity as receiver and manager of Upper Canada Growers Ltd. and UCG Landco. Inc. (the "**Receiver**" or the "**Seller**") and over the right, title and interest in the Property (as defined herein) for the properties municipally known 1050 Ferriss Road, Harrow, ON (the "**Property**")

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1. The Seller may in its sole and absolute discretion and without penalty or cost to the Seller terminate the Listing Agreement at any time, if the Listing Brokerage is in default hereunder or under any other agreement with the Seller. In addition, this Listing Agreement shall automatically terminate if: (a) the court order appointing the Receiver and/or the Receiver's appointment as Receiver in connection with the Property is revoked, appealed, suspended or terminated; and/or (b) the Seller is restricted in or enjoined from dealing with the Property by a court of competent jurisdiction.

2. While it is the Seller's intention to obtain the highest and best offer for the Property, the Listing Brokerage acknowledges and agrees that the Seller need not accept the highest offer and/or the best offer or any offer, and that acceptance by the Seller of an offer for the Property is subject at all times to the Seller's approval in its sole and absolute discretion and its obligations at law and at equity as Receiver as well as approval by the court.

3. Notwithstanding any other provision contained in the Listing Agreement or this Schedule, the Seller shall only be liable to pay the commission provided for in the Listing Agreement if the transaction contemplated therein is completed (a "**Transaction**"). The Listing Brokerage acknowledges that this sale agreement is conditional on its approval of an Order from the Ontario Superior Court of Justice (the "**Court**") as is the appointment of BDO Canada Limited to act in the capacity as Receiver and be a counter party to it. Additionally, further approval of the Court is required ("**Court Approval**") as a pre-condition to the completion of a Transaction. The Seller cannot guarantee that Court Approval for any such Transaction will be obtained. The Listing Brokerage also acknowledges that the purchaser of the Properties may include in the agreement of purchase and sale certain conditions which the Seller is required to fulfil prior to closing (collectively, "**Conditions**"). The fulfilment of such Conditions by the Seller cannot be guaranteed. The parties agree that no commission shall be payable if a Transaction is not completed in the event that Court Approval is not obtained or if the Conditions are not met or are impracticable to meet.

4. It is further understood and agreed that the Listing Brokerage shall offer the Property for sale on an "as is, where is" basis and that the Listing Brokerage shall make no representations, warranties, promises or agreements with respect to or in any way connected with the Property, including, without limitation, the title, description, fitness, state, condition, environmental status nor the existence of any work orders or deficiency notices affecting the Property.

5. Any fee, commission or other compensation payable to the Listing Brokerage in connection with the Holdover Period shall: (a) only apply to those purchasers who were introduced to the Seller or to the Properties by the Listing Brokerage during the Listing Period and who the Listing Brokerage has previously disclosed in writing to the Seller no later than three (3) days following

the earlier of the expiration or termination of the Agreement; and (b) be reduced by any fee, commission and/or other compensation paid to another broker or agent for the sale of the Property (the “**New Agent**”) on the basis of an agreement with the New Agent entered into with respect to the Holdover Period.

6. During the Holdover Period, the Listing Brokerage will not be entitled to any commission, payment or fee as the Seller’s agent if the Listing Brokerage represents the purchaser.

7. The Seller **does not** consent to the Listing Brokerage receiving and retaining, in addition to the commission provided for this Agreement, a finder’s fee for any financing of the Property. Section 4 of the pre-printed portion of this Agreement is amended accordingly.

8. The Seller represents and warrants that the Seller has the exclusive authority and power to execute this Agreement to offer the Property for sale. However, the Listing Brokerage acknowledges and agrees that the Seller has only limited knowledge about the Properties and cannot confirm any third party interests or claims with respect to the Property such as rights of first refusal, options, easements, mortgages, encumbrances or otherwise concerning the Property, which may affect the sale of the Property, notwithstanding any terms of the pre-printed portion of this Agreement which is amended accordingly.

9. This Agreement shall not be assigned in whole or in part by the Listing Brokerage without the prior written consent of the Seller which consent may be unreasonably and/or arbitrarily withheld and any assignment made without that consent is void and of no effect.

10. The Seller at all times agrees to: (a) comply with all legal requirements under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and FINTRAC and (b) provide any and all reasonable assistance/information as soon as reasonably possible (but in no event no later than 5 business days) upon request by the Listing Brokerage in order to allow it to do the same.

11. In the event of any conflict between the provisions of this Schedule “A” and the provisions of the pre-printed portions of the Listing Agreement, the provisions of this Schedule “A” shall override and shall govern and prevail for all purposes.

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

**THIRD 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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**Matilda Lici** (LSO #79621D)

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Email: [mlici@airdberlis.com](mailto:mlici@airdberlis.com)

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

**TAB 3**

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

THE HONOURABLE  
JUSTICE

)  
)  
)

THURSDAY, THE 15TH  
DAY OF MAY, 2025

Court File No. BK-25-03175819-0032  
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. BK-25-03175820-0032  
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**

**ORDER**

**THIS MOTION**, made by BDO Canada Limited (“**BDO**”), in its capacity as Licensed Insolvency Trustee (the “**Proposal Trustee**”) under the Notices of Intention to Make a Proposal (the “**NOI**”) filed by each of Upper Canada Growers Ltd. and UCG Land Inc. (collectively, the “**Companies**”) pursuant to Subsection 50.4(6) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 (the “**BIA**”), for an order, among other things: (a) approving the third report of the Proposal Trustee dated May 6, 2025 (the “**Third Report**”) and the Confidential Supplement to the Third Report dated May 6, 2025 (the “**Confidential Supplement**”) and the activities of the Proposal Trustee described therein; (b) approving the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Third Report and the fee affidavits appended to the Third Report (the “**Fee Affidavits**”); and (c) discharging BDO as Proposal Trustee of the Companies, was heard this day by Zoom videoconference at the courthouse at 45 Main Street East, in Hamilton, Ontario.

**ON READING** the Notice of Motion of the Proposal Trustee and the Third Report, and on hearing the submissions of the respective counsel for the Companies, the Proposal Trustee, and such other counsel and parties present, no one else appearing although duly served as appears from the Affidavit of Service of Matilda Lici, sworn May 7, 2025, filed,

### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Third Report is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

### **APPROVAL OF THE REPORT, ACTIONS, AND FEES OF THE PROPOSAL TRUSTEE**

2. **THIS COURT ORDERS** that the Third Report, the Confidential Supplement and the conduct and activities of the Proposal Trustee described therein are hereby approved, provided that only the Proposal Trustee, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize, in any way, such approval.

3. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee up to and including May 3, 2025, as set out in the Third Report and the fee affidavit of Clark Lonergan sworn May 6, 2025, appended to the Third Report, be and are hereby approved.

4. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee's independent legal counsel, Aird & Berlis LLP, up to and including May 2, 2025, as set out in the Third Report and the fee affidavit of Ian Aversa sworn May 5, 2025, appended to the Third Report, be and are hereby approved.

5. **THIS COURT ORDERS** that the Remaining Fees and Disbursements (as defined in the Third Report) be and are hereby approved.

### **DISCHARGE OF PROPOSAL TRUSTEE**

6. **THIS COURT ORDERS** that, upon the Proposal Trustee filing the Discharge Certificate in the form attached hereto as **Schedule "A"** (the "**Discharge Certificate**") certifying that it has completed the Remaining Activities (as defined in the Third Report), BDO shall be discharged as Proposal Trustee of the Companies, provided, however, that notwithstanding its discharge herein:

- (a) the Proposal Trustee shall remain as proposal trustee for the performance of such incidental duties as may be required to complete the administration of the within proceedings; and
- (b) the Proposal Trustee shall continue to have the benefit of the provisions of all Orders made in the within proceedings, including all approvals, protections and stays in favour of BDO in its capacity as Proposal Trustee.

7. **THIS COURT ORDERS** that, upon filing the Discharge Certificate, BDO shall be discharged as Proposal Trustee of the Companies, and shall be forever released and discharged from any and all liability, including without limitation any matters that were raised, or which could have been raised, in the within proceedings, that the Proposal Trustee now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of the Proposal Trustee while acting in its capacity as proposal trustee in the within proceedings, save and except for any liability arising out of any in fraud, gross negligence or willful misconduct on the part of the Proposal Trustee. Subject to the foregoing, any claims against the Proposal Trustee in connection with the performance of its duties as proposal trustee, whether before or after the date of this Order, are hereby stayed, extinguished and forever barred.

8. **THIS COURT ORDERS** that no action or other proceedings shall be commenced against BDO in any way arising from or related to its capacity or conduct as Proposal Trustee of the Companies, whether before or after the date of this Order, except with prior leave of this Court on notice to the Proposal Trustee, and upon such terms as this Court may direct.

#### **TRUSTEE IN BANKRUPTCY**

9. **THIS COURT ORDERS** that BDO be and it is hereby authorized to act as trustee- in- bankruptcy (the "**Bankruptcy Trustee**") of the Companies upon the deemed bankruptcies of the Companies pursuant to the BIA.

10. **THIS COURT ORDERS** that upon the assignment of the Companies into bankruptcy, the Bankruptcy Trustee is authorized and directed to administer the bankruptcies of the Companies on a consolidated basis.

**SEALING ORDER**

11. **THIS COURT ORDERS** that the Confidential Supplement is hereby sealed, shall not form part of the public record, and shall only be unsealed upon further Order of the Court.

**GENERAL**

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

13. **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.

14. **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.

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

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**Schedule A – Form of Proposal Trustee’s Discharge Certificate**

**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**

**PROPOSAL TRUSTEE’S DISCHARGE CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Justice Henderson of the Ontario Superior Court of Justice (the "**Court**") dated February 6, 2025, BDO Canada Limited ("**BDO**") was named as Licensed Insolvency Trustee (the "**Proposal Trustee**") under the Notices of Intention to Make a Proposal (the "**NOI**") filed by each of Upper Canada Growers Ltd. and UCG Land Inc. (collectively, the "**Companies**") pursuant to Subsection 50.4(6) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 (the "**BIA**").

B. Pursuant to an Order of the Court dated May 15, 2025, BDO was discharged as Proposal Trustee, effective upon BDO filing with the Court a certificate confirming that all matters to be attended to in connection with the completion of the administration of the Companies’ proposal proceedings have been completed to the satisfaction of the Proposal Trustee (the "**Remaining Activities**"), as set out in the Proposal Trustee’s Third Report to the Court dated May 6, 2025, (the "**Third Report**"), provided, however, that, notwithstanding its discharge: (a) BDO will remain Proposal Trustee for such incidental duties as may be required for the performance of the Remaining Activities, and (b) BDO, in its capacity as Proposal Trustee, will continue to have the

benefit of the provisions of all Orders made in these proceedings, including all approvals, protections and stays of proceedings in favour of BDO, in its capacity as the Proposal Trustee.

**THE PROPOSAL TRUSTEE CERTIFIES** the following:

1. The Proposal Trustee is satisfied that all Remaining Activities have been completed to the satisfaction of the Proposal Trustee.

This Certificate was delivered by the Proposal Trustee at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

BDO Canada Limited, solely in its capacity as the Proposal Trustee of UCG Land Inc. and Upper Canada Growers Ltd., and not in its corporate or personal capacity or in any other capacity.

Per: \_\_\_\_\_

Name:

Title:

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. BK-25-03175819-0032  
Estate No. 32-3175819

Court File No. BK-25-03175820-0032  
Estate No. 32-3175820

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

PROCEEDING COMMENCED AT  
HAMILTON

**ORDER**

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Trustee of Upper Canada Growers Ltd. and UCG Land Inc.

**TAB 4**

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

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

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

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

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

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

**SERVICE LIST**  
(as at May 06, 2025)

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**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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Court File No. BK-25-03175819-0032  
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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY**

**Proceedings commenced at Hamilton**

**MOTION RECORD  
(Returnable May 15, 2025)**

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