

Court File No. CV-25-00090131-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

THE BANK OF NOVA SCOTIA

Applicant

- and -

UPPER CANADA GROWERS LTD. and UCG LAND INC.

Respondents

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

**SECOND REPORT OF BDO CANADA LIMITED,
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER AND MANAGER OF THE
RESPONDENTS
(January 19, 2026)**

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- B. First Report of the Receiver dated October 14, 2025, without appendices
- C. Redacted Leveredge Auction Agreement
- D. Fee Affidavit of Clark Lonergan, sworn January 19, 2026
- E. Fee Affidavit of Ian Aversa, sworn January 14, 2026

LIST OF CONFIDENTIAL APPENDICES

- A. Comparison of Leveredge and Canam proposals, and copies of Leveredge Proposal and Canam Proposal
- B. Unredacted copy of Leveredge Auction Agreement

INTRODUCTION

1. On January 17, 2025, Upper Canada Growers Ltd. (“**UCG OpCo**”) and UCG Land Inc. (“**LandCo**” together with UCG OpCo, the “**Companies**”) filed Notices of Intention to Make a Proposal (the “**NOI**”) pursuant to subsection 50.4(6) of the *Bankruptcy and Insolvency Act* (the “**BIA**”). BDO Canada Limited (“**BDO**”) was appointed as the Licensed Insolvency Trustee (the “**Proposal Trustee**”) under the NOI filings (the “**NOI Proceedings**”). The Companies did not file a proposal nor seek an extension of the NOIs by May 16, 2025, and, as such, were deemed to have filed an assignment in bankruptcy on May 17, 2025. BDO was appointed as trustee in bankruptcy (the “**Trustee**”). The Trustee’s appointment was reconfirmed at the Companies’ first meeting of creditors held on June 5, 2025.

2. On May 15, 2025 (the “**Appointment Date**”), pursuant to an order (the “**Receivership Order**”) of the Honourable Justice Bordin of the Ontario Superior Court of Justice (the “**Court**”), BDO was appointed as receiver and manager (the “**Receiver**”) pursuant to section 243 of the BIA and section 101 of the *Courts of Justice Act*, in respect of all of the assets, undertakings and properties (collectively, the “**Property**”) of the Companies (the “**Receivership Proceedings**”). A copy of the Receivership Order is attached hereto as **Appendix “A”**.

3. On October 23, 2025, on the motion of the Receiver, the Court granted:

- (a) an order (the “**Bonnefield AVO**”) approving and authorizing the transaction for the sale of certain assets, undertakings and properties of the Companies (the “**Bonnefield Transaction**”) pursuant to an agreement of purchase and sale dated September 10, 2025 (the “**Bonnefield APS**”)

with Bonnefield Canadian Farmland LP V Master, by its general partner Bonnefield GP V Inc., on behalf of its nominee, being Bonnefield Farmland Ontario V Inc. (in such capacity, the “**Purchaser**”); and

- (b) an order (the “**Ancillary Relief Order**”):
 - (i) approving and authorizing the execution by the Receiver of the Minutes of Settlement with Oxley Wind Farm Inc. (“**Oxley**”), Potentia Renewables Inc. (“**Potentia**”), Mori Essex Nurseries Inc. (“**Mori Essex**”), Leno Mori (“**Mori**”) and Henry Verhoeven (“**Verhoeven**”) (the “**Minutes of Settlement**”) and the transmission easement agreement (the “**Easement Agreement**”) between UCG Land Inc. (by BDO as Receiver) and Oxley, granting, conveying and transferring to Oxley a Transmission Easement (as defined in the Easement Agreement), and granting, conveyancing and transferring to Oxley the Transmission Easement;
 - (ii) approving the First Report of the Receiver dated October 14, 2025 (the “**First Report**”) and the actions, conduct and activities of the Receiver set out therein;
 - (iii) sealing the confidential appendices to the First Report until the closing of the Bonnefield Transaction or further Order of this Court;
 - (iv) approving the Receiver’s interim statement of receipts and disbursements (“**R&D**”) from the Appointment Date to September 30, 2025; and

- (v) approving the fees and disbursements of the Receiver and those of its legal counsel, Aird & Berlis LLP (“**A&B**”), up to and including September 30, 2025.
4. A copy of the First Report, without appendices, is attached hereto as **Appendix “B”**.
5. The Bonnefield Transaction closed on November 5, 2025, and the Receiver issued its Receiver’s Certificate in respect of same.

PURPOSE

6. The purpose of this second report of the Receiver (the “**Second Report**”) is to:
- (a) provide this Court with certain information pertaining to the Receivership Proceedings of the Companies, including:
 - (i) the activities of the Receiver since the First Report;
 - (ii) the status of the Companies’ operations;
 - (iii) the Receiver’s asset realization efforts to date and suggested plan to realize on the Companies’ remaining assets;
 - (iv) the Receiver’s interim R&D statement from the Date of Appointment to December 31, 2025 (the “**December Interim R&D**”); and
 - (v) the fees and disbursements of the Receiver and A&B;

- (b) recommend that this Court issue an Order, substantially in the form of the draft Approval and Vesting Order contained at Tab 3 of the Receiver's Motion Record, among other things:
- (i) approving the Receiver's engagement of Leveredge Asset Solutions Inc. ("**Leveredge**") and authorizing the execution of an auction services agreement (the "**Auction Agreement**") between the Receiver and Leveredge regarding the sale of Companies' remaining equipment assets (the "**Equipment**") further to the auction proposal delivered by Leveredge (the "**Leveredge Proposal**"), in accordance with the terms of the Auction Agreement appended as **Appendix "C"** to this Second Report;
 - (ii) authorizing the Receiver to perform its obligations under the Auction Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable to give effect to the Auction Agreement and conduct the auction of the Equipment pursuant to the Auction Agreement (the "**Auction**");
 - (iii) vesting in each purchaser at such auction (each a "**Purchaser**"), upon the delivery by Leveredge of a bill of sale to such Purchaser, the Companies' right, title and interest in and to the Equipment purchased by such respective Purchaser at the Auction, free and clear of any claims and encumbrances; and

- (c) recommend that this Court issue an Order, substantially in the form of the draft Ancillary Relief Order contained at Tab 4 of the Receiver’s Motion Record, among other things:
 - (i) approving this Second Report and the actions, conduct and activities of the Receiver, as described herein;
 - (ii) approving the December Interim R&D;
 - (iii) approving the fees and disbursements of the Receiver, as set out in the Fee Affidavit of Clark Lonergan sworn January 19, 2026 (the “**BDO Fee Affidavit**”);
 - (iv) approving the fees and disbursements of the Receiver’s independent legal counsel, A&B, as set out in the Fee Affidavit of Ian Aversa sworn January 14, 2026 (the “**A&B Fee Affidavit**”); and
 - (v) sealing **Confidential Appendices “A”** and **“B”** to the Second Report until further Order of the Court.

QUALIFICATIONS

7. In preparing this Second Report, the Receiver has relied upon the Companies’ limited unaudited financial information, books and records, and other information provided to it (collectively, the “**Information**”). The Receiver has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided, and in consideration of the nature of the evidence provided to this Court, in relation to the relief sought therein. The Receiver has not, however, 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 Auditing Standards (“GAAS”) pursuant to the Chartered Professional Accountants of Canada Handbook and, as such, the Receiver expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information. An examination of the Companies’ financial forecasts in accordance with the Chartered Professional Accountants of Canada Handbook has not been performed. Future-oriented financial information reported on or relied upon in this Second Report is based upon assumptions regarding future events; actual results achieved may vary from forecast and such variations may be material.

8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

ACTIVITIES OF THE RECEIVER

9. Since the issuance of the First Report, the Receiver:
- (a) began to wind-down operations, including reducing expenses, cancelling expenses that were no longer necessary, reducing the insurance policy following the sale of certain equipment, performing various treasury functions and continuing to pay ongoing necessary expenses to maintain the Property;
 - (b) continued communications regarding Agricorp’s reporting requirements and audits required to release funds pursuant to the AgriStability program administered by Agricorp;

- (c) reviewed and extended the agreement with Avison Young Commercial Real Estates Services, LP (“**Avison Young**”) to market and sell the Remaining Real Property of the Companies;
- (d) attended biweekly meetings with Avison Young on marketing effort updates, potential interested buyers, and industry/economic outlook regarding the purchase sale of the Remaining Real Property;
- (e) negotiated an amended bunkhouse leasing agreement with Bonnefield;
- (f) performed HST reconciliation, filing and on-going payments;
- (g) conducted transition planning with Avison Young and Bonnefield regarding the real property sold pursuant to the Bonnefield Transaction;
- (h) coordinated with legal counsel, the Companies, Avison Young, and Bonnefield with respect to the closing of the Bonnefield Transaction, including organizing equipment, determining purchase price allocations, preparing the statement of adjustments, and reviewing lease assignments;
- (i) attended on-site to close the Bonnefield Transaction, including conducting a walk-through with Bonnefield to verify identification numbers for each piece of equipment, fulfilling the remaining closing agenda items, and executing the ownership documents;
- (j) prepared and distributed the Receiver’s Certificate and closing documents;

- (k) reviewed financing and lease agreements of equipment and vehicles, compared buyout amounts as against appraisals, and coordinated the release of the respective equipment;
- (l) conducting a walk-through of the Remaining Real Property with Avison Young to consider and determine next steps;
- (m) conducting tours for multiple parties of the remaining Equipment to encourage offers for the Auction;
- (n) corresponded with multiple auction companies and reviewed and compared the auction proposals;
- (o) with the assistance of its legal counsel, reviewed and finalized the Auction Agreement with Leveredge;
- (p) corresponded with Vineland Research and Innovation Centre (“**Vineland**”), Wealhouse Farmlands G.P. Inc. and Wealhouse Farmlands LP (collectively, “**Wealhouse**”) and A&B regarding certain claims for potential infringement of intellectual property;
- (q) consulted with A&B regarding various matters related to these Receivership Proceedings; and
- (r) corresponded with The Bank of Nova Scotia (“**BNS**”) regarding various aspects of these Receivership Proceedings.

STATUS OF THE COMPANIES' OPERATIONS

10. As of the date of this Second Report, the Receiver has ceased all business operations of the Companies, and reduced any non-essential expenses.

11. In connection with the Bonnefield Transaction, the Receiver and Bonnefield entered into certain ancillary leases related to the Bonnefield APS, including:

- (a) an Equipment Lease dated September 10, 2025 (the “**Equipment Lease**”), pursuant to which, the Receiver agreed to lease to Bonnefield, among other things, certain equipment and vehicles, pending the closing of the Bonnefield Transaction; and
- (b) a Bunkhouse Lease dated September 10, 2025 (the “**Bunkhouse Lease**”), pursuant to which, the Receiver agreed to lease to Bonnefield certain portions of the lands and premises municipally known as 1110 Ridge Road Rd, Harrow, Ontario and legally described in PIN 75194-0156 (LT) (the “**Home Farm**”).

12. The term of the Bunkhouse Lease was set to expire on November 30, 2025. The Receiver and Bonnefield have agreed to amend the Bunkhouse Lease to, among other things:

- (a) extend the term of the Bunkhouse Lease to November 30, 2026;
- (b) permit Bonnefield to lease two additional bunkhouses located on the Home Farm for a total of four bunkhouses, all of which have sufficient space to house 64 temporary foreign workers;

- (c) provide for the payment of total cash rent, inclusive of utilities and property taxes, in the amount of \$7,500 plus HST per month; and
- (d) require Bonnefield to assume responsibility for grass cutting, weed control, and snow removal at the leased premises.

13. The Receiver is in the process of finalizing the amendment to the Bunkhouse Lease.

14. The Receiver is working with the Companies to file outstanding tax returns to allow for a potential tax refund of approximately \$450,000, which is expected to be received in early 2026.

15. As the Receiver reported in its First Report, the Receiver continues to pursue the collection of certain insurance proceeds from Agricorp, payable under the AgriStability program. The amounts are still under review, and the Receiver continues to follow up with Agricorp on next steps.

STATUS OF ASSET REALIZATIONS:

Real Property

16. As of the date of this Second Report, the Companies' assets consist of the following:

- (a) owned real property (the “**Real Property**”) with a book value of approximately \$12.4 million, comprising:
 - (i) the Home Farm, which consists of approximately 26 acres of land on which are built: two (2) commercial greenhouses; a high-tech

laboratory; a climate-controlled warehouse (cooler); and an office building with attached storage facility;

- (ii) a plot of farmland of approximately 110 acres located at V/L County Road 50 N/S & Schiller Beach Road Row, Harrow, Town of Essex, Ontario, as legally described in PIN 75194-0023 (LT) (“**County Road 50**”);
- (iii) a plot of farmland of approximately 45 acres located at V/L Ferriss Road E/S (part of lot 16), Harrow, Town of Essex, Ontario, as legally described in PIN 75194-0198 (LT) (“**Ferriss Road**”); and
- (iv) an 18-acre apple orchard located at V/L Ferriss Road W/S (part of lot 58), Harrow, Town of Essex, Ontario (“**Joe’s Orchard**”), which was the subject of the Bonnefield Transaction that has since closed.

17. Avison Young continues to market the Home Farm, County Road 50 and Ferriss Road (collectively, the “**Remaining Real Property**”).

AR Collections

18. As the Receiver reported in its First Report, the Receiver took steps to collect on outstanding accounts receivable (“**AR**”) owed to the Companies as of the Appointment Date. As of the date of the First Report, the Receiver had collected \$1.0 million of the approximately \$1.6 million of AR that was owed as of the Appointment Date. The Receiver also determined that \$300,000 of AR was uncollectable.

19. As of the date of this Second Report, the Receiver has collected all of the collectable AR owed to the Companies.

Transmission Easement

20. As the Receiver reported in the First Report, the Receiver, Oxley, Potentia, Mori Essex, Mori and Verhoeven agreed to fully and finally resolve the proceedings commenced as between them in the Ontario Superior Court of Justice on terms memorialized in minutes of settlement (the “**Minutes of Settlement**”) to be entered into by the parties, pursuant to which the parties (i) consented to an Order dismissing the proceedings with prejudice and without costs; and (ii) executed a mutual release vis-à-vis each other.

21. As part of the global settlement regarding the Transmission Easement, the Receiver and Oxley also entered into the Easement Agreement, pursuant to which, the Receiver, on behalf of LandCo, granted the Transmission Easement to Oxley.

22. Prior to the execution of the Minutes of Settlement, the Receiver was advised that Mori had passed away. The Minutes of Settlement, and the consent and mutual release contemplated therein, were executed by the Receiver, Oxley, Potentia, Mori Essex and the estate trustees of the Estate of Mori.

23. Payment by Oxley of the \$40,000 payable under the Easement Agreement is expected to be made in mid- to late-January 2026.

Inventory

24. The Receiver has sold and collected on all inventory that it had deemed as sellable from the Appointment Date.

25. As the Receiver reported in its First Report, in August 2025, the Receiver released its interest in the semi-mature trees planted in fields (the “**Field Inventory**”) that were leased by the Companies from Wealhouse (the “**Wealhouse Lands**”).

26. Vineland has since advised the Receiver of certain potential intellectual property claims relating to particular strains of Field Inventory planted on the Wealhouse Lands.

27. On January 16, 2026, the Receiver wrote to Wealhouse, copying Vineland, to reiterate that the Receiver's disclaimer of its interest in the Field Inventory was subject to any and all existing third-party intellectual property or contractual rights in the Field Inventory, and caution that any use of the Field Inventory, including a sale, must be in accordance with the terms of the applicable plant varieties licence agreements and related testing/licensing arrangements to which Vineland is a party.

28. The Receiver expects that Wealhouse and Vineland will coordinate with each other regarding the treatment of the Field Inventory.

Equipment

29. As the Receiver reported in its First Report, the Bonnefield Transaction included the purchase by Bonnefield of approximately 45 pieces of the Equipment of the Companies. Pursuant to the purchase price allocation, the sale of the Equipment generated \$723,000 in sale proceeds.

30. The Bonnefield Transaction also included six (6) pieces of Equipment for which Bonnefield assumed the leases.

31. The Receiver released its interest in all other financed and leased Equipment which the Receiver determined were not profitable to buy out and sell.

32. The Receiver believes the best course of action for maximizing realizations and reducing insurance-related costs is to pursue the Auction for the remaining Equipment. The Auction will be advertised to the general public, the network of equipment dealers,

and wholesalers. The Equipment will be sold “as is, where is”, with no representations, warranties or recourse against the Receiver.

33. The Receiver solicited auction proposals for the Equipment from two auctioneers, Canam-Appraiz Inc. (“**Canam**”) and Leveredge. Both Canam and Leveredge have the experience and capability to liquidate the Equipment. As the Receiver reported in its First Report, the Receiver previously engaged Leveredge to appraise the Companies’ Equipment, and Leveredge delivered an equipment appraisal dated May 28, 2025 (the “**Equipment Appraisal**”).

34. Both Leveredge and Canam submitted auction proposals for the Equipment. The Receiver reviewed and considered each of the key terms of the auction proposals, including the proposed fee and commission structures, net minimum guarantees (“**NMG**”)¹ and estimated time to close.

35. With the support of BNS, as the senior secured creditor, and subject to the Court’s approval, the Receiver accepted the Leveredge Proposal as the best available proposal to sell the Equipment and maximize value for the benefit of the Companies’ creditors and other stakeholders.

¹ A net minimum guarantee is a profit-sharing structure pursuant to which the auctioneer guarantees a minimum value for the equipment, which will be paid to the Receiver regardless of the outcome of the auction. Thereafter, the auctioneer is paid its guaranteed amount (i.e. for its costs, etc.) and the remainder of the net proceeds are shared as between the auctioneer and the Receiver on a defined percentage basis.

36. As compared to the proposal submitted by Canam, the Leveredge Proposal provides:

- (a) a higher NMG; and
- (b) lower commission costs (inclusive of commission, advertising and administrative expenses).

37. A summary of the auction proposals as well as copies of the two auction proposals are collectively attached as **Confidential Appendix “A”**.

38. In accordance with the Leveredge Proposal, the Receiver proposes to enter into the Auction Agreement with Leveredge. A redacted version of the Auction Agreement is attached as **Appendix “C”** while an unredacted version is attached as **Confidential Appendix “B”**.

39. The Auction Agreement provides, among other things:

- (a) the Liquidation Period (as defined in the Auction Agreement) shall run for a maximum of 75 days;
- (b) the Equipment is provided to Leveredge on an “as is, where is” basis; and
- (c) Leveredge shall prepare and lot the Equipment and conduct the Auction in a commercially reasonable manner.

40. Subject to this Court’s approval, the Receiver expects that the Auction will take place in early February 2026.

41. The tentative milestones for the Auction are as follows:

- (a) **Week of January 12, 2026**—Write up of catalogue and gathering of any additional information needed to start advertising;
- (b) **Week of January 26, 2026**—Uploading the online Auction and commencing same subject to Court approval;
- (c) **February 3, 2026**—Auction preview on-site for bidders to inspect the Equipment;
- (d) **February 4, 2026**—Auction bidding will close incrementally throughout the day;
- (e) **February 5-28, 2026**—Receipt of payments and check-out of purchases; and
- (f) **March 1-8, 2026**—Finish site clean-up and close process.

42. The Receiver believes that the Auction Agreement should be approved by the Court given:

- (a) subject to this Court's approval, and pursuant to the Receivership Order, the Receiver is specifically authorized to market and sell the Property of the Companies;
- (b) the engagement of Leveredge and the execution of the Auction Agreement is commercially reasonable and provides the highest net realization to the

receivership estates, and reduces the risk and cost to the receivership estates;

- (c) Leveredge is a reputable auctioning firm in Canada, understands the Equipment (having been engaged to prepare the Equipment Appraisal), and is likely in the best position to maximize realizations of the Equipment in the circumstances;
- (d) the Auction Agreement does not contain any closing conditions, other than the Court issuing the AVO; and
- (e) BNS, as the senior secured creditor of the Companies, is supportive of the Receiver's engagement of Leveredge and the Auction Agreement.

43. Paragraph 3(k) of the Receivership Order prescribes monetary thresholds, above which the Receiver is not permitted to sell Property out of the ordinary course of business without the approval of this Court. The Auction is expected to generate sale proceeds in excess of such thresholds.

44. Subject to this Court's approval, the Receiver intends to engage Leveredge to conduct the Auction pursuant to, and in accordance with, the Auction Agreement.

45. The Receiver is of the view that the proposed marketing strategy to be implemented by Leveredge pursuant to the Auction Agreement, which includes advertising via social media posts, email campaigns and to Leveredge contacts from previous similar sales, is fair and reasonable and will result in a fulsome canvassing of the market, with a view to maximizing the available recoveries for the benefit of the Companies' estates.

Leased Real-Property

46. As of the date of this Second Report, the Receiver has disclaimed all of the leases for the real property previously leased by the Companies.

PROFESSIONAL FEES

47. Pursuant to paragraph 19 of the Receivership Order, the Receiver and its counsel are to be paid their reasonable fees and disbursements, in each case, at their respective standard rates and charges. Pursuant to paragraph 20 of the Receivership Order, the Receiver and its counsel shall pass their accounts from time to time.

48. The Receiver seeks to have its fees and disbursements, and those of its counsel, approved by the Court. The Receiver and its counsel have maintained detailed records of their professional time and costs.

Receiver's Fees

49. As set out in the BDO Fee Affidavit for the period of October 1, 2025, to January 4, 2026 BDO, in its capacity as Receiver, has incurred fees of \$48,813.00 and disbursements of \$nil, plus HST of \$6,345.70, for a total of \$55,158.70.

50. The BDO Fee Affidavit is appended hereto as **Appendix "D"**. The fees charged by BDO are at its usual rates and are consistent with rates charged by comparable firms in the market for work of this nature.

51. The work performed by the Receiver as described in the BDO Fee Affidavit was undertaken in furtherance of these Receivership Proceedings.

A&B's Fees

52. As set out in the A&B Fee Affidavit for the period of October 1, 2025 to December 31, 2025, A&B, in its capacity as legal counsel to the Receiver, has incurred fees of \$79,206.00 and disbursements of \$1,458.33, plus HST of \$10,413.04, for a total of \$91,077.37.

53. The A&B Fee Affidavit is appended hereto as **Appendix "E"**. The fees charged by A&B are at its usual rates and are consistent with rates charged by comparable firms in the market for work of this nature.

54. The Receiver has reviewed the fees charged by A&B and confirms that the work performed by A&B as described in the A&B Fee Affidavit was requested by the Receiver and was undertaken in furtherance of these Receivership Proceedings.

RECEIVER'S INTERIM STATEMENTS OF RECEIPTS AND DISBURSEMENTS

55. The Receiver's Interim R&D for the period from the Appointment Date to December 31, 2025, are set out below:

	As of Dec 31, 2025
Receipts	
Cash from NOI	112,500.00
Tree Sales /AR/UCG Company Account less:refunds	1,712,645.83
Asset Sale - Bonnefield	1,312,881.17
Service Fee Reimbursement - Bonnefield	527,107.89
Share Crop Farm Revenue	29,234.63
HST Refund	39,615.65
Interest	8,297.09
Other	302.36
Total Receipts	3,742,584.62
Disbursements	
Wages	663,729.83
Trustee NOI Fees (Admin Charge)	255,571.50
Receiver Fees	418,547.50
Legal NOI Fees (Admin Charge)	154,152.16
Legal Fees - Receivership	191,321.00
Commission on Real Estate Sale	15,625.00
Operating Costs	302,372.25
Insurance	119,036.99
Lease Payments	113,122.02
Utilities	68,972.57
Rent	48,501.54
Accounting	21,000.00
Other Operating Costs	15,543.87
Appraisal Fees	9,500.00
Repairs & Maintenance	6,589.13
HST Paid on Disbursements	189,482.78
HST Remittances	53,800.28
Total Disbursements	2,646,868.42
Cash-on-hand	1,095,716.20

56. As detailed in the table above, between the Appointment Date and December 31, 2025, the Interim R&D reports net receipts over disbursements of \$1,095,716.20.

57. The Receiver collected total receipts of \$3,742,584.62, the majority of the which relate to:

- (a) AR collections and proceeds from the sale of trees;
- (b) proceeds from the closing of the Bonnefield Transaction; and
- (c) fees paid pursuant to a servicing agreement with Bonnefield.

58. Total disbursements over the same period amounted to \$2,646,868.42, the majority of which relate to payments for:

- (a) wages and retention bonuses for key employees;
- (b) professional fees of the Receiver and its legal counsel; and
- (c) operating costs to maintain the Real Property and sell the remaining trees.

SEALING ORDER


59. The Receiver is of the view that Confidential Appendices “A” and “B” to the Second Report should remain sealed until further order of the Court.

60. The Confidential Appendices contain commercially sensitive terms relating to the marketing and sale of the Equipment by Leveredge which, if publicly disclosed, could materially and negatively impair the ability of the Receiver to market the Equipment to other interested parties and obtain the highest and best price if the Auction Agreement is not approved or the Auction is not completed, and/or impair the ability of Leveredge to obtain market rates in other engagements.

RECOMMENDATIONS

61. Based on the foregoing, the Receiver is of the view that the relief requested herein is reasonable and respectively requests the Court approve said relief.

**BDO CANADA LIMITED, in its capacity
as court-appointed receiver and manager
of Upper Canada Growers Ltd. and UCG
Land Inc., and not in its corporate or
personal capacity.**

DocuSigned by:

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

67120510.3

Appendix A

Court File No. CV-25-00090131-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE)

THURSDAY, THE 15TH

JUSTICE M. BORDIN)

DAY OF MAY, 2025



THE BANK OF NOVA SCOTIA

Applicant

- and -

UPPER CANADA GROWERS LTD. and UCG LAND INC.

Respondents

AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of
the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and
section 101 of the *Courts of Justice Act*, R.S.O. 1990, c C.43, as amended

ORDER
(Appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing BDO Canada Limited (“**BDO**”) as receiver and manager (in such capacity, the “**Receiver**”) without security, of all of the assets, undertakings and properties of Upper Canada Growers Ltd. and UCG Land Inc. (the “**Debtors**”) acquired for, or used in relation to a business carried on by the Debtors, including the real property described in Schedule “A” hereto (the “**Real Property**”) and was heard this day at 45 Main Street East, #500, Hamilton, Ontario, and by videoconference.

ON READING the Affidavit of James Cook sworn May 5, 2025 and the exhibits thereto (the “**Cook Affidavit**”), and the third report dated May 6, 2025 (the “**Third Report**”) of BDO in

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its capacity as proposal trustee (in such capacity, the “**Proposal Trustee**”) in proceedings under Part III of the BIA in respect of the Debtors bearing court file numbers BK-25-03175819-0032 and BK-25-03175820-0032 (together, the “**Proposal Proceedings**”) in the Ontario Superior Court of Justice in Bankruptcy and Insolvency in Hamilton, Ontario (the “**Bankruptcy Court**”), and in its capacity as proposed receiver in these proceedings, and on hearing the submissions of counsel for the Applicant, the Debtors, and BDO, and such other parties listed on the participant information form or counsel slip, as applicable, no one else appearing although duly served as appears from the Lawyer’s Certificates of Service of Jennifer L. Caruso dated May 6, 2025 and May 9, 2025, and on reading the consent of BDO to act as the Receiver, filed,

SERVICE & DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used but not otherwise defined herein have the meanings given to them in the Cook Affidavit.

APPOINTMENT

3. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, BDO is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the “**Property**”), including the Real Property.

RECEIVER’S POWERS

4. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

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- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter

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instituted with respect to the Debtors, the Property or the Receiver, and 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;

(j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case, if applicable, notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;

(l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

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- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and
- (s) to engage Avison Young Canada to market and sell the Real Property on substantially the terms set out in the listing letter attached as Appendix L to the Third Report, with such modifications as the Receiver deems appropriate in consultation with the Applicant,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. **THIS COURT ORDERS** that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of

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the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

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8. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

9. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

10. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

11. **THIS COURT ORDERS** that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

12. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

13. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

14. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

15. **THIS COURT ORDERS** that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

16. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*,

the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER’S LIABILITY

18. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, including, but not limited to, any illness or bodily harm resulting from a party or parties contracting COVID-19, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER’S ACCOUNTS

19. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the “**Receiver’s Charge**”) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and the Receiver’s Charge shall have the priority set out in paragraphs 28 and 29 hereof.

20. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Ontario Superior Court of Justice.

21. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its

fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, and shall have the priority set out in paragraphs 28 and 29 hereof.

23. **THIS COURT ORDERS** that neither the Receiver’s Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule “B”** hereto (the “**Receiver’s Certificates**”) for any amount borrowed by it pursuant to this Order.

25. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver’s Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver’s Certificates.

PRE-EXISTING CHARGES ESTABLISHED IN PROPOSAL PROCEEDINGS

26. **THIS COURT ORDERS** that the Administration Charge, the DIP Charge, and the Directors’ Charge (collectively, the “**Proposal Proceedings Charges**”), each as defined and

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established pursuant to the initial proposal order dated February 6, 2025 made by the Bankruptcy Court in the Proposal Proceedings and attached as Exhibit “II” to the Cook Affidavit (the “**Initial Proposal Order**”), shall continue to be in full force and effect as modified by this Order and subject to the terms hereof.

27. **THIS COURT ORDERS** that, as of the date hereof, the Proposal Proceedings Charges shall have priority set out in paragraphs 28 and 29 hereof, and shall be subject to the following limitations:

- (a) the DIP Charge shall secure the maximum aggregate amount of \$2,700,000 plus interest, fees, and expenses;
- (b) the Administration Charge shall only secure the payment of professional fees and disbursements in an aggregate amount not to exceed \$500,000 incurred before the effective time of this Order by (i) BDO in its capacity as Proposal Trustee of the Debtors, and (ii) Aird & Berlis LLP in its capacity as legal counsel to the Proposal Trustee, at their respective standard rates and charges; and
- (c) the Directors’ Charge shall be limited to the maximum aggregate amount of \$150,000 and shall secure only payment of valid claims under the indemnity provided for in paragraph 26 of the Initial Proposal Order arising after the NOI Filing Date (as defined in the Initial Proposal Order) and before the effective time of this Order.

PRIORITY OF CHARGES CREATED BY THIS ORDER

28. **THIS COURT ORDERS** that the priorities of the Receiver’s Charge, the Receiver’s Borrowing Charge, and the Proposal Proceedings Charges (collective, the “**Charges**”), as among them, with respect to the Property shall be as follows:

First – the Receiver’s Charge and the Administrative Charge, ranking *pari passu*;

Second – the DIP Charge;

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Third – the Receiver’s Borrowings Charge; and

Fourth – the Directors’ Charge.

29. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and shall rank in priority to all other security interests, trusts (including any statutory deemed or constructive trust), liens, charges and encumbrances, statutory or otherwise, in favour of any Person, subject to paragraph 28 hereof and sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

SERVICE AND NOTICE

30. **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, including with respect to service of the Notice of Application of the Application Record, 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 Protocol with the following URL: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/upper-canada-growers-ltd>.

31. **THIS COURT ORDERS** that the Receiver and its 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 Debtors’ 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).

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32. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

33. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to file a copy of this Order with the Bankruptcy Court to be added to the court file for each of the Proposal Proceedings.

34. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

35. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as the Proposal Trustee or a trustee in bankruptcy of the Debtors.

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

37. **THIS COURT ORDERS** that the Receiver be at liberty and is 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 Receiver is authorized and empowered to act as a representative in respect of the within

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proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

38. **THIS COURT ORDERS** that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant security or, if not so provided by the Applicant security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

39. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver, the Applicant and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

40. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Hamilton time) on the date of this Order, and this Order shall be immediately enforceable at such time and thereafter without the need for entry and filing.

41. **THIS COURT ORDERS AND DIRECTS** that, as soon as practicable, the Land Registry Office for the Land Titles Division of Essex (No. 12) accept this Order for registration on title to the Real Property described in Schedule "A" hereto.



ISSUED AND ENTERED ELECTRONICALLY
ON BEHALF OF THE HONOURABLE JUSTICE BORDIN

Lindsay T Old Digitally signed by Lindsay T Old
Date: 2025.05.21 16:32:29 -04'00'

Local Registrar
45 Main St. E.
Hamilton, ON L8N 2B7

SCHEDULE "A"

"Property" includes all of the present and future legal and beneficial right, title, estate and interest
in and to:

- a) PART LT 58 CONCESSION 1 OR FRONT COLCHESTER, PART 2 12R5006 SAVE AND EXCEPT PART 1 12R28819, TOWN OF ESSEX, PIN 75198-0187 (LT);
- b) PT LT 16 CON GORE OR 2ND RANGE COLCHESTER PT 1 12R11909, EXCEPT PT 1, 12R14883, ESSEX, PIN 75194-0023 (LT);
- c) PT LT 4 PL 178 COLCHESTER AS IN R843148; ESSEX, PIN 75194-0156 (LT);
- d) PT LT 6-8 PL 178 AS IN R1371764, EXCEPT PT 1 PL 12R15636, PT LTS 48, 49 CON 1 OR FRONT, DESIGNATED AS PT 1 PL 12R21178; ESSEX, PIN 75194-0198 (LT);
and
- e) PT LT 9 PL 178 COLCHESTER PT 2 & 3, 12R7446; T/W & S/T R613698; ESSEX AMENDED BY LO 2003/01/21, PIN 75187-0007 (LT).

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SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. **THIS IS TO CERTIFY** that BDO Canada Limited ("**BDO**"), the receiver (the "**Receiver**") of the assets, undertakings and properties of Upper Canada Growers Ltd. and UCG Land Inc. (the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (the "**Court**") dated the 15th day of May, 2025 (the "**Order**") made in an application having Court file number CV-25-00090131-0000, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 2025.

BDO CANADA Limited, solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

THE BANK OF NOVA SCOTIA

UPPER CANADA GROWERS LTD. and UCG LAND INC.

Applicant

Respondents

Court File No. CV-25-00090131-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Hamilton

**ORDER
(APPOINTING RECEIVER)**

FASKEN MARTINEAU DuMOULIN LLP

Barristers and Solicitors
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Bay Adelaide Centre, Box 20
Toronto ON M5H 2T6

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Jennifer L. Caruso (LSO: 79321K)

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Tel. 416 865 4471

Lawyers for the Applicant

Appendix B

Court File No. CV-25-00090131-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N :

THE BANK OF NOVA SCOTIA

Applicant

- and -

UPPER CANADA GROWERS LTD. and UCG LAND INC.

Respondents

**AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of the Bankruptcy and
Insolvency Act, R.S.C. 1985, c. B-3, as amended, and section 101 of the Courts of Justice
Act, R.S.O. 1990, c C.43, as amended**

**FIRST REPORT OF BDO CANADA LIMITED,
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER AND MANAGER OF THE RESPONDENTS
October 14, 2025**

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- A. Receivership Order of Justice Bordin dated May 15, 2025
- B. Third Report of the Proposal Trustee dated May 6, 2025, without appendices
- C. Initial Proposal Order of Justice Henderson dated February 6, 2025
- D. Redacted copy of the Bonnefield APS
- E. List of Purchased Equipment
- F. Fee Affidavit of Clark Lonergan, sworn October 14, 2025
- G. Fee Affidavit of Ian Aversa, sworn October 9, 2025
- H. Form of Easement Agreement
- I. Form of Minutes of Settlement

LIST OF CONFIDENTIAL APPENDICES

- A. Equipment Appraisal from Leveredge Asset Solutions Inc.
- B. Unredacted copy of the Bonnefield APS

INTRODUCTION

1. On January 17, 2025, Upper Canada Growers Ltd. (“**UCG OpCo**”) and UCG Land Inc. (“**LandCo**” together with UCG OpCo, the “**Companies**”) filed Notices of Intention to Make a Proposal (the “**NOI**”) pursuant to subsection 50.4(6) of the *Bankruptcy and Insolvency Act* (the “**BIA**”). BDO Canada Limited (“**BDO**”) was appointed as the Licensed Insolvency Trustee (the “**Proposal Trustee**”) under the NOI filings (the “**NOI Proceedings**”). The Companies did not file a proposal or seek an extension of the NOIs by May 16, 2025, and, as such, were deemed to have filed an assignment in bankruptcy on May 17, 2025. BDO was appointed as trustee in bankruptcy (the “**Trustee**”). The Trustee’s appointment was reconfirmed at the Companies’ first meeting of creditors held on June 5, 2025.
2. On May 15, 2025 (the “**Appointment Date**”), pursuant to an order (the “**Receivership Order**”) of the Honourable Justice Bordin of the Ontario Superior Court of Justice (the “**Court**”), BDO was appointed as receiver and manager (the “**Receiver**”) pursuant to section 243 of the BIA and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c C.43 as amended, in respect of all of the assets, undertakings and properties (the “**Property**”) of the Companies (the “**Receivership Proceedings**”). A copy of the Receivership Order is attached hereto as **Appendix “A”**.

PURPOSE

3. The purpose of this first report of the Receiver (the “**First Report**”) is to:
 - (a) provide this Court with certain information pertaining to the Receivership Proceedings of the Companies, including:
 - (i) background and certain facts leading up to the appointment of the Receiver;
 - (ii) the activities of the Receiver since the Appointment Date;
 - (iii) the Receiver’s asset realization efforts and plans going forward;
 - (iv) the Receiver’s interim statement of receipts and disbursements (“**Interim R&D**”) from the Date of Appointment to September 30, 2025; and
 - (v) the Receiver’s fees and disbursements and those of the Receiver’s independent legal counsel, Aird & Berlis LLP (“**A&B**”);
 - (b) outline certain information relevant to the proposed transaction (the “**Transaction**”) with Bonnefield Canadian Farmland LP V Master, as represented by its general partner, Bonnefield GP V Inc. (“**Bonnefield**” or the “**Purchaser**”)

pursuant to an agreement of purchase and sale dated September 10, 2025 (the “APS”), including:

- (i) information regarding the marketing and sale processes undertaken by the Proposal Trustee to effect a sale of the Companies’ assets prior to the appointment of the Receiver;
 - (ii) the marketing efforts of the Receiver with regards to the Property since the Appointment Date;
 - (iii) information regarding the Transaction; and
 - (iv) the Receiver’s recommendations with respect to the Transaction, including the results of the liquidation analysis prepared by the Receiver;
- (c) recommend that the Court issue an order, substantially in the form of the draft Approval and Vesting Order (the “AVO”) contained at Tab 3 of the Receiver’s Motion Record, among other things:
- (i) approving the Transaction contemplated in the APS between the Receiver (in such capacity, the “Vendor”) and the Purchaser, and authorizing the Receiver to complete the Transaction;
 - (ii) upon execution and delivery of a certificate by the Receiver containing confirmation of the closing of the Transaction, vesting in the Purchaser all of the Companies’ right, title, benefit, and interest in and to the purchased assets free and clear of and from any and all security interests, liens, executions, levies, charges, or other financial or monetary claims; and
- (d) recommend that the Court issue an order, substantially in the form of the draft Ancillary Relief Order (the “Ancillary Relief Order”) contained at Tab 5 of the Receiver’s Motion Record, among other things:
- (i) approving the Receiver entering into the Minutes of Settlement and the Easement Agreement (each as herein defined), and approving and authorizing the granting, conveyancing and transfer of the Oxley Easement;
 - (ii) approving this First Report, and the actions, conduct and activities of the Receiver set out herein;

- (iii) sealing the Confidential Appendices (as defined below) until the closing of the Transaction or further Order of this Court;
- (iv) approving the Receiver's Interim R&D from the Appointment Date to September 30, 2025;
- (v) approving the fees and disbursements of the Receiver, as set out in the Fee Affidavit of Clark Lonergan sworn October 14, 2025 (the "**BDO Fee Affidavit**"); and
- (vi) approving the fees and disbursements of the Receiver's independent legal counsel, A&B, as set out in the Fee Affidavit of Ian Aversa sworn October 9, 2025 (the "**A&B Fee Affidavit**").

QUALIFICATIONS

4. In preparing this First Report, the Receiver has relied upon the Companies' limited unaudited financial information, books and records, and other information provided to it (collectively, the "**Information**"). The Receiver has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided, and in consideration of the nature of the evidence provided to this Court, in relation to the relief sought therein. The Receiver has not, however, 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 Auditing Standards ("**GAAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, as such, the Receiver expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information. An examination of the Companies' financial forecasts in accordance with the Chartered Professional Accountants of Canada Handbook has not been performed. Future-oriented financial information reported on or relied upon in this First Report is based upon assumptions regarding future events; actual results achieved may vary from forecast and such variations may be material.
5. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

BACKGROUND & EVENTS LEADING TO THE APPOINTMENT OF THE RECEIVER

6. UCG OpCo and LandCo are privately-held corporations, provincially incorporated in Ontario on June 10, 2016 and October 17, 2016, respectively.
7. UCG OpCo operated a nursery and orchard business, primarily at its main premises at 1116 Ridge Rd, Harrow, Ontario, and through a sales office at 921 Concession 2 Rd, Niagara-on-the-Lake, Ontario. UCG OpCo's primary business activities were the acquisition and multiplication

of disease-free rootstock for resale to fruit farmers in Canada and the United States of America, and 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.

8. LandCo operated as a real estate holding company for the land and buildings located in Harrow, Ontario that were used by UCG OpCo in its nursery and orchard business. The real estate holdings consisted of (i) approximately 200 acres of land; (ii) two (2) commercial greenhouses; (iii) one (1) high-tech laboratory; (iv) one (1) climate-controlled warehouse (cooler); and (v) an office building with attached storage facility.
9. On January 17, 2025, the Companies each filed an NOI pursuant to the BIA, and BDO was appointed as the Proposal Trustee in those NOI Proceedings. During the NOI Proceedings, the Proposal Trustee assisted the Companies with various financial and operational activities, including conducting a Sale and Investment Solicitation Process (“SISP”), which was approved by the Court on February 6, 2025.
10. The SISP was ultimately unsuccessful and, accordingly, with no prospect for a transaction nor an ability to restructure, the Companies chose not to file a proposal or seek an extension of the time by which to file a proposal, which was set to lapse on May 16, 2025. Consequently, the Companies were each deemed to have filed an assignment in bankruptcy on May 17, 2025.
11. On May 15, 2025, the Court issued an order (the “**Discharge Order**”) which, amongst other things:
 - (a) authorized BDO to act as Trustee of the Companies;
 - (b) authorized the Trustee to administer the bankruptcy estates of UCG OpCo and LandCo on a consolidated basis;
 - (c) approved the “Remaining Fees and Disbursements” (as defined in the Proposal Trustee’s Third Report (the “**Third NOI Report**”) dated May 6, 2025, which is attached hereto as **Appendix “B”**); and
 - (d) discharged BDO as Proposal Trustee, subject to BDO filing a certificate confirming that the Proposal Trustee had completed its “Remaining Activities” (as defined the Third NOI Report).
12. On May 15, 2025, the Court also issued the Receivership Order, which among other things:
 - (a) continued the Administration Charge, DIP Charge and Directors’ Charge (collectively, the “**NOI Charges**”) as established in the Order of Justice Henderson

dated February 6, 2025 (the “**Initial Proposal Order**”), which is attached hereto as **Appendix “C”**, subject to the following limitations:

- (i) the DIP Charge, in favour of the Bank of Nova Scotia (“**BNS**”), secures the maximum aggregate amount of \$2,700,000 plus interest, fees and expenses for amounts advanced by BNS in the NOI Proceedings pursuant to debtor-in-possession financing (the “**DIP Charge**”);
 - (ii) the Administration Charge secures the payment of professional fees and disbursements in the aggregate amount of up to \$500,000 incurred by the Proposal Trustee and A&B for work performed during the NOI Proceedings; and
 - (iii) the Directors’ Charge secures, up to the amount of \$150,000, payment of valid claims under the indemnity provided to the directors and officers of the Companies, which obligation or liability was incurred during the NOI Proceedings and was not the result of gross negligence or wilful misconduct by the directors and officers;
- (b) fixed the priority of the NOI Charges vis-à-vis the other charges in the Receivership Order as follows:
- (i) First: the Receiver’s Charge and the Administration Charge ranking *pari-passu* with each other;
 - (ii) Second: the DIP Charge;
 - (iii) Third: the Receiver’s Borrowing Charge; and
 - (iv) Fourth: the Directors’ Charge; and
- (c) authorized the Receiver to engage Avison Young Commercial Real Estates Services, LP (the “**Sales Agent**”) to market and sell the Companies’ Real Property (as defined below).

ACTIVITIES OF THE RECEIVER

13. Since the commencement of the Receivership Proceedings, the Receiver:

- (a) attended at the Companies’ offices and main operating facility at 1116 Ridge Rd, Harrow, Ontario and took possession of the Property;

- (b) confirmed the status of insurance policies with the Companies' insurance broker and requested that BDO be added as an additional named insured and loss payee, as applicable, under the insurance policies;
- (c) obtained copies of available books and records of the Companies, including obtaining records from the Companies' satellite office located in Niagara-on-the-Lake;
- (d) closed the Companies' bank accounts with BNS, opened new bank accounts in the name of the Receiver and coordinated the transfer of funds from the Companies' bank accounts to the Receiver's bank accounts;
- (e) arranged for the continuation of all essential services, including utilities, for the Companies' Real Property;
- (f) negotiated listing agreements with the Sales Agent for the sale of the Companies' Real Property;
- (g) engaged in various correspondence and meetings with the Sales Agent;
- (h) prepared wind-down plans and budgets with the assistance of the Companies' staff;
- (i) entered into term and task contracts with twenty (20) former employees of the Companies to assist the Receiver in continuing the Companies' operations with the view to continue regular nursery sales, market unsold inventory and collect on outstanding accounts receivable ("AR");
- (j) engaged in various communications, discussions and follow-ups with tenants regarding rent payments and repairs and maintenance requests;
- (k) engaged Leveredge Asset Solutions Inc. (the "Appraiser") to appraise the Companies' equipment (the "Equipment Appraisal");
- (l) analyzed the Companies' leased and financed equipment, using the Equipment Appraisal, to determine if there is equity in any of leased or financed equipment;
- (m) coordinated the creation of new vendor accounts for the Receiver for ongoing services relate to the operation of the Companies' business;
- (n) engaged in negotiations and executed a settlement agreement with Oxley Wind Farm Inc. ("Oxley") to settle outstanding litigation between Oxley and LandCo

related to an easement on LandCo's property, which settlement agreement remains subject to approval of this Court;

- (o) entered into a service agreement dated May 29, 2025 with Bonnefield (the "**Bonnefield Service Agreement**") to provide supervisory labor, equipment rentals and other services to assist Bonnefield in maintaining approximately 245 acres of orchards leased to the Companies (the "**Bonnefield Lease**") for a 6-week period;
- (p) terminated the Bonnefield Lease in accordance with the Bonnefield Service Agreement;
- (q) extended the Bonnefield Service Agreement through eight (8) extensions for a period up to October 31, 2025;
- (r) entered into a service agreement with Essex Farmland Holdings LP, by its general partner Essex Farmland Holdings GP Inc. ("**Essex**") to provide supervisory labor, equipment rentals and other services (the "**Essex Service Agreement**") to assist Essex in maintaining approximately 70 acres of orchards leased to the Companies (the "**Essex Lease**");
- (s) terminated the Essex Lease in accordance with the Essex Service Agreement;
- (t) maintained, using contract labour, the Companies' nursery inventory and orchard assets located on leased properties for a period of time;
- (u) entered into a lease agreement with Wealhouse Farmlands G.P. Inc. and Wealhouse Farmlands LP (together, "**Wealhouse**") for the lease of 50 acres of farmland (the "**Wealhouse Lease**") that was previously leased to UCG OpCo for nursery tree inventory;
- (v) entered into sharecrop agreements with local farms for unused farmland on County Road 50 (herein defined);
- (w) entered into a full and final mutual release with Denise Tingen and James Christopher Tingen (together, the "**Tingens**") related to the termination of a lease dated January 12, 2024 between UCG OpCo and the Tingens for approximately 65 acres of farmland on which UCG OpCo had planted a peach orchard (the "**Tingen Lease**");

- (x) prepared and mailed the notice and statement of the Receiver pursuant to sections 245(1) and 246(1) of the BIA to the Office of the Superintendent of Bankruptcy and the Companies' known creditors;
- (y) administered the Wage Earner Protection Program Act ("WEPPA") program requirements in conjunction with the Companies' contiguous bankruptcy proceedings;
- (z) contacted Canada Revenue Agency ("CRA") to set up new sales tax accounts and administered outstanding sales tax returns;
- (aa) engaged the Companies' predecessor accountant to prepare financial statements for the fiscal year ended November 30, 2024, along with T2 corporate tax returns, in order to file a crop insurance claim with AgriStability Corporation;
- (bb) consulted with A&B regarding various matters related to these Receivership proceedings;
- (cc) corresponded with BNS regarding various aspects of these Receivership Proceedings; and
- (dd) corresponded with the legal counsel to the Bank of Nova Scotia ("BNS"), Fasken Martineau DuMoulin LLP ("Fasken"), and the Receiver's legal counsel, A&B, regarding the appointment of the Receiver.

STATUS OF ASSET REALIZATIONS:

Overview

14. On the Appointment Date, the Companies' assets consisted of the following:

- (a) cash on hand in the Companies' bank accounts with BNS of \$112,527;
- (b) AR with a book value of approximately \$1.6 million;
- (c) owned real property (the "**Real Property**") with a book value of approximately \$12.4 million, comprising:
 - (i) the main operating facility situated located at 1110 Ridge Road, Town of Essex, Ontario, which consists of approximately 26 acres of land on which are built: two (2) commercial greenhouses; a high-tech laboratory; a

climate-controlled warehouse (cooler); and an office building with attached storage facility (collectively, the “**Home Farm**”);

- (ii) a plot of farmland of approximately 110 acres located at V/L County Road 50 N/S & Schiller Beach Road Row, Harrow, Town of Essex, Ontario (“**County Road 50**”);
- (iii) a plot of farmland of approximately 45 acres located at V/L Ferriss Road E/S (part of lot 16), Harrow, Town of Essex, Ontario (“**Ferriss Road**”); and
- (iv) an 18-acre apple orchard located at V/L Ferriss Road W/S (part of lot 58), Harrow, Town of Essex, Ontario (“**Joe’s Orchard**”);

(d) leased real property comprising:

- (i) the property subject to the Tingen Lease, on which were planted approximately 55 acres of peach trees;
- (ii) the property subject to the Bonnefield Lease, which included approximately 254 acres of apple trees; and
- (iii) the property subject to the Essex Lease, which included approximately 60 acres of apple trees;

(e) inventory, with a book value of approximately \$11.3 million, consisting of:

- (i) approximately 93,000 (\$0.9 million book value) mature fruit trees in cold storage ready for sale (the “**FY25 Trees**”);
- (ii) approximately 178,000 (\$1.0 million book value) grafted grape vines in cold storage ready for sale (the “**FY25 Grapes**”);
- (iii) approximately 865,000 (\$5.4 million of book value) semi-mature trees planted in fields owned or rented by the Companies, which trees would normally be sold in 2026 or 2027 (the “**Field Inventory**”);
- (iv) approximately 108,000 (\$0.5 million of book value) immature grape vines or rootstock planted in fields owned or rented by the Companies (the “**Grape Field Inventory**”);

- (v) approximately 625,000 (\$2.9 million of book value) grape and tree plants growing in the Companies' greenhouses (the "**Greenhouse Inventory**");
 - (vi) approximately 425,000 (\$0.6 million of book value) grape and tree plants growing in the Companies' laboratory (the "**Lab Inventory**"); and
- (f) vehicles and equipment with a book value of approximately \$3.0 million (the "**Equipment**"), of which approximately \$1.1 million worth of Equipment were leased from third parties.
15. At the time of the Appointment Date, the Companies' nursery operations were in the midst of their peak spring sales/operating season. Historically, during this time, the Companies would be selling fruit tree inventory pulled from the fields in the fall of the prior year as well as caring for the nursery and orchard assets through spraying, pruning and planting activities.
16. The Receiver, in consultation with BNS, decided to continue limited nursery and farming operations in order preserve options while the Sales Agent explored the market for any buyers who wanted additional assets beyond the Real Property. To do this, the Receiver engaged 19 of the former employees on a term and task basis to assist with running the operations, selling inventory and collecting on the AR.
17. Additionally, the Receiver determined that it could not contract with any of the 42 temporary foreign workers (the "**TFWs**") as it did not meet the regulatory requirements of the work program pursuant to which they had come to Canada.
18. As TFW labour was needed to maintain the inventory and various orchard assets of the Companies, the Receiver ultimately made an arrangement with Vienna Farms Limited ("**Vienna**"), pursuant to which most of the TFWs were transferred to Vienna and fifteen (15) of the TFWs were sub-contracted back to the Receiver on a cost-plus arrangement (the "**Vienna Arrangement**").

AR Collections

19. As of the date of this First Report, the Receiver has collected \$1.0 million of the approximately \$1.6 million of AR that was owed as of the Appointment Date.
20. The Receiver has determined that the remaining balance of \$0.3 million of AR is uncollectable as it relates primarily to amounts owned by Essex, which are subject to the

set-off and other terms of the Essex Termination Agreement, pursuant to which any amounts owing between UCG OpCo and Essex were settled.

Inventory

21. As previously noted, the FY25 Trees and FY25 Grapes are inventory that would normally be sold in 2025. Much of it was subject to existing purchase commitments from customers, pursuant to which UCG OpCo had received approximately \$0.7 million of deposits.
22. The Receiver analyzed the deposits to determine whether they had been received prior to the commencement of the NOI Proceedings, with the view that those received after would be honoured while those received prior could be compromised as unsecured claims.
23. Prior to the Receivership, nursery sales made by the Companies included a warranty for quality, which allowed customers to replace the trees or receive a refund. Following the Appointment Date, all sales made by the Receiver were conducted on an “as-is, where-is” basis, without representations and warranties, and required payment on a cash-on-delivery basis. Accordingly, the Receiver had to renegotiate many existing sale arrangements with customers in order to facilitate the completion of the sales.
24. As a result of the Receiver’s efforts, receipts from the FY25 Trees and FY25 Grape inventory totaled approximately \$388,000.
25. Despite heavy discounting, there were still approximately 65,000 of the FY25 Trees and approximately 5,000 of the FY25 Grapes that could not be sold during the sale season. During regular operations, these assets would be replanted in the fields to grow until the fall, at which time, along with the 2026 Field Inventory, they would be re-harvested and stored to be sold in the spring of 2026. However, the Receiver determined that the cost of replanting and caring for these assets would exceed their potential sale value and, therefore, determined that the best course of action was to dispose of them, which occurred in late June 2025.
26. Through the regular sale season, the Receiver, along with the assistance of the Companies’ former sales team, who were hired on a term and task basis, attempted to market the Field Inventory and Grape Field Inventory to regular customers and seek other potential buyers from other parts of Canada and the USA. In addition, there were several parties interested in the Companies’ Real Property and Equipment who also wanted to purchase this inventory as a part of a transaction. However, none of the verbal or written offers for the Real

Property were sufficient (as further discussed below) and, therefore, no transaction for the Field Inventory and Grape Inventory materialized.

27. The majority of the Field Inventory is planted on lands that were leased by the Companies from Wealhouse (the “**Wealhouse Lands**”). The Wealhouse Lands were originally subject to a conditional sale agreement (the “**Aginvest Sale**”) between the Companies and Aginvest Farmland IV Inc. and Aginvest Farmland IV LP (together, “**Aginvest**”) which required a severance of one of the parcels in order to complete the sale. To account for the time required to undertake the severance, the Companies entered into a one-year lease with Aginvest (the “**Aginvest Lease**”) and began using the land for the nursery operations.
28. The severance was not completed, and the Companies commenced the NOI Proceedings. The Aginvest Lease expired on April 16, 2025, and the Companies had no ability to complete the severance and close the Aginvest Sale during the NOI Proceedings.
29. On the Appointment Date, the Receiver entered into an agreement with Wealhouse, who was determined to be the owner of the Wealhouse Lands, to lease them while the Receiver tried to find a buyer for the Field Inventory. The Wealhouse Lease, amongst other things, terminated the Aginvest Sale and required the Receiver to maintain the Field Inventory in accordance with generally-accepted farming practices for fruit orchards.
30. After attempting to sell the Field Inventory over the span of eight weeks, either directly to other Canadian nurseries and local buyers, or indirectly, as part of the sale efforts on the Companies’ Real Property (as discussed below), the Receiver determined that the continued cost to maintain the Field Inventory was unsustainable and would not provide any incremental value to the Receivership estates.
31. Accordingly, on August 22, 2025, the Receiver issued a termination notice pursuant to the Wealhouse Lease, which became effective on September 6, 2025, and resigned the Receiver’s interest in the Field Inventory located on the Wealhouse Lands to Wealhouse.
32. Similarly, the Receiver determined that the continued maintenance and development costs of the Grape Field Inventory, the Greenhouse Inventory and the Lab Inventory were in excess of the risk-weighted return of selling that inventory, which would normally occur in 2028 and the years beyond. Accordingly, the Receiver has stopped maintaining the Grape Field Inventory, which is located on County Road 50, and is in the process of disposing the Greenhouse Inventory and the Lab Inventory.

Equipment

33. Shortly after the Appointment Date, the Receiver took inventory of the Equipment located on the Companies' premises.
34. The Receiver engaged Leveredge Asset Solutions Inc. ("**Leveredge**") to provide the Equipment Appraisal, which was completed on May 28, 2025, and is attached hereto as **Confidential Appendix "A"**.
35. Since the Appointment Date, the Sales Agent has been working diligently to market and sell the Real Property, with a focus on the Home Farm as a turn-key operation. Accordingly, the Receiver has not initiated a fulsome sales process for the Equipment on the basis that the Equipment enhances the value of the Real Property.
36. The Transaction with Bonnefield includes the purchase of approximately 45 pieces of the Equipment.
37. Accordingly, after the closing of the Proposed Transaction, the Receiver intends to look to monetize the rest of the Equipment in the fall of 2025, either through direct transactions, supported by the valuations in the Equipment Appraisal, or through an en-bloc auction, for which it will need to seek the Court's approval.

Leased Real-Property

38. The terms of the Bonnefield Lease and the Essex Lease were fairly similar, in that they required the Companies to pay annual rents to Bonnefield and Essex, respectively, in exchange for the rights to harvest and sell the fruit generated by the orchards on the properties.
39. The Companies were required to maintain the quality of the orchards through regular maintenance, both as part of the terms of the Bonnefield Lease and the Essex Lease, and as an incentive to maximize fruit production.
40. The Companies' interest in the Bonnefield Lease and the Essex Lease were included in the SISP that was run during the NOI Proceedings, which resulted in no binding offers for any of the Companies' assets.
41. The Receiver determined that the carrying costs of the Bonnefield Lease and the Essex Lease would be higher than any potential realizations from them in the short term. Any future realizations would require years of ongoing maintenance, which would require

millions of dollars of additional funding that may not be recoverable. Accordingly, based on the foregoing, the Receiver determined there was no value in the Essex Lease or the Bonnefield Lease.

42. After making this determination, the Receiver entered into the Bonnefield Service Agreement and Essex Service Agreement in order to assist Bonnefield and Essex with the transition of the operations of their orchards. In exchange for providing this service, the Receiver was able to obtain a fee and execute termination agreements for the Bonnefield Lease and the Essex Lease, which also included a general release for any obligations owed thereon.
43. The Tingen Lease was different from the Bonnefield Lease and Essex Lease in that the Companies retained ownership of the peach trees growing on the leased property. The Tingen Lease still required the general upkeep of the orchard and allowed the Companies to harvest the fruit from it.
44. In addition to the Tingen Lease, the Companies historically had a second lease agreement (the “**Tingen Water Lease**”) with the Tingens, which allowed them to draw water for some of the Companies’ orchards. The Tingen Water Lease expired in November 2024 and was not renewed by the Companies.
45. The Receiver was unable to secure a renewal of the Tingen Water Lease. The cost to bring water to the property would have been significantly higher than the potential fruit revenue to be generated from the orchard (minimal for 2025). Accordingly, the Receiver determined that there was no value in the Tingen Lease and entered into a Full and Final Mutual Release with the Tingens.

Real Property

46. The Real Property is the Companies’ primary remaining asset.
47. The Real Property has been exposed to the market from the time the SISP began in February 2025 and subsequently through the marketing efforts of the Sales Agent, which consisted of direct marketing to targeted potential buyers and public marketing by listing on the Multiple Listings Service (the “**MLS**”).
48. A summary of the Sales Agent’s activities and the subsequent interest in each property is set out below:

<u>Address</u>	<u>E-Blast Recipients</u>	<u>NDA's Signed</u>	<u># of Tours</u>	<u>Verbal Offers Received</u>	<u>Written Offers Received</u>
Home Farm	1,314	1	6	2	3
Joe's Orchard	1,314		3	1	2
Ferriss Road	1,314		3	0	2
County Road 50	1,314		5	0	3

49. Initially, each of the four (4) properties constituting the Real Property were listed on MLS with asking prices of \$1 to generate interest. After failing to receive any reasonable offers, on July 17, 2025, three of the four properties were re-listed on MLS at the following amounts, based on the advice of the Sales Agent and in consultation with BNS:

- (a) Home Farm: \$9.25 million;
- (b) County Road 50: \$2.775 million; and
- (c) Ferriss Road: \$1.125 million.

50. Joe's Orchard was not re-listed as the Receiver was in active discussions with Bonnefield regarding the Transaction, which is discussed in more detail below.

51. The Sales Agent continues to market the three remaining pieces of Real Property.

THE PROPOSED TRANSACTION

52. During the SISP, the Proposal Trustee reached out to over 174 parties, consisting of 68 strategic buyers and 106 financial buyers, to canvass interest in the opportunity. On or before March 28, 2025, five of the parties canvassed provided non-binding expressions of interest to purchase the Companies or a part thereof. However, by the bid deadline of April 25, 2025, none of the parties submitted an offer for the purchase of the Companies.

53. In July 2025, the Receiver entered into discussions with Bonnefield regarding the purchase of Joe's Orchard as well as various pieces of Equipment that Bonnefield had been renting pursuant to the Bonnefield Service Agreement. The terms of the offer were negotiated through August 2025, and became firm when both parties executed the APS on September 10, 2025. A redacted version of the APS is hereto attached as **Appendix "D"** while an unredacted version is thereto attached as **Confidential Appendix "B"**.

54. The salient terms of Transaction are as follows:

- (a) **Assets purchased:** Joe’s Orchard and 41 items of farm equipment and 25 pieces of smaller equipment (the “**Purchased Equipment**”, and together with Joe’s Orchard, the “**Purchased Assets**”). A list of the Purchased Equipment is included herein in at **Appendix “E”**;
- (b) **Deposit:** confidential amount, due on signing of the APS, which was received on September 16, 2025;
- (c) **Purchase price:** confidential amount, with the balance payable on closing;
- (d) **Adjustments to the purchase price:**
 - (i) for reasonable amounts customary for a real-estate transaction, with the exception of municipal taxes, for which the Purchaser will be responsible to the extent they are added to the roll on or after the closing date; and
 - (ii) a deduction for amounts paid by the Purchaser to the Receiver for renting the Purchased Equipment;
- (e) **Closing date:** The later of:
 - (i) the 10th calendar day after the AVO is issued by the Court;
 - (ii) the first Business Day following the date on which any appeals or motions to set aside or vary the AVO have been finally determined; or
 - (iii) another date mutually agreed to by the respective parties;
- (f) **Warranties and representation:** assets are being sold on an “as-is, where-is” basis, without representations and warranties; and
- (g) **Approval and vesting:** conveyance of title to occur pursuant to the AVO, vesting title free and clear of all encumbrances, except Permitted Encumbrances.

55. The Receiver is satisfied that the sale process in respect of the Transaction was conducted in a commercially-reasonable manner, the sale process provided a sufficient and fair opportunity for interested parties to participate in the process, and the sale process maximized recovery for the creditors as follows:

- (a) Joe's Orchard was widely exposed to the market as it was listed on MLS for approximately 18 weeks, which provided interested buyers and investors with sufficient time to conduct due diligence and assess the opportunity; and
- (b) the Purchased Assets were previously included in the assets that were marketed pursuant to the SISP in the NOI Proceedings, which SISP was approved by the Court and which solicited bids for specific assets as well as for the Companies as a whole.

56. The Receiver recommends the approval of the Transaction as:

- (a) the Receiver is satisfied that the Transaction was conducted in a commercially-reasonable manner and provided a sufficient and fair opportunity for interested parties to participate in the process;
- (b) the purchase price allocated to Joe's Orchard is superior to the other offers received for it and is reasonable in these circumstances;
- (c) the portion of the purchase price allocated to the Purchased Equipment is supported by the Equipment Appraisal, as the value is approximately 93% of the appraised value; and
- (d) there is no indication that further exposure to the market will result in a superior offer to Bonnefield's offer.

57. BNS, who is the fulcrum creditor and expected to suffer a shortfall on the indebtedness owed to it by the Companies, is supportive of the Transaction.

58. Accordingly, the Receiver is of the opinion that the Court should approve the Transaction and grant the AVO.

PROFESSIONAL FEES

59. Pursuant to paragraph 19 of the Receivership Order, the Receiver and its counsel are to be paid their reasonable fees and disbursements, in each case, at their respective standard rates and charges. Pursuant to paragraph 20 of the Receivership Order, the Receiver and its counsel shall pass their accounts from time to time.

60. The Receiver seeks to have its fees and disbursements, and those of its counsel, approved by the Court. The Receiver and its counsel have maintained detailed records of their professional time and costs.

Receiver's Fees

61. As set out in the BDO Fee Affidavit for the period of May 15, 2025 to September 30, 2025, BDO, in its capacity as Receiver, has incurred fees of \$418,547.50 and disbursements of \$0, plus HST of \$54,411.18, for a total of \$472,958.68.
62. The BDO Fee Affidavit is appended hereto as **Appendix "F"**. The fees charged by BDO are at its usual rates and are consistent with rates charged by comparable firms in the market for work of this nature.
63. The work performed by the Receiver as described in the BDO Fee Affidavit was undertaken in furtherance of these Receivership Proceedings.

A&B's Fees

64. As set out in the A&B Fee Affidavit for the period of May 5, 2025 to September 30, 2025, A&B, in its capacity as legal counsel to the Receiver, has incurred fees of \$140,520.00 and disbursements of \$269.20, plus HST of \$18,296.12, for a total of \$159,085.32.
65. The A&B Fee Affidavit is appended hereto as **Appendix "G"**. The fees charged by A&B are at its usual rates and are consistent with rates charged by comparable firms in the market for work of this nature.
66. The Receiver has reviewed the fees charged by A&B and confirms that the work performed by A&B as described in the A&B Fee Affidavit was requested by the Receiver and was undertaken in furtherance of these Receivership Proceedings.

RECEIVER'S INTERIM STATEMENTS OF RECEIPTS AND DISBURSEMENTS

67. The Receiver's Interim R&D for the period from the Appointment Date to October 4, 2025 are set out below:

Companies' Receipts & Disbursements	
May 18, 2025 to October 4, 2025	
Opening Balance	\$ -
Receipts	
Cash On Hand	112,527
AR/Sale Receipts	1,227,554
Service Agreement/Rentals	777,908
Transaction Deposit	175,000
HST Collections	140,343
Other	5,131
Total	2,438,463
Disbursements	
Operating Costs	1,056,032
Receivers Fees	157,190
Receiver's Counsel	56,322
NOI Professionals	409,724
Insurance	80,593
HST	184,109
Other	12,315
Total	1,956,284
Net Cash Flow	482,179
Ending Balance	482,179

68. As detailed in the table above, between the Appointment Date and October 4, 2025, the Interim R&D reports net receipts over disbursements of \$482,179.

69. The Receiver collected total receipts of \$2,438,463. The majority of the receipts relate to collections from outstanding and new nursery tree sales as well as charges made to Bonnefield and Essex pursuant to the service agreements.

70. Total disbursements over the same period amounted to \$1,956,234, the majority of which relate to payments for operating costs, professional fees and professional fees from the NOI Proceedings which were paid subsequent to the Appointment Date.

OXLEY EASEMENT

71. Oxley and Potentia Renewables Inc. (“**Potentia**”) operate a wind farm located primarily on certain lands that are adjacent to land owned by LandCo (the “**UCG Lands**”).

72. Oxley, Henry Verhoeven (“**Verhoeven**”) and LandCo are parties to an Amended and Restated Windplant Easement Agreement dated July 26, 2019, as amended, which was originally entered into between Oxley, Verhoeven, Mori Essex Nurseries Inc. (“**Mori Essex**”), and Leno Mori (“**Mori**”) and was subsequently assigned from Mori and Mori Essex to LandCo on July 26, 2019 (the “**Windplant Lease**”).
73. In connection with the operation of the windmills, there exist certain subsurface facilities, including buried cables (collectively, the “**Cables**”) owned and operated by Oxley, which are located along the easterly lot line of the UCG Lands.
74. Prior to the Appointment Date, LandCo commenced a proceeding against Oxley and its predecessor, Potentia, Mori Essex, and Mori in the Ontario Superior Court of Justice, bearing Court File No. CV-22-00683950-0000 (the “**Action**”), alleging a breach of the Windplant Lease.
75. Oxley delivered and filed an Amended Statement of Defence, Crossclaim and Counterclaim in the Action, naming Mori Essex and Mori in the Crossclaim (the “**Oxley Crossclaim**”), and naming LandCo, Verhoeven, Mori Essex and Mori in the Counterclaim (the “**Counterclaim**”).
76. Mori Essex and Mori commenced a crossclaim in the Action against Oxley and Potentia (the “**Mori Crossclaim**”) and, together with the Action, the Oxley Crossclaim and the Counterclaim, the “**Oxley Proceedings**”).
77. The Receiver, Oxley, Potentia, Mori Essex, Mori and Verhoeven have agreed to fully and finally resolve the Oxley Proceedings in accordance with the following terms:
- (a) the Receiver grants to Oxley an easement (the “**Oxley Easement**”) pursuant to an easement agreement (“**Easement Agreement**”), substantially in the form appended hereto as **Appendix “H”**, and which provides that, among other things:
 - (i) the Receiver will require that any agreement providing for the sale, transfer, conveyance or other disposition of the UCG Lands, to which the Receiver is a party, shall include a provision listing the Oxley Easement as a permitted encumbrance. Any associated vesting order in respect of the sale of the UCG Lands shall include the Oxley Easement and the Easement Agreement as permitted encumbrances;

- (ii) the Receiver shall not sell, transfer, convey or otherwise dispose of the UCG Lands prior to registration of the Postponements (as defined in the Easement Agreement) on title to the UCG Lands (the “**Registration**”);
 - (iii) Oxley shall, within 10 business days of the Registration, pay \$40,000 to the Receiver; and
- (b) the Receiver, Oxley, Potentia, Mori Essex and Mori will execute minutes of settlement (the “**Minutes of Settlement**”), substantially in the form appended hereto as **Appendix “I”**, pursuant to which:
- (i) the parties to the Oxley Proceedings consent to an Order dismissing the Oxley Proceedings with prejudice and without costs; and
 - (ii) the Receiver, Oxley, Potentia, Mori Essex and Mori will execute a mutual release.

78. Court approval of the granting of the Oxley Easement pursuant to the Easement Agreement is a term of the Easement Agreement.

79. The Receiver is of the opinion that the Court should approve the Receiver entering into the Minutes of Settlement and the Easement Agreement on the basis that it is fair and reasonable to do so in the circumstances and will assist with the Receiver’s efforts to realize on the Home Farm.

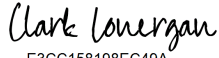
SEALING ORDER

80. Confidential Appendix A and Confidential Appendix B to this First Report (together, the “**Confidential Appendices**”) contain commercially sensitive information, including the purchase price and deposit details set out in the Transaction, and the appraised value of the Purchased Equipment. If this information is publicly disclosed, it could negatively affect the Receiver’s ability to market the Purchased Assets to other interested parties and obtain the highest and best price if the Transaction does not close. Accordingly, the Receiver requests an order that the Confidential Appendices be sealed until the closing of the Transaction or further order of this Court.

RECOMMENDATIONS

81. For the reasons stated in this Report, the Receiver recommends that this Honourable Court grant the relief set out at subparagraphs 3(c) and 3(d) above.

**BDO CANADA LIMITED, in its capacity
as court-appointed receiver and manager of
Upper Canada Growers Ltd. and UCG Land Inc.,
and not in its corporate or personal capacity.**

DocuSigned by:

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

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Appendix C

AUCTION SERVICES AGREEMENT

THIS AGREEMENT is made as of January 13, 2026

BETWEEN:

LEVEREDGE ASSET SOLUTIONS INC., a corporation incorporated under the laws of Ontario.

(the “**Auctioneer**” or “**Leveredge**”)

- and -

BDO CANADA LIMITED, in its capacity as receiver and manager (in such capacity, the “**Receiver**”) of Upper Canada Growers Ltd. and UCG Land Inc. (the “**Debtors**”), and not in its corporate or personal capacity

(the Receiver, together with the Auctioneer, the “**Parties**” and each, a “**Party**”)

RECITALS:

- A. The Debtors are, as applicable, the registered owners of certain fixed assets described in **Schedule “A”** hereto (the “**Assets**”);
- B. On the application of The Bank of Nova Scotia, pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 as amended, on May 15, 2025 (the “**Appointment Date**”), the Honourable Justice Bordin of the Ontario Superior Court of Justice (the “**Court**”) issued an order (the “**Receivership Order**”) appointing BDO Canada Limited (“**BDO**”) as Receiver of all of the assets, undertakings and properties (the “**Property**”) of the Debtors, including the Assets (the “**Receivership Proceedings**”);
- C. The Receiver wishes to engage the Auctioneer to assist with the sale of the Assets located at 1116 Ridge Road, Harrow, Ontario (the “**Premises**”);
- D. On December 17, 2025, the Auctioneer delivered a proposal for the sale of the Assets (the “**Leveredge Proposal**”), which is attached hereto as **Schedule “B”**;
- E. The Receiver will move before the Court for an Order, among other things, approving the Receiver’s engagement of the Auctioneer and authorizing the execution of this Agreement in accordance with the terms of the Leveredge Proposal;
- F. Subject to Court approval, the Receiver and the Auctioneer have agreed to enter into this Auction Services Agreement (the “**Agreement**”) respecting the sale of the Assets by the Auctioneer (the “**Sale**”) pursuant to the Leveredge Proposal and upon the terms and conditions hereinafter set forth.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Receiver and the Auctioneer hereby agree as follows:

ARTICLE I DEFINITIONS AND RULES OF INTERPRETATION

1.1 Definitions

“**Assets**” means, collectively, all of Debtors’ right, title and interest, if any, including any keys and title documents if available, in and to the assets described in **Schedule “A”** appended hereto.

“**Business Day**” means any day which is not a Saturday, a Sunday or a day observed as a statutory or civic holiday under the laws of the Province of Ontario or the federal laws of Canada applicable in the Province of Ontario, on which the principal Canadian chartered banks in the City of Toronto.

“**Liquidation Period**” means the period commencing on the date on which this Agreement is executed by both parties and ending on the day that is seventy-five (75) days after the commencement of the Liquidation Period.

“**Proceeds**” means the Sale Price, less Taxes and the Buyer’s Premium (as defined below).

“**Purchaser**” means the purchaser of an Asset.

“**Sale**” means the sale of an Asset.

“**Sale Price**” shall mean the actual sale price of an Asset, inclusive of Taxes and the Buyer’s Premium (as defined below).

“**Taxes**” means any applicable federal and provincial taxes exigible in connection with the Sale.

1.2 Entire Agreement

The Receiver and the Auctioneer agree that these terms and conditions shall govern the Sale of the Assets. This Agreement and other documents to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersede all prior agreements or documents and there are no other representations, warranties, covenants or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document delivered pursuant to this Agreement.

ARTICLE II APPOINTMENT OF AUCTIONEER AND CONDUCT OF AUCTION

2.1 Appointment of Auctioneer

- (1) The Receiver hereby appoints the Auctioneer for the Liquidation Period, and the Auctioneer hereby agrees to serve as the Receiver’s exclusive agent and mandatary for the limited purpose of conducting the Sale in accordance with the terms and conditions of this Agreement.

- (2) The Auctioneer hereby acknowledges that it will not hold itself out as agent of the Receiver except as specifically provided for in this Agreement and that the Auctioneer's authority as agent for the Receiver is limited to the powers specifically provided for in this Agreement.

2.2 Conduct of Auction

The Auctioneer shall:

- (1) at its own expense prepare, arrange and lot the Assets by number and location in the sequence in which the Auctioneer will auction same;
- (2) at its own expense, and as determined solely by the Auctioneer, advertise and otherwise promote the Sale by all appropriate means and in accordance with applicable law in order to give adequate exposure of the Assets to potential Purchasers, which procedures may include the following:
 - (a) website advertising;
 - (b) newspapers;
 - (c) sale brochures; and
 - (d) any other reasonable advertising methods as determined by the Auctioneer;
- (3) arrange for the Sale in a competent and commercially reasonable manner and otherwise in accordance with the terms and conditions of this Agreement;
- (4) at its own expense, perform the following Sale setup activities, as applicable, in connection with the Sale, including:
 - (a) gathering all specifications, photographs and the like for the sale brochure (if there is to be one);
 - (b) providing all support staff and accounting personnel required to conduct the Sale; and
 - (c) obtaining any vendor's or other permits, approvals or authorizations necessary for the Auctioneer to perform its obligations hereunder.

2.3 Additional Assets

The Auctioneer shall be entitled to add additional machinery, equipment or other assets to the Sale. The Auctioneer shall be responsible for insuring such Assets.

2.4 Employees

The Receiver is not and will not be an employer of any personnel employed by or on the behalf of the Auctioneer or liable to pay any amounts to or with respect to any such personnel.

2.5 No Warranty

The Assets are provided to the Auctioneer for the Sale and shall be sold by the Auctioneer on an “as is, where is” basis. The Auctioneer confirms that, unless specifically stated in this Agreement, no representation, warranty, covenant or condition, whether statutory, express or implied, oral or written, legal, equitable, conventional, collateral or otherwise is being given by the Receiver in this Agreement or in any instrument furnished in connection with this Agreement as to title, encumbrances, description, fitness for purpose, merchantability, quantity, condition, quality, value, suitability, durability, compliance or non-compliance with environmental rules, regulations or legislative provisions, or marketability thereof or in respect of any other matter or thing whatsoever. The Auctioneer confirms that the Auctioneer and the Purchasers shall be deemed to have relied entirely on their own inspection and investigation in proceeding with the transactions contemplated hereunder, or in purchasing the Assets.

2.6 Inspection

The Auctioneer shall have the right to conduct a pre-occupancy inspection of the Assets during an inspection period of 60 business days prior to the Sale, upon providing the Receiver with reasonable notice of the date, for the purpose of reviewing the Assets and confirming and verifying the quantity and condition of the Assets.

2.7 Use of Name

The Receiver agrees that the Auctioneer shall be entitled, during the term of this Agreement, to the use of the name and logo of “Upper Canada Growers Ltd.” (the “**Company Name**”), where necessary or desirable in order for the Auctioneer to complete the sale of the Assets, in each case, solely for the marketing and merchandising of the Assets. At the request of the Receiver, the Auctioneer shall supply the Receiver with samples of any material distributed by the Auctioneer that utilizes or includes the Company Name, and the Receiver may, acting reasonably, approve or disapprove of any such use. If the Receiver disapproves any such use, the Auctioneer must immediately cease such use. For greater certainty, the Auctioneer shall not be permitted to use any other marks relating to the Debtors or their business.

2.8 Insurance

- (1) The Auctioneer shall maintain third-party liability insurance with a recognized Canadian insurance company with respect to the Auctioneer’s access to and use of the Premises during the Liquidation Period and shall be responsible for the costs of such insurance. The third-party liability insurance shall provide for not less than \$5,000,000 coverage per occurrence and the Receiver shall be named as an ‘additional insured’ for work performed at the Premises. The Auctioneer shall provide proof of insurance to the Receiver at the commencement of the Liquidation Period.
- (1) The Receiver shall maintain customary insurance on the Assets and shall be responsible for loss or damage to the Assets, other than loss or damage arising as a result of the negligence or wilful misconduct of the Auctioneer, its agents or employees, until the earliest of:
 - (a) the removal of the Assets from the Premises by the Auctioneer or the Purchaser; or

- (b) the termination of the Liquidation Period.
- (2) Until sold to Purchasers or moved by the Auctioneer, the Assets shall remain at the risk of the Receiver. In the event of any loss or damage to some or all of the Assets prior to the Sale, where all or substantially all of the Assets are lost or damaged, insurance proceeds shall be deemed to be the Proceeds of such Assets for the purposes of this Agreement. The Receiver shall have the option to terminate this Agreement, retain the insurance proceeds and reimburse the Auctioneer its Expense Amount actually incurred by the Auctioneer pursuant to the provisions of this Agreement.

ARTICLE III CONSIDERATION PAYABLE

3.1 Net Minimum Guaranteed Amount

The Receiver will receive not less than CAD\$ [REDACTED] ([REDACTED] dollars in Canadian funds) of proceeds from the Sale of the Assets by the Auctioneer (the “**Net Guaranteed Amount**”), exclusive of Taxes and the Buyer’s Premium.

3.2 Expenses and Buyer’s Premium

- (1) The Auctioneer reserves the right to charge and retain from each Purchaser a buyer’s premium (the “**Buyer’s Premium**”) in an amount to be determined by the Auctioneer and disclosed in the applicable Sale terms, expressed as a percentage of the Sale Price of each Asset before Taxes; such Buyer’s Premium shall not form part of the Proceeds or be subject to the proceeds sharing formula set out below.
- (2) Provided that the Receiver shall have received payment of the Net Guaranteed Amount when due, (i) the Auctioneer shall be entitled to retain CAD \$ [REDACTED] ([REDACTED] dollars in Canadian funds) from the Proceeds from the Sale of the Assets to reimburse the Auctioneer for its expenses (the “**Expense Amount**”).

3.3 Application of Proceeds

- (1) The Auctioneer shall be responsible for the collection of the Sale Price and shall deposit such Sale Price in a segregated account to be held in trust in accordance with the Parties’ entitlements hereunder.
- (2) If the Proceeds are greater than or equal to CAD \$ [REDACTED] ([REDACTED] dollars in Canadian funds), and provided that the Receiver shall have received payment of the Net Guaranteed Amount when due, and that the Auctioneer shall have been reimbursed for its Expense Amount, any remaining Proceeds shall flow ninety percent (90%) to the Receiver and ten percent (10%) to the Auctioneer.

3.4 Accounting and Taxes

- (1) The Auctioneer shall, at its own expense, deliver to the Receiver within 21 days of the expiry of the Liquidation Period a comprehensive statement of all Assets sold in the Sale,

reflecting the Sale Prices of such Assets and containing an accounting of the Taxes, Buyer's Premium and Proceeds received and a final reconciliation.

- (2) The Auctioneer shall be solely responsible for collecting and remitting to the proper governmental authorities, within the prescribed statutory time periods, applicable Taxes, and will provide the Receiver with confirmation of the remittance of applicable Taxes in accordance with section 3.4(1). The Auctioneer shall indemnify and save harmless the Receiver from and against any and all applicable Taxes, penalties, costs and/or interest (including, but not limited to, legal fees on a solicitor and client basis) which may become payable by or assessed against the Receiver under the applicable laws in connection with the purchase and Sale of the Assets pursuant to this Agreement.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

4.1 The Receiver's Representations and Warranties

The Receiver represents and warrants that each of the facts set out below hereto is correct in all material respects as at the date of this Agreement:

- (a) subject to this Agreement being approved by the Court, the Receiver is authorized to enter into this Agreement and sell the Assets;
- (b) The Receiver is not a non-resident person within the meaning of Section 116 of the *Income Tax Act* (Canada); and
- (c) the Receiver is able to grant the Auctioneer the use of the Premises for 75 days after the date of the Approval Order (defined below) on the terms contemplated by this Agreement, without charge.

4.2 The Auctioneer's Representations and Warranties

The Auctioneer represents and warrants that each of the facts set out below is correct in all material respects as of the date of this Agreement:

- (a) Corporate Existence: The Auctioneer is a corporation incorporated and existing under the laws of the Province of Ontario;
- (b) Capacity and due Authorization: The Auctioneer has the necessary capacity to enter into this Agreement and perform its obligations under this Agreement and any other agreements or instruments to be delivered or given by it pursuant to this Agreement. The execution, delivery and performance by the Auctioneer of this Agreement and the consummation of the transaction contemplated hereby have been duly authorized by all necessary corporate action on the part of the Auctioneer;
- (c) Binding Agreement: This Agreement and any other agreements entered into pursuant to this Agreement to which the Auctioneer is a party constitute legal, valid and binding obligations of the Auctioneer, enforceable against the Auctioneer in accordance with their respective terms, except as enforcement may be limited by

bankruptcy, insolvency and other laws affecting the rights of creditors generally, except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction;

- (a) Brokers: No agent, broker, person or firm acting on behalf of the Auctioneer is, or will be, entitled to any commission or brokers' or finders' fees from the Auctioneer or from any affiliate of the Auctioneer, in connection with this Agreement or the transaction contemplated hereby; and
- (b) Residency: The Auctioneer is not a non-resident person within the meaning of Section 116 of the *Income Tax Act* (Canada).

ARTICLE V CONDITIONS TO EFFECTIVENESS

5.1 Approval and Vesting Order

The Receiver's and Auctioneer's obligations hereunder are subject to the issuance by the Court of an approval and vesting order (the "AVO") authorizing the Receiver to enter into this Agreement, permitting the Auctioneer to conduct the Sale in accordance with this Agreement, and vesting in each Purchaser at such Sale all of the Debtors' right, title, benefit, and interest in and to the Assets purchased by such respective Purchaser at the Sale, free and clear of any claims and encumbrances, which AVO shall be in full force and effect and not be stayed or subject to any threatened or actual appeal on the date of the Sale.

ARTICLE VI TERMINATION

6.1 Termination by Mutual Consent

This Agreement may be terminated at any time by mutual written consent of the Receiver and the Auctioneer.

6.2 Termination by the Receiver

If the Auctioneer fails to comply with any of the provisions of this Agreement in any material respect, the Receiver shall be entitled, at its option, to terminate this Agreement, but only if the Receiver provides the Auctioneer with three (3) Business Days to remedy such failure and the Auctioneer has not done so, without prejudice to the Receiver's right to be paid. In such event, any of the Assets not sold may, at the Receiver's option, be sold or resold by the Receiver in such manner and on such terms and conditions as the Receiver in its sole discretion determines.

If substantially all of the Assets are damaged or destroyed, then the Receiver shall have the option to terminate this Agreement, retain the insurance proceeds, and reimburse the Auctioneer its Expense Amount actually incurred by the Auctioneer pursuant to the provisions of this Agreement.

6.3 Termination by Auctioneer

If the Receiver fails to comply with any of its material obligations under this Agreement, the Auctioneer shall be entitled at its option to terminate this Agreement, but only if the Auctioneer provides the Receiver with three (3) Business Days to remedy such failure and the Receiver has not done so.

ARTICLE VII GENERAL

7.1 Force Majeure

- (1) Neither Party shall be liable or responsible to the other for any failure or delay in performance or a breach of the terms under the Agreement due to conditions beyond its control despite using reasonable commercial efforts to ensure completion of the outstanding obligation within the applicable time frames provided for in this Agreement including, but not limited to, Acts of God, wars, riots, insurrections, epidemics or pandemics, natural disasters, fires, acts of terrorism and/or any other cause beyond reasonable control that have the effect of materially disrupting, interfering and/or obstructing any segment of the economy.
- (2) In the event of any Act of God, war, riot, insurrection, natural disaster, fire, act of terrorism and/or any other cause beyond reasonable control of the Auctioneer, which has the effect of materially disrupting, interfering and/or obstructing any segment of the economy up until the commencement of the Liquidation Period, the Auctioneer may seek to amend the terms of the Agreement. If the Parties are unable to agree to an acceptable revision to this Agreement, this Agreement will be terminated.

7.2 Subcontracting and Assignment

The Auctioneer may not subcontract the performance of any of its duties or obligations under this Agreement to any person, unless expressly authorized in writing by the Receiver.

7.3 Confidentiality

The Receiver and the Auctioneer shall keep confidential all information and documents pertaining to the financial terms contained herein except for such information required to be disclosed by applicable law, court order, or as may be disclosed by the Receiver in the course of the Receivership Proceedings, including, without limitation, in respect of the motion by the Receiver to obtain approval by the Court of this Agreement, in the Receiver's sole discretion.

7.4 Applicable Law and Jurisdiction

This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated, in all respects, as an Ontario contract. The Parties hereby attorn to the courts of that jurisdiction.

7.5 Severability

If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

7.6 Amendment and Modification

This Agreement may only be amended or modified in a writing stating specifically that it amends this Agreement and is signed by an authorized representative of each Party.

7.7 Execution in Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered by email (PDF) or by any form of electronic signature, and such signatures shall be treated as original signatures for all applicable purposes. Notwithstanding the date of execution or transmission of any counterpart, each counterpart shall be deemed to have the effective date first written above.

7.8 No Personal or Corporate Liability

It is acknowledged by the Auctioneer that BDO is entering into this Agreement solely in its capacity as the Receiver and shall have absolutely no personal or corporate liability under or as a result of this Agreement in any respect.

7.9 Notice

Any notice, demand, acceptance, request, election or waiver required or permitted to be given hereunder (each a “**Notice**”) shall be in writing and shall be deemed to be sufficiently given if personally delivered to an officer of the Receiver or the Auctioneer or served by email or if mailed by registered mail, postage prepaid, addressed to the party to whom the same is given as follows:

in the case of the Receiver:

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

Attention: Clark Lonergan
Tel: 416-865-0210
Email: Clonergan@bdo.ca

with a copy to the Receiver’s counsel to:

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

Attention: Ian Aversa and Matilda Lici
Email: iaversa@airdberlis.com and mlici@airdberlis.com

in the case of the Auctioneer:

Leveredge Assets Solutions Inc.
6695 Main Street
Stouffville, ON L4A 6B3

Attention: Raymond Brown
Email: rbrown@leveredgesolutions.com

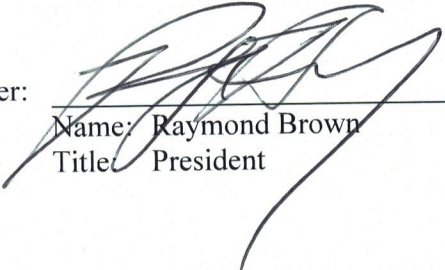
Any Notice emailed shall be deemed to be immediately given. Any Notice personally delivered shall be deemed to be given on the day which is immediately after the date on which it was so personally delivered. Any Notice served by registered mail shall be deemed to have been given on the third business day following the day on which it was mailed. During any interruption or threatened interruption in the Canadian postal services, any Notice shall be emailed or personally delivered.

AGREED TO AND ACCEPTED as of the date first written above.

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

Per: _____
Name: Clark Lonergan
Title: Senior Vice-President

LEVEREDGE ASSETS SOLUTIONS INC.

Per:  _____
Name: Raymond Brown
Title: President

SCHEDULE "A"

LISTING OF ASSETS TO BE SOLD AT AUCTION

Upper Canada Growers Ltd.








Schedule A

ITEM #	UNIT #	QTY	DESCRIPTION	PHOTO
1	11	1	Kubota "B2320" 4WD Tractor S/N 33190	
2	8	1	Kubota "B2320" 4WD Tractor S/N 32568	
3	3	1	Kubota "B2320" 4WD Tractor S/N 32702	
4	1	1	Kubota "B2320" 4WD Tractor S/N 33206	
5	5	1	Kubota "B2320" 4WD Tractor S/N 34835	
6		1	Kubota "B2320" 4WD Tractor S/N 50798	
7		1	Kubota "B2320" 4WD Tractor S/N 33013	

ITEM #	UNIT #	QTY	DESCRIPTION	PHOTO
8	4	1	Kubota "B2320" 4WD Tractor S/N 37904	
9	2	1	Kubota "B2320" 4WD Tractor S/N 36568	
10	9	1	Kubota "B2320" 4WD Tractor S/N 35569	
11	6	1	Kubota "B2320" 4WD Tractor S/N 37971	
12	1	1	Kubota "B7500" 4WD Tractor S/N 32311	
13	2	1	Kubota "B7510" 4WD Tractor S/N 30270	
14	M7040-01	1	Kubota "M7040" 4WD Tractor S/N 45538	

Upper Canada Growers Ltd.

Schedule A

ITEM #	UNIT #	QTY	DESCRIPTION	PHOTO
15	M7040-02	1	Kubota "M7040" 4WD Tractor S/N 45424	
16	2600-01	1	Kubota "L2600" Loader Tractor S/N 51126	
17	2600-02	1	Kubota "L2600" Loader Tractor S/N 50206	
18	Boom-01	1	New Holland "BOOMER 50" Farm Tractor S/N 2105013856	
19	Boom-02	1	New Holland "BOOMER 50" Farm Tractor S/N 2105013855 w/ New Holland 250TL Loader Attachment, Forks	
20		1	International "140" Tractor S/N 367825R2	
21		1	International "140" Tractor S/N 367835R3	





Upper Canada Growers Ltd.

Schedule A

ITEM #	UNIT #	QTY	DESCRIPTION	PHOTO
22		1	International "140" Tractor S/N 351887R8	
23		1	Fendt "F380GT" Tractor S/N 380033541 (Parts)	
24		1	Decloet 3 Wheel Tractor S/N 99115 w/ Fertilizer Spreader	
25		1	Massey Ferguson "255" 2WD Farm Tractor S/N 1868-125	
26		1	New Holland "T5-105" Farm Tractor S/N ZDJM18210	
27		1	Ford "TW25" Farm Tractor S/N 955252	
28		1	White "2-155" Farm Tractor S/N 4012876	

Upper Canada Growers Ltd.

Schedule A

ITEM #	UNIT #	QTY	DESCRIPTION	PHOTO
29		1	Kubota "M5-111" Loader Tractor S/N 51733 w/ Forks, Bucket	
30		1	New Holland Front End Loader S/N N84830	
31		1	Kubota "M5-111" Farm Tractor S/N 50656	
32		1	Iveco Diesel Irrigation Pump	
Schedule B revised - Total				








Upper Canada Growers Ltd.

Schedule A

ITEM #	UNIT #	QTY	DESCRIPTION	PHOTO
1		1	Kubota "RTV900" Side By Side S/N C0414 (Parts)	
2		1	Kubota "RTV900" Side By Side Pin - E1849 (Parts)	
3		1	2020 Kubota "RTV900" Side By Side Pin - A5KB2FDBCLG060808	
4		1	2017 Kubota "RTV900" Side By Side Pin - A5KB2FDBTHG039894	
5		1	2022 Kubota "RTV900XT" Side By Side Pin - A5KB2FDBPNG075274	
6	Haige-01	1	Hagie "280" Self Propelled Sprayer S/N 557352 w/ 800 Gallon Capacity	
7	Haige -02	1	Hagie "2100" Self Propelled Sprayer S/N 754321	

Upper Canada Growers Ltd.

Schedule A

ITEM #	UNIT #	QTY	DESCRIPTION	PHOTO
8		1	John Deere "6000" Self Propelled Sprayer S/N 0001415N	
9		3	Greenhouse Hand Held Sprayers	
10	Cadman-02	1	Cadman Power Pak Pump S/N PE4045L262417	
11	Cadman-03	1	Cadman Power Pak Pump S/N PE4045N005048	
12	Cadman-04	1	Cadman Power Pak Pump S/N PE5030L12487	
13		1	3 Point Hitch Cultivator w/ Benn Iron Packer	
14		1	Triple "K 23" Cultivator	

ITEM #	UNIT #	QTY	DESCRIPTION	PHOTO
15		1	Kongskilde "PG9" 18' Cultivator	
16		1	John Deere 15' Disc S/N A00215F013294	
17		1	Massey Ferguson Disc	
18		1	International 21' Disc	
19		1	Land Pride 3 Point Hitch Mower	
20		1	Tree Spade	
21		1	Hurricane "3PT-20" Ditcher	

Upper Canada Growers Ltd.

Schedule A

ITEM #	UNIT #	QTY	DESCRIPTION	PHOTO
22		1	Truck Dolly	
23		1	Truck Dolly	
24		1	V Plow	
25		1	2013 Egedal "162160" Side Digger S/N 13125	
26		1	2008 Egedal "162160" Side Digger S/N 970147	
27		1	New Holland "3106" Manure Wagon S/N 204045	
28		1	Custom Made Dump Trailer (Orange)	

Upper Canada Growers Ltd.

Schedule A

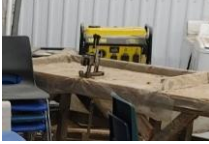






ITEM #	UNIT #	QTY	DESCRIPTION	PHOTO
29		1	Utility Trailer w/ Single Axle, Ramp	
30		4	Green Trailers	
31		10	4 Wheel Farm Wagons	
32		3	Trailers	
33		2	Water Wagon Trailers	
34		1	Water Trailer Dual Tanks	
35		2	32" Cultivators	

ITEM #	UNIT #	QTY	DESCRIPTION	PHOTO
36		2	32" Disc	
37		1	Damcon 3 Row Planter S/N R552697	
38		1	New Holland Forage Harvester	
39		1	3 Row Planter Narrow Shoe	
40		1	3 Row Strawberry Planter	
41		1	4 Row Grape Planter	
42		1	4 Furrow 3 Point Hitch Plow	

ITEM #	UNIT #	QTY	DESCRIPTION	PHOTO
43		1	3' & 5' Rototiller (Parts)	
44		1	Buhler 3 Point Hitch Rack	
45		1	International 12' Grain Drill S/N N/A	
46		1	International 12' Grain Drill S/N 0309070C02431	
47		1	6' Lawn Roller	
48		5	Dosatron 3/4" Injectors	
49		1	Single Row Grape Digger (Green)	


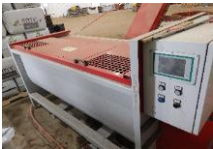


ITEM #	UNIT #	QTY	DESCRIPTION	PHOTO
50		1	High Clearence Cultivator (Grape)	
51		1	Hydraulic Pack	
52		1	Green Hopper with Incline Auger	
53		1	2 Row Hiller and Plastic Layer 32"	
54		1	Single Axle Trailer w/ Tote abd Bluefiles PTO Pump, Hose Reel	
55		1	12' Disc (Red)	
56		2	Rasspe "RS 312" Nursery Tying Machines	

ITEM #	UNIT #	QTY	DESCRIPTION	PHOTO
57		6	Omega Automatic Grafting Machines	
58		2	Canox Welders	
59		1	Pressure Washer	
60		1	12,000 L Poly Tank w/ Grundfos Pump	
61		2	Mist Line Controllers	
62		1	Champion 6500 Generator S/N 1012C1103134	

ITEM #	UNIT #	QTY	DESCRIPTION	PHOTO
63		4	Champion 4550 Generator S/N 1805Y7512064, 2109Y7503637, 1804Y7700036, 2109Y7503527	
64		1	Fireman 8000 Generator S/N SF440211744126	
65		1	Sommers 500KW Generator S/N DGVSW500STT2	
66		89	Green House Grow Tables Est. - 144' L x 48" W	
67		1	Green House Grow Tables Est. 120' L x 48" W	
68		1	Green House Grow Tables Est. 120' L x 24"	
69		9	Green House Grow Tables Est. 144' x 24"	








Upper Canada Growers Ltd.

Schedule A

ITEM #	UNIT #	QTY	DESCRIPTION	PHOTO
70		1	Heavy Duty Trailer w/ Roff and Benches	
71		1	DA POS "MX2" Soil Mixer S/N 331	
72		1	Rasspe "RS 312" Nursery Tying Machine	
73		1	Energeticas Levante "RG2" Debudding Machine S/N 026	



Upper Canada Growers Ltd.








Schedule A



ITEM #	QTY	DESCRIPTION	PHOTO
1	1	2009 GMC "Sieera" Pickup Truck Vin - 3GTEK13C59G127444 (Parts)	
2	1	2016 Ford "F150XL" Pickup Truck Vin - 1FTEW1EP8GFC03533 w/ Crew Cab, 4 x 4, V6	
3	1	2011 Ford "E250" Cargo Van Vin - 1FTNE2EW7BDA95328 w/ V8	
4	1	2016 Ford "Transit 150" Cargo Van Vin - 1FTYE1YMXHKA03764 w/ V6	
5	1	2010 GMC Canyon Pickup Vin - 1GTJTDDA8119725	
6	1	2012 Royal Cargo Trailers 5 X 15 Enclosed Trailer Vin - 5LABE1216CM113704	
7	1	2014 Ford E350 Passenger Van Vin - 1FBNE3BL0EDA33777	

Upper Canada Growers Ltd.

Schedule A




ITEM #	QTY	DESCRIPTION	PHOTO
8	1	2014 Ford E350 Passenger Van Vin - 1FBNE3BL4EDA26010	
9	1	2016 GMC Savana Handicap Van Vin - 1GD67UBL3G1275737	
Schedule D revised - Total			

ITEM #	UNIT #	QTY	DESCRIPTION	PHOTO
1	1	2	2021 Tuttnauer "3870EA" AutoClaves S/N 20110977, 20050204	
2	2	1	2022 Tuttnauer "3870EA" AutoClave S/N 22030864	
3	3	1	2020 Tuttnauer "3870EA" AutoClave S/N 20050163	
4		3	Laminar "ESCO" Flow Benches - 4' S/N 2023 - 193296, 2018-127291, 2013 - 193297	
5		20	Laminar "ESCO" Flow Benches - 6' S/N 2020-163332, 2020-161181, 2020-161183, 2020-159977, 2020-161182, 2019-144121, 2020-155873, 2020-154213, 2020-153384, 2020154214, 2019-145563, 2020-147812, 2020-147813, 2023-194612, 2023-194614, 2019-140004, 2023-193651, 2020-162505, 2023-193652, 2020-163333	
6		18	VWR "B1215" Glass Bead Sterilizer S/N 173-16031-19100021, 173-16031-19020034, 173-16031-19100050, 173-16031-19100047, 173-16031-20040045, 173-16031-19100003, 173-16031-20040024, 173-16031-19060057, 173-16031-19100059, 173-16031-19100038, 173-16031-19100008, 173-16031-19100011, 173-16031-19100023, 173-16031-19100046, A173-01129, 173-16031-19100044, 173-16031-19100010, 173-16031-19100047	
7		1	KoolKing Dehumidifier	

ITEM #	UNIT #	QTY	DESCRIPTION	PHOTO
8		1	Danby Lab Fridge S/N 6621053400343	
9		1	Danby Lab Fridge S/N 5522053400821	
10		1	Danby Lab Fridge S/N 6620103400957	
11		1	Danby Stainless Steel Front Lab Fridge S/N %218123101244	
12		2	Fisherbrand FS RT Basic Stirrer S/N K8KF63040, K5KF63034	
13		8	VWR "97042-674" Hotplate/Stirrer S/N 201208001, 210501001, 210104001, 201015002, 210913001, 193325007, 200615004, 200608008	
14		1	Ohaus "ST3100" Benchtop PH Meter S/N C015281860	

ITEM #	UNIT #	QTY	DESCRIPTION	PHOTO
15		3	Shimadzu TXB622L" Platform Balances S/N D51770714, D517707808, N/A	
16		1	Shimadzu "ATY224R" Electronic Balance S/N D326400218	
16		1	VWR "164AC" Analytical Balance S/N 599635	
17		1	2021 Elga Chorus 2 Water Purifier S/N CRS00008233	
18		1	Elma Eleasonic Xtra "ST 1600H" Ultrasonic Cleaner S/N S1000092491	
19		19	Chrome Wire Grow Racks	
20		1	2020 FIS Grow Tray Racker	
21		2	VRE Systems Grow Tray Rockers S/N RTD-0004, RTD-0002	

ITEM #	UNIT #	QTY	DESCRIPTION	PHOTO
22		1	Stainless Steel Preparation Table w/ Est. 36" x 60"	
23		3	Uline Stainless Steel Preparation Table w/ Est. 36" x 96"	
24		1	Tuttnauer "WTL198-0057" MiniBio Incubator S/N 56	
25		1	Uline Stainless Steel Double Sink	
26		1	Uline Single Sink and Counter	
27		17	Stainless Steel Wire Rolling Racks	
28		143	Assorted Clip Together Grow Racks w/ Grow Lights, Est - 36" W x 12' T x 16" D	

ITEM #	UNIT #	QTY	DESCRIPTION	PHOTO
29		2	Hy-Brid "PA-1030" Electric Scissor Lifts S/N PA10-20004, PA10-20008	
30		1	2023 Raypa "AE-100-MP" Media Preparator S/N 41333 w/ Raypa DW-MD	
31		1	2023 Raypa "AE-100-MP" Media Preparator S/N 41332 w/ Raypa DW-MD	
32		1	Thermo Scientific "Orion Star A211" Benchtop PH Meter S/N X84238	
27	Lot		Miscellaneous Lab Equipment - Consisting of but not limited to: Stainless Steel Carts, Plastic Tubs, Micropipets, Glassware, Stickers, Ingredients, Lab Stools, Plastic Shelf, Garbage Cans, Step Ladders, Dollies, Pallet Trucks	
Schedule E - Total				

SCHEDULE "B"
LEVEREDGE PROPOSAL



6695 Main Street
Stouffville, ON L4A 6B3

December 17, 2025

BDO Canada Limited

20 Wellington Street East, Suite 500
Toronto, ON M5E 1C5

Attention: **Mr. Clark Lonergan, CIRP, CPA, CA, LIT**
Partner and Senior Vice-President Financial Advisory Services

RE: Upper Canada Growers Ltd.
1116 Ridge Road
Harrow, ON N0R 1G0

Dear Sir:

Leveredge Assets Solutions Inc. ("**Leveredge**") has reviewed certain fixed assets, ("collectively **Assets**") of Upper Canada Growers Ltd. (the "**Company**"), as per the listing provided by BDO Canada Limited in its capacity as Court Appointed Receiver ("**Receiver**") and propose the following methods of disposal of same:

Proposal (Net Minimum Guarantee)

(with sales exceeding \$ [REDACTED] to be split Receiver - 90%, Leveredge - 10%)
(Net of HST and the Buyers Premium)

\$ [REDACTED]

This Proposal shall be subject to the following General Limiting Conditions and Critical Assumptions:

1. A verification of the Assets with adjustments for quantity and quality discrepancies from time of original inspection.
2. Leveredge assumes all tenderers are tendering on the same group of Assets and reserve the right to amend this Proposal should this not be the case.
3. The Assets are free and clear of all liens and encumbrances. Leveredge shall be indemnified and held harmless by Receiver against any claim or action arising as a result of dealing with said Assets that were represented as being free and clear.
4. Leveredge shall be permitted the use of "**Upper Canada Growers Ltd.**" in advertising an Auction related to the Assets.
5. Leveredge will have unrestricted, free use of the Company's premises located at 1116 Ridge Road, Harrow, ON, including but not limited to rent, occupancy costs, property tax, and utilities. for a period of not less than 60 and not to exceed 75 days from date of possession.
6. Leveredge assumes no responsibility for disposal or proper treatment of any hazardous materials as defined by municipal, provincial or federal legislation.

7. Leveredge shall leave the premises in broom-swept condition upon vacating. Garbage disposal expenses incurred during the clean up shall be billed separately to Receiver.
8. This Proposal shall be considered en bloc and shall be rendered null and void, at Leveredge's sole option, should any items offered on be withdrawn.
9. Leveredge reserve the right to amend this Proposal in the event that between the date of this letter and the date or proposed date of the auction or sale there occurs an event of **force majeure** which shall include, but not be limited to, acts of God, riots, civil disturbances, strikes, lock-outs, acts of war, terrorism, insurrection and the like.

Proposal and the specific Limiting Conditions and Critical Assumptions relating to each are outlined below:

Proposal (Net Minimum Guarantee)

Leveredge offers its services to operate an Auction, with a net minimum guarantee of \$ [REDACTED] subject to the following specific conditions (including the General Limiting Conditions and Critical Assumptions outlined above):

1. Leveredge shall have an inspection period prior to the Auction Sale.
2. Leveredge shall set-up, detail and catalogue the Assets to be sold by Auction.
3. Leveredge shall advertise an Auction Sale where applicable through online exposure via Social Media, email campaigns and to Leveredge contacts from previous like sales.
4. Leveredge shall be responsible for charging, collecting and remitting the HST where it has been notified said tax is applicable.
5. Leveredge shall continue to carry a \$5 million Comprehensive General Liability insurance policy covering personal injury and property damage that may occur during the Auction Sale as described above. Receiver shall satisfactorily insure the Assets Leveredge is liquidating.
6. Leveredge shall be responsible for collection of monies for all sales and will guarantee payment once collected.
7. Leveredge reserve the right to charge and retain a Buyer's Premium.
8. Leveredge shall have the option of adding other assets to enhance the sale.
9. Within 21 days of the sale, Leveredge shall provide a full report of all Asset sales together with sale proceeds in the form of a cheque.
10. Leveredge shall be allowed \$ [REDACTED] plus HST to cover selling commission, set-up, cataloguing, advertising, staffing and administrative expenses.
11. All sales exceeding \$ [REDACTED] shall be split Receiver - 90%, Leveredge - 10%.

In order to comply with the timetable outlined, the above proposals shall remain open until 5:00 PM January 16, 2026 unless extended by mutual agreement.

BDO Canada Limited
Attn: Mr. Clark Lonergan, CIRP, CPA, CA, LIT
Re: Upper Canada Growers Ltd. Auction Proposal

We trust the above is to your satisfaction. We are ready to proceed immediately.

Respectfully yours,

LEVEREDGE ASSET SOLUTIONS INC.



Per: _____
Raymond Brown

Proposal Accepted:

BDO CANADA LIMITED
in its capacity as Court Appointed Receiver

Per: _____
Clark Lonergan, CIRP, CPA, CA, LIT

Appendix D

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N :

THE BANK OF NOVA SCOTIA

Applicant

- and -

UPPER CANADA GROWERS LTD. and UCG LAND INC.

Respondents

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

AFFIDAVIT OF CLARK LONERGAN
(Sworn January 19, 2026)

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 (“**BDO**”), and as such have personal knowledge of the matters referred to herein.
2. On May 15, 2025 (the “**Appointment Date**”), pursuant to an order (the “**Receivership Order**”) of the Honourable Justice Bordin of the Ontario Superior Court of Justice (the “**Court**”), BDO Canada Limited (“**BDO**”) was appointed as receiver and manager (the “**Receiver**”) pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c C.43 as amended, in respect of all of the assets, undertakings and properties (the “**Property**”) of

Upper Canada Growers Ltd. (“**UCG OpCo**”) and UCG Land Inc. (“**LandCo**” together with UCG OpCo, the “**Companies**”) (the “**Receivership Proceedings**”).

3. BDO, as Receiver, prepared a second report to the Court dated January 19, 2026 (the “**Receiver’s Second Report**”) to amongst other things, seek approval of its fees and disbursements for the period of October 1, 2025 to January 4, 2026.
4. Pursuant to the Receivership Order, the Receiver has provided services in the amount of \$48,813.00 (excluding HST), in the period up to January (the “**Period**”) with respect to services provided. Attached hereto and marked as **Exhibit “A”** to this Affidavit is a summary of all invoices, rendered by the Receiver on a periodic basis during the Period (the “**Receiver’s Accounts**”).
5. True copies of the Receiver’s Accounts, which include a fair and accurate description of the services provided along with hours and applicable rates claimed by the Receiver, are attached as **Exhibit “B”** to this Affidavit.
6. In the course of performing its duties pursuant to the Receivership Order, the Receiver’s staff has expended a total of 197.80 hours during the Period. Attached as **Exhibit “C”** to this my Affidavit is a schedule setting out a summary of the individual staff involved in the administration of the Receiver’s appointment and the hours and applicable rates claimed by the Receiver for the Period. The average hourly rate billed by the Receiver during the Period is \$246.78.
7. The Receiver requests that this Court approve its Receiver’s Accounts for the Period, in the total amount of \$48,813.00 (excluding HST) for services rendered and recorded during the Period.
8. The time shown in the detailed account attached as Exhibits A-C is a fair and accurate description of the services provided, and the amounts charged by the Receiver, which reflect the Receiver’s time as billed at the standard billing rates.

9. Aird & Berlis LLP, as independent legal counsel to the Receiver, has provided legal services to the Receiver, rendered services throughout these proceedings in a manner consistent with the instructions of the Receiver and has prepared an affidavit with respect to the services rendered in the period up to December 31, 2025 (the “**Counsel’s Period**”). The Receiver has reviewed the invoices rendered by Aird & Berlis LLP during the Counsel’s Period.
10. To the best of my knowledge, the rates charged by the Receiver and Aird & Berlis LLP are comparable to the rates charged for the provision of similar services by other accounting and law firms in downtown Toronto.
11. I verily believe that the fees and disbursements incurred by BDO, in its respective capacity as Receiver, and Aird & Berlis LLP are fair and reasonable in the circumstances.
12. This affidavit is sworn in support of the Applicant’s Motion for, among other things, approval of the Receiver’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, before me on)
this 19th day of January, 2026, in)
accordance with O. Reg. 431/20)
Administering Oath or Declaration)
Remotely)

DocuSigned by:
Matilda Lici
7CE576F4AA3D4CA...

A commissioner, etc.
Matilda Lici

DocuSigned by:
Clark Lonergan
E3CC158198EC49A

CLARK LONERGAN

Attached is Exhibit "A"
Referred to in the
AFFIDAVIT OF CLARK LONERGAN
Sworn before me
this 19th day of January, 2026

DocuSigned by:

Matilda Lici

7CE578F4AA3D4CA...

Commissioner for taking Affidavits, etc.

Exhibit "A"
BDO CANADA LIMITED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF UPPER CANADA GROWERS LTD. AND UCG LAND INC.

Invoice #	Period	Fees Incurred	Disbursements	Courtesy Discount	Subtotal	HST	Total
CINV3707718	October 1, 2025 to December 5, 2025	\$ 78,966.50	\$ -	-\$ 40,000.00	\$38,966.50	\$5,065.65	\$44,032.15
CINV3744763	December 6, 2025 to January 4, 2026	\$ 14,846.50	\$ -	-\$ 5,000.00	\$ 9,846.50	\$1,280.05	\$11,126.55
		\$ 93,813.00	\$ -	-\$ 45,000.00	\$48,813.00	\$6,345.70	\$55,158.70

Attached is Exhibit "B"
Referred to in the
AFFIDAVIT OF CLARK LONERGAN
Sworn before me
this 19th day of January, 2026

DocuSigned by:

Matilda Lici

7CE576F4AA3D4GA...

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

Strictly Private & Confidential

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

Attention: Mr. Robert Haynes

Date	Invoice
December 10, 2025	CINV3707718

RE: Upper Canada Growers - Receivership

TO OUR FEE FOR PROFESSIONAL SERVICES rendered in connection with our engagement as Receiver of the above noted entity from October 1, 2025 to December 5, 2025:

Our Fee	\$ 78,966.50
Courtesy Discount	(40,000.00)
Subtotal	38,966.50
HST - 13% (#R101518124)	5,065.65
Total	\$ 44,032.15

Summary of Time Charges:

	Hours	Rate	Amount
C. Lonergan, Partner	32.8	750.00	24,600.00
P. Kouadio, Manager	58.6	500.00	29,300.00
L. Dobush, Sr. Analyst	64.0	345.00	22,080.00
T. Montesano, Sr. Analyst	2.3	345.00	793.50
J. Hue, Sr. Analyst	1.4	345.00	483.00
G. Arenas, Admin	11.4	150.00	1,710.00
Total	170.5		\$ 78,966.50



Staff	Date	Comments	Hours
P. Kouadio	1-Oct-25	Prepare for and attend to meeting with S. Ford and M. Basso re: outstanding matters and next steps.	0.5
C. Lonergan	1-Oct-25	Updates to draft report, send same to I. Aversa. Meeting with L. Dobush, P. Kouadio and S. Ford re: open items and next steps.	1.2
P. Kouadio	2-Oct-25	Prepare termination notice for term and task contractor; Correspond with team thereto; Review WSIB claim from R. Haynes.	0.9
C. Lonergan	2-Oct-25	Meeting and correspondence with C. Albers re: updated Service agreement, revisions to same and send.	0.8
P. Kouadio	3-Oct-25	Review and approve of payment to controller and correspond with team thereto; Correspond with Bell Mobility re: active cellular lines and email to S. Ford thereto; Correspond with WSIB re: R. Haynes claim, review same.	1.3
C. Lonergan	3-Oct-25	Update from BDO team re: Bonnefield sale approval, fee affidavit and invoice review, etc.	0.3
P. Kouadio	6-Oct-25	Review and approve of multiple invoices for payment incl. Kubota, Enbridge Gas and Hydro One; Calls and emails to S. Ford and team thereto; Call to WSIB re: R. Haynes claim and fill out WSIB form; Correspondence with National Research Council of Canada.	2.4
C. Lonergan	6-Oct-25	Correspondence with Company re: updated financials, correspondence with Brookfield re: service agreement and payments, etc.	0.4
P. Kouadio	7-Oct-25	Attend to bi-weekly call with M. Basso and Avison Young team re: sale of properties; Discuss transition with BDO team; Call with WSIB and correspond with S. Ford and team re: WSIB claim.	0.6
G. Arenas	7-Oct-25	Processed 14 cheque requisitions for utilities, and two wire payments to Kubota & Gordon Ferguson.	1.5
C. Lonergan	7-Oct-25	Correspondence with Company re: equipment count/segregation, and leased equipment buyout, correspondence with leasing companies re: the same, meeting with BDO team and Avison re: real estate sale update, etc.	1.1
P. Kouadio	8-Oct-25	Review GFL quote for motor oil removal and approve of same; Correspond with R. Andor re: plastic and scrap metal removal; Meeting with S. Ford and M. Basso re: outstanding matters and next steps.	0.8
G. Arenas	8-Oct-25	Made payments for utilities at the bank.	0.8
J. Hue	8-Oct-25	Save WPP claim, filing claim as received with Service Canada and update schedule.	0.2
L. Dobush	8-Oct-25	Equipment analysis. Fee Affidavit. Meeting with BDO and S. Ford re: outstanding items to be completed. Receipts and Disbursements reconciliation and analysis.	2.8



Staff	Date	Comments	Hours
C. Lonergan	8-Oct-25	Correspondence with Counsel re: draft report, review and update re: the same, meeting with BDO team re: R&D and preparation of fee affidavit, update with BDO team and Company re: outstanding items, correspondence with Company re: equipment lists, etc.	1.5
J. Hue	9-Oct-25	Incoming call with Service Canada regarding WEPP claim submission.	0.2
T. Montesano	9-Oct-25	Prepare interim SRD	0.3
G. Arenas	9-Oct-25	Processed wire payment to Kubota.	0.4
L. Dobush	9-Oct-25	Receipts and Disbursement analysis and reconciliation. Fee Affidavit report. Payable analysis and approval. Cash flow analysis.	3.4
C. Lonergan	9-Oct-25	Draft report update, discussion with BDO team re: fee affidavit, updates re: the same, etc.	1
C. Lonergan	10-Oct-25	Correspondence with Company and BDO team re: lease buyouts, correspondence with BDO team re: r7d and review of the same, meeting with Company R&D, reconciliation and discussion with BDO team re: the same, updates to Draft report and correspondence with Counsel re: the same, etc.	3.2
P. Kouadio	14-Oct-25	Return calls to customer re: deposit and correspond with M. Basso re: same; Review and approve of insurance payment and term and tasks payments; Correspond with team and S. Ford thereto.	1.3
L. Dobush	14-Oct-25	Equipment analysis.	0.4
C. Lonergan	14-Oct-25	Correspondence with Company re: lease buyouts and other equipment items, correspondence with Bonnefield re: wires, correspondence with Counsel re: Draft Report finalization, correspondence with the Bank re: ford lease releases, etc.	1
G. Arenas	15-Oct-25	Processed cheque requisition payable to First Insurance Funding. Processed wire payments for Term and Task Payments - Week 11. Recorded cheque received from Contact Insurance, and created deposit slip.	1
P. Kouadio	15-Oct-25	Call with J. Haynes and correspond with M. Basso and Nature Conservancy re: access to site; Review motion record and report to court and arrange for upload to creditor's website; Discuss same with L. Dobush; Attend to meeting with M. Basso and team re: file transition.	1.8
L. Dobush	15-Oct-25	Meeting with BDO re: outstanding items. Receipts and disbursements analysis. Update BDO current engagement website.	1.7
C. Lonergan	15-Oct-25	Update meeting with BDO team re: update and Bonnefield next steps, etc.	0.5
P. Kouadio	16-Oct-25	Call with Agricorp re: AgriStability 2024 statement reporting and various correspondence with M. Basso and S. Ford re: same.	0.8
C. Lonergan	16-Oct-25	Review of Court documents, update with BDO team re: Bonnefield sale, review of correspondence with Bonnefield, etc.	0.8



Staff	Date	Comments	Hours
J. Hue	16-Oct-25	Call from Service Canada regarding confirming additional WEPP information.	0.2
L. Dobush	17-Oct-25	Equipment analysis. Correspondence with BDO and potential purchasers of equipment.	0.5
G. Arenas	20-Oct-25	Updated deposits made from Bonnefield Canadian Farmland	0.4
P. Kouadio	21-Oct-25	Attend to bi-weekly call with Avison Young and team re: sale of properties; Correspond with team re: Enbridge Gas invoices; Review motion materials for court hearing and correspond with team thereto.	2.9
C. Lonergan	21-Oct-25	Order dispute and deposit claim coordination with BDO team, APA and Bonnefield follow-up re: closing items and next steps, etc.	1.1
L. Dobush	21-Oct-25	Meeting with BDO and Avison Young re: sales process, current market conditions and any leads. Correspondence with K. Wiens re: equipment lease and potential equipment purchase. Review and upload Court Documents.	1.2
P. Kouadio	22-Oct-25	Call with R. Andor re: gas tanks, and locksmith matters for bunkhouses and emails re: same; Review monthly HST return, GL account and instruct changes to be made for filing; Correspond with A&B team re: court hearing; Review engineer report re: drainage and respond to inquiry from Town of Essex re: same; Respond to inquiry from J. Haynes; Review invoices from Town of Essex and instruct payments; Correspond with Leveredge Solutions re: assistance for equipment transfer.	3.6
M. Marchand	22-Oct-25	Sign wire letter.	0.1
T. Montesano	22-Oct-25	Calculate HST filing for September 2025, discussion with L. Dobush, re the correction to the September entries, discuss the October 2025 entries	0.5
J. Hue	22-Oct-25	Incoming call from Service Canada to verify employee address, save WEPP payment letters and update tracker.	0.3
C. Lonergan	22-Oct-25	Court hearing prep with Counsel, recycling logistics with Company, etc.	0.8
L. Dobush	22-Oct-25	Receipts and disbursements analysis and payments.	0.8
P. Kouadio	23-Oct-25	Prepare for and attend to court hearing; Correspond with team and Aird & Berlis thereto; Correspond with Avison Young and Leveredge re: sale of equipment and real property; Discuss closing requirements with team; Coordinate for upload of court orders and endorsement to creditors website; Correspond with team re: roadmap for closing.	3.8
C. Lonergan	23-Oct-25	Court coordination with Counsel and Court, Transition planning with Avison Young and Bonnefield, follow up with BDO team re: the same, etc.	1.6
L. Dobush	23-Oct-25	Call with P. Kouadio re: outstanding items. Review APA and document outstanding items to be completed.	1.5



Staff	Date	Comments	Hours
P. Kouadio	24-Oct-25	Correspond with Avison Young; Prepare plan for closing.	1.4
P. Kouadio	27-Oct-25	Correspondence with M. Lici re: closing of transaction with Bonnefield; Correspond with team re: same; Call with J. Haynes re: equipment; Call with L. Dobush re: closing details; Emails with Avison Young re: real estate prices; Review report to court and correspond with team re: same.	3.4
L. Dobush	27-Oct-25	Payable analysis.	0.4
P. Kouadio	28-Oct-25	Correspond with Bonnefield re: equipment transaction; Review APS, AVO and motion and attend to meeting with BDO team re: next steps and remaining closing items; Email with M. Lici re: Bonnefield equipment transaction; Review and approve of term and task payments; Review GL and approve of monthly HST filing, and correspond with team thereto; Call and emails with Avison Young re: purchase price allocation between real estate and equipment; Correspond with Leveredge re: equipment; Review closing agenda and draft documents.	5.8
C. Lonergan	28-Oct-25	Attended UCG - Closing of Bonnefield Deal to finalize closing logistics and review adjustments; Correspondence on closing date, assumption agreement, and equipment list; Reviewed and approved HST filings and GL for September; Discussion on term and task payments and cost-saving measures post-closing; etc.	1
L. Dobush	28-Oct-25	Call with BDO and Bonnefield re: closing agenda, equipment and outstanding items. Equipment Analysis. Closing agenda review and update outstanding items.	1.6
P. Kouadio	29-Oct-25	Prepare for and attend to meeting with BDO team and Bonnefield re: closing items and next steps; Review same and call with L. Dobush to discuss; Correspond with L. Dobush re: Agricorp; Meeting with Aird & Berlis and BDO team to discuss closing items; Emails with Bonnefield re: equipment to be purchased; Correspond with Aird & Berlis re: same; Calls and emails with R. Brown at Leveredge and Avison Young re: site visit; Correspond with customer and J. Haynes re: fruit trees; Review real estate sales comparables and email with Avison Young re: same.	5.7
G. Arenas	29-Oct-25	Processed Week 12 Term and Task Payments by wire. Received cheque from Creare In Pacem Farms. Recorded it in Ascend, created deposit slip, and deposited same at the bank.	1.2
C. Lonergan	29-Oct-25	Attended UCG/Bonnefield Transaction - Next Steps and Remaining Items, discussing closing agenda, equipment lists, and lease assignments; Participated in to finalize closing documents and confirm revised closing date; Reviewed closing documents and provided feedback for purchaser's counsel; Correspondence on Kubota leases and equipment purchase confirmation; Various treasury functions; etc.	1.8
L. Dobush	29-Oct-25	Call with BDO and S. Ford re: outstanding items and next steps. Call with BDO & A&B re: closing agenda, outstanding items. Equipment analysis. Correspondence with Kubota re: leases and buyout amounts.	2.1



Staff	Date	Comments	Hours
P. Kouadio	30-Oct-25	Various correspondence with team re: term and task payments and approve payments; Emails with S. Ford and team re: open items; Multiple emails with M. Lici and team re: court orders; Review closing items; Discuss same with team.	2.5
C. Lonergan	30-Oct-25	Confirmed wire payment processing for Week 12 term and task payments via email with Arenas, Gabriela and Shannon Ford. Reviewed litigation update and discussion with BDO team re: the same; Statement of Adjustments review and other Bonnefield closing documents, etc.	1.1
L. Dobush	30-Oct-25	Payable analysis. Pickup documents from Bonnefield office.	1.5
P. Kouadio	31-Oct-25	Meeting with Vineland Growers and J. Haynes re: sale of bailey pits rootstock and potential sale of equipment; Various emails with Vineland Growers re: same; Review equipment list and emails with team re: same; Calls and emails with J. Haynes re: same; Call with C. Lonergan and L. Dobush to discuss same; Call from Hydro One re: outstanding hydro invoices.	2.8
T. Montesano	31-Oct-25	Prepare and file HST return.	0.3
C. Lonergan	31-Oct-25	Attended UCG - Open Items meeting on equipment lists, closing agenda, and lease buyouts; Email coordination on equipment analysis and offers; update with BDO team re: Bonnefield closing items, etc.	1.1
L. Dobush	31-Oct-25	Review of closing documents. Statement of adjustments analysis and review. Call with Ford Re: outstanding balances and release of vehicles. Payable analysis.	2.4
P. Kouadio	3-Nov-25	Review equipment list and update to exclude purchased equipment re: inquiry of interested parties; Call with L. Dobush re: same; Send equipment list to interested party; Correspondence with Aird & Berlis re: statement of adjustments; Emails with customer re: return of deposit post-NOI, and email with team re: same; Correspond with J. Haynes re: sale of wooden skids.	2.2
G. Arenas	3-Nov-25	Processed cheque payable to Ford Credit Canada. Arranged courier services.	0.3
L. Dobush	3-Nov-25	Statement of Adjustment Review and Analysis. Payable Analysis. Service Agreement Review. Equipment Analysis. Call with Ford Credit re: vehicle payout.	2.9
P. Kouadio	4-Nov-25	Various emails with team re: customer order and return of deposit post-NOI, Calls and emails with sales representative and former sales manager re: same; Meeting with Avison Young and team to discuss sale of real properties and equipment; Call and email with Canam Apprais re: auction of equipment; Correspond with team re: same; Various correspondence with Thwaites Farms re: sale of wooden skids; Review closing documents and correspond with team thereto; Multiple calls and emails with interested parties re: sale of equipment.	4.8



Staff	Date	Comments	Hours
C. Lonergan	4-Nov-25	Update call with BDO team and Avison Young re: real estate next steps and on-site visit planning, etc.	0.5
L. Dobush	4-Nov-25	Call with BDO and Avison Young re: current environment, interest and sale of property. Call with Enbridge re: outstanding bills and credit transfers. Call with Hydro-One re: outstanding bills and due dates. Review Closing Documents of transaction. Call and correspondence with multiple interested parties on remaining equipment. Equipment Analysis. Service Agreement Review.	4.1
G. Arenas	5-Nov-25	Received cheque from Enbridge and Ford Credit Canada. Recorded them in Ascend and deposited same at the bank. Updated incoming payments from Bonnefield Canadian Farmland	0.6
P. Kouadio	5-Nov-25	Multiple correspondence with Aird & Berlis and team re: closing; Various emails and calls with interested purchasers of equipment; Review SOA and statement of adjustments; Correspondence with customer and M. Haynes re: inventory; Respond to follow up calls from equipment purchasers; Calls and various correspondence with team re: same; Call and email with former sales manager re: equipment sale; Calls with M. Lici and K. Smith from Aird & Berlis re: closing, transfer of sale proceeds and emails thereto; Correspond with team thereto; Arrange for upload of materials to creditors website and correspond with IT thereto; Review GL and correspond with team re: allocation of sale proceeds.	4.7
C. Lonergan	5-Nov-25	Attend site to close Bonnefield equipment and land sale, tour of property with Realtor re: next steps and clean up of the property, treasury update, meeting with remaining employees re: next steps, remaining cost analysis, assessment of equipment offers; Discussion with BDO team re: the same, etc.	3.5
L. Dobush	5-Nov-25	Walk and tag all equipment on APA with Bonnefield. Go through all checklists and APA items with Bonnefield. Check all equipment not on APA. Tour 3 different groups through remaining equipment and encourage offers. Discussion with BDO and UCG management on outstanding items.	5.5
G. Arenas	6-Nov-25	Confirmed funds received by Aird & Berlis LLP . Recorded transaction in Ascend, and updated records accordingly.	0.2
L. Dobush	6-Nov-25	Discussion re: outstanding items, AP, cost analysis, equipment auction, and 1-6 month plan. Equipment offers analyzed and correspondence and negotiation with interested parties.	2.9
P. Kouadio	7-Nov-25	Correspond with L. Dobush re: outstanding items and next steps; Discuss auction of remaining equipment and update to bank; Correspond with customer re: return of deposit and provide instructions to team re: same.	0.6
C. Lonergan	7-Nov-25	Bank update framework, treasury functions and deposit repayments, discussion with BDO team re: the same, etc.	0.5
L. Dobush	7-Nov-25	Payable and cost analysis. Disbursement and Receipts analysis.	1.5
P. Kouadio	10-Nov-25	Discuss deposit refund with team; Correspond with S. Ford and team; Respond to customer re: same; Review closing documents and	0.5



Staff	Date	Comments	Hours
		correspond with Aird & Berlis re: same; Review Agri invest notice and correspond with team thereto.	
T. Montesano	10-Nov-25	Log onto hydro one site and pull all current invoices, send copy of same to L. Dobush	0.4
C. Lonergan	10-Nov-25	Circulation of Receiver's Certificate and closing documents; Discussion with Counsel and BDO team re: the same; Coordination on Agri invest notice and claim strategy, etc.	0.7
L. Dobush	10-Nov-25	Correspondence with R. Brown and Canam-Appraiz re: auction proposal, site visit and equipment analysis. Call with Canam-Appraiz re: auction proposal. Payable and equipment analysis. Bank update.	1.9
P. Kouadio	11-Nov-25	Correspondence with Avison Young and L. Dobush re: sale of land and Receiver's certificate.	0.2
L. Dobush	11-Nov-25	Call with C. Albers re: vehicle ownership transfer, outstanding items. Payable analysis. Equipment Analysis. Correspondence with R. Brown re: equipment for auction proposal. Correspondence with Canam Appraiz re: equipment for auction proposal. Lease and financing analysis. Correspondence with G. Larocque re: documentation and invoicing. Correspondence with S. Ford re: payables and outstanding items.	2.8
P. Kouadio	12-Nov-25	Various emails with S. Ford and L. Dobush re: Hydro One invoices; Email with R. Andor re: Fedex.	0.3
M. Marchand	12-Nov-25	Approve September bank reconciliations.	0.1
C. Lonergan	12-Nov-25	Update discussion with BDO team re: service agreement, cash flows, equipment monetization, etc.	0.8
L. Dobush	12-Nov-25	Payable Analysis. Meeting with BDO re: outstanding items.	1.3
G. Arenas	13-Nov-25	Processed cheque requisitions payable to Hydro One, First Insurance and Intact Insurance. Made payment at the bank for same.	1.5
C. Lonergan	13-Nov-25	Review of assets ownership transfer documents; Update call with BDO team re: the same; Execution of the ownership documents; Update calls with Bonnefield re: the same, etc.	0.6
L. Dobush	13-Nov-25	Payable analysis. Correspondence with S. Ford re: cashflow forecast, incoming disbursements and receipts. Cash flow forecast analysis.	1.2
P. Kouadio	14-Nov-25	Various emails with company and team re: Air Liquide gas proposal, Hydro One; Review listing agreements and invoice from Avison Young re: sale of Ferris Road and instruct payment of same.	0.8
G. Arenas	14-Nov-25	Processed Week 13 Term and Task Payments	0.8
C. Lonergan	14-Nov-25	Treasury functions and update with Company and BDO team re: the same, etc.	0.5
L. Dobush	14-Nov-25	Correspondence with UCG re: auctioneer visit and plans, expense reduction and payables. Equipment, lease and financing analysis. Payable analysis. Cashflow forecasting analysis.	1.7



Staff	Date	Comments	Hours
L. Dobush	17-Nov-25	Meeting with S. Ford re: Cash flow forecast, outstanding items. Cash flow analysis. Meeting with Bonnefield re: new service agreement.	2.1
P. Kouadio	17-Nov-25	Various emails with L. Dobush and S. Ford re: payments and Town of Essex letter.	0.2
P. Kouadio	18-Nov-25	Review Enbridge Gas invoices and instruct team for payment; Attend to bi-weekly call with Avison Young re: sale of real estate and equipment; Call from customer re: return of deposit payment.	0.6
T. Montesano	18-Nov-25	Send hydro one bills to L. Dobush	0.3
L. Dobush	18-Nov-25	Call with Avison Young re: ongoing marketing plan, and equipment auction. Call with G. Larocque re: update on meeting with auctioneer. Call with L. Martin re: equipment purchase offer.	1.1
C. Lonergan	18-Nov-25	Update call with BDO team re: next steps, etc.	0.5
P. Kouadio	19-Nov-25	Review utilities invoices and correspond with team thereto; Review Receiver's Notice and Statement and correspond with team re: interim report.	0.3
G. Arenas	19-Nov-25	Recorded cheque received from Scott & Allen, created deposit slip and provided it to a different office to be deposited. Received cheque from Miller Thompson. Recorded it in Ascend and deposited same at the bank.	0.4
J. Hue	19-Nov-25	WEPP admin enter and save WEPP payment letters, calls with former employees regarding WEPP claim.	0.3
L. Dobush	19-Nov-25	Receipts and disbursement analysis. Renewing of Avison Young listing agreement. Correspondence with M. Adams re: a reduction of insurance premiums, equipment.	0.8
C. Lonergan	21-Nov-25	Email coordination on auction approval and legal requirements with BDO team and Counsel; etc.	0.3
L. Dobush	24-Nov-25	Meeting with S. Ford re: cashflow forecast analysis, payable analysis, tax analysis; cashflow forecast preparation; Review of Town of Essex Taylor Drain maintenance and proposal.	1.9
J. Hue	24-Nov-25	Calls and email with creditors inquiring about the status of WEPP payment.	0.2
T. Montesano	25-Nov-25	Prepare and file HST return.	0.5
G. Arenas	27-Nov-25	Processed Term and Task Wire Payments - Week 14	0.8
G. Arenas	1-Dec-25	Received cheque re: HST refund. Recorded cheque in Ascend, created deposit form and slip. Deposited cheque at the bank.	0.3
L. Dobush	1-Dec-25	Call with Bonnefield re: service agreement terms and details; cash flow analysis.	0.5
M. Marchand	1-Dec-25	Approve October bank reconciliations.	0.1
P. Kouadio	2-Dec-25	Attend to bi-weekly call with Avison Young re: sale of real estate and equipment; Calls with interested buyers in equipment.	0.5



Staff	Date	Comments	Hours
L. Dobush	2-Dec-25	Call with Avison Young re: market update and sales process; Receipts and disbursements analysis; payable analysis.	1.1
L. Dobush	3-Dec-25	Cash flow analysis. Correspondence with S. Ford re: outstanding items, AgriStability; payable analysis; correspondence with Avison Young re: detailed market update and forecast. Call with R. Brown re: auction process and timeline.	2.8
P. Kouadio	3-Dec-25	Review Agricorp letter and correspond with L. Dobush thereto.	0.1
G. Arenas	4-Dec-25	Processed cheque requisition payable to Avison Young and BDO Canada Limited	0.5
P. Kouadio	4-Dec-25	Various correspondence with L. Dobush and team re: GFL Environmental; Review and approve of various invoices for realtor, etc.	0.5
L. Dobush	4-Dec-25	Multiple calls with C. Lonergan re: receipts and disbursements, cash flow analysis, bank update. Call with utility companies to cancel and change current plans. Meeting with Company and C. Lonergan re: update, outstanding items and going forward plans. Meeting with BDO and A&B re: court approval, auction process, and outstanding items.	3.5
C. Lonergan	4-Dec-25	Update call with Company and BDO team re: cash flow, Bonnefield, real estate; Update call with BDO team and Counsel re: Oxley; auction, motion materials, etc.	1.8
G. Arenas	5-Dec-25	Recorded Journal Entries to reallocate expenses to its correct GL account.	0.7
L. Dobush	5-Dec-25	Call with Hub insurance re: canceling parts of the policy and reduce premiums. Cash flow analysis; payable analysis; bank report update; receipts, disbursement and realization analysis. Multiple call with C. Lonergan re: the same.	4.1
M. Marchand	5-Dec-25	Sign wire letter.	0.1
C. Lonergan	5-Dec-25	Working session with re: GL/cash flow/fees/bank transfer instructions with BDO team, servicing update re: Bonnefield; Update correspondence to Bank, etc.	2.8



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Upper Canada Growers Ltd
921 Concession 2 Road
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Attention: Mr. Robert Haynes

Date	Invoice
January 12, 2026	CINV3744763

RE: Upper Canada Growers - Receivership

TO OUR FEE FOR PROFESSIONAL SERVICES rendered in connection with our engagement as Receiver of the above noted entity from December 6, 2025 to January 4, 2026

Our Fee	\$ 14,846.50
Courtesy Discount	(5,000.00)
Subtotal	9,846.50
HST - 13% (#R101518124)	1,280.05
Total	<u>\$ 11,126.55</u>

Summary of Time Charges:

	Hours	Rate	Amount
C. Lonergan, Partner	10.7	750.00	8,025.00
P. Kouadio, Manager	9.2	500.00	4,600.00
L. Dobush, Sr. Analyst	3.4	345.00	1,173.00
T. Montesano, Sr. Analyst	2.3	345.00	793.50
G. Arenas, Admin	1.4	150.00	210.00
C. Casco, Admin	0.3	150.00	45.00
Total	<u>27.3</u>		<u>\$ 14,846.50</u>



Staff	Date	Comments	Hours
L. Dobush	21-Nov-25	Call with R. Brown re: auction proposal and progress; Correspondence with A&B re: auction contract and process, release of equipment.	0.6
L. Dobush	8-Dec-25	Call with HUB International re: reduction in insurance premiums; Equipment analysis and insurance analysis; Amending term & task letter; Creating terms for new service agreement with Bonnefield; Payable analysis; Call with C. Lonergan re: review of correspondence from J. Haynes.	2.3
C. Lonergan	8-Dec-25	Treasury functions; Review of correspondence from J. Haynes; Discussion with BDO team re: same; etc.	0.4
L. Dobush	9-Dec-25	Payable analysis and other treasury functions.	0.5
C. Lonergan	9-Dec-25	Drafted lease amendment terms with Bonnefield; Auction proposal review; Coordinated Oxley easement settlement execution; etc.	1.2
P. Kouadio	10-Dec-25	Correspond with BDO team re: inquiry on royalties; Discuss S. 246(2) report of the Receiver.	0.3
C. Lonergan	10-Dec-25	Completed settlement package circulation; Bonnefield term sheet/service agreement follow-ups; CGCN/RCCV levy payment review; etc.	1.2
P. Kouadio	11-Dec-25	Various correspondence with CRA re: outstanding corporate tax returns, refund on account, outstanding balance on payroll; Review previous returns; Discuss same with T. Montesano; Review letters from seasonal agricultural worker program and FCC; correspond with C. Lonergan re: same; Correspond with S. Ford re: Agricorp program and emails with team thereto.	3.4
T. Montesano	11-Dec-25	Send correspondence to P. Kouadio.	0.1
C. Lonergan	11-Dec-25	Property damage claim (MVA) – accept \$10k cash-out analysis; validation with Company re: same; Auction proposal integration request to Counsel; ACC loan/email routing clarifications with stakeholders; Review of correspondence from BDO team re: seasonal workers, etc.;	1.1
P. Kouadio	12-Dec-25	Review and approval of invoices and payment requisitions; Multiple calls and emails with S. Ford re: term and tasks payments, internet invoice, QuickBooks, Google account, domain and Agricorp requests; Calls and emails with T. Montesano re: processing of term and tasks payments; Call and emails with C. Lonergan re: term and tasks payments and outstanding tasks; Prepare list of outstanding tasks and correspond with C. Lonergan re: same.	3.2
T. Montesano	12-Dec-25	Prepare wire transfer letters.	0.6
P. Kouadio	15-Dec-25	Call with C. Lonergan; Emails to team re: corporate tax refund from CRA.	0.3



Staff	Date	Comments	Hours
C. Lonergan	15-Dec-25	CRA refund and T2 return discussion; Outstanding invoice and payroll correspondence; Update call with BDO team, etc.	0.6
C. Casco	16-Dec-25	Set up payables and other treasury functions; etc.	0.3
T. Montesano	16-Dec-25	Prepare payment of Receivers Fees and other treasury functions; etc.	0.4
C. Lonergan	16-Dec-25	Auction timeline and draft report framework; Bonnefield bunkhouse lease discussion; Forklift update and change of locks and codes; Discussion with Company re: same, etc.	1.2
P. Kouadio	17-Dec-25	Discuss remaining equipment listings with S. Azeem and provide instructions on task; Review various correspondence re: same.	0.6
G. Arenas	18-Dec-25	Processed 4 wire payments to Aird & Berlis LLP.	0.6
P. Kouadio	18-Dec-25	Review monthly HST return; Discuss HST payment and corporate tax refund with T. Montesano and C. Lonergan.	0.4
T. Montesano	18-Dec-25	Discuss filing of HST return with P. Kouadio and C. Lonergan.	0.2
C. Lonergan	18-Dec-25	HST update and corporate tax refund discussion with BDO team; update framework for 246(2) report and relief to be sought in next Court report; etc.	0.9
P. Kouadio	19-Dec-25	Review locksmith invoice and provide instructions re: payment of same; Correspond with Vineland and team re: Purolator letter; Review correspondence re: equipment auction from Leveredge.	0.3
T. Montesano	19-Dec-25	Draft Interim R&D's for UCG and UCG Land.	1.0
C. Lonergan	19-Dec-25	Release for \$6K MVA Property Damage – received release from broker, requested signing/witnessing support and coordination; Leveredge revised auction proposal follow-up and discussed with BDO Team re: same, etc.; Review of Bonnefield lease amendment, etc.	1.4
P. Kouadio	22-Dec-25	Review and approve monthly HST filing; Correspond with team re: same.	0.2
G. Arenas	22-Dec-25	Processed cheque requisition payable to the Receiver General re: HST remittances.	0.3
C. Lonergan	22-Dec-25	Follow up with Counsel re: update on Servicing agreement, Court report and auction proposal; Update to respective documents re: same; etc.	1.1
C. Lonergan	23-Dec-25	Review and drafting 246 (2) interim reports, etc.	1.0
P. Kouadio	23-Dec-25	Review S. 246(2) reports of the Receiver of Upper Canada Growers and UCG Land and transmit same to OSB; Correspond with team thereto.	0.5
C. Lonergan	24-Dec-25	Auction logistics and lease amendments: Emails confirming Bonnefield bunkhouse lease inclusion and auction timeline adjustments; Review and response coordination, etc.	0.6
G. Arenas	2-Jan-26	Processed payments for Term and Task Week 16.	0.5

Attached is Exhibit "C"
Referred to in the
AFFIDAVIT OF CLARK LONERGAN
Sworn before me
this 19th day of January, 2026

DocuSigned by:

Matilda Lici

7CE578F4AA3D4CA...

Commissioner for taking Affidavits, etc.

67186763.2

Exhibit "C"
BDO CANADA LIMITED
IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF UPPER
CANADA GROWERS LTD. AND UCG LAND INC.

TTIME SUMMARY FROM OCTOBER 1, 2025 TO JANUARY 4, 2026

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
C. Lonergan, Partner	43.50	\$ 750.00	\$32,625.00
P. Kouadio, Manager	67.80	\$ 500.00	\$33,900.00
L. Dobush, Sr. Analyst	67.40	\$ 345.00	\$23,253.00
T. Montesano, Sr. Analyst	4.60	\$ 345.00	\$1,587.00
J. Hue, Sr. Analyst	1.40	\$ 345.00	\$483.00
G. Arenas, Admin	12.80	\$ 150.00	\$1,920.00
C. Casco, Admin	0.30	\$ 150.00	\$45.00
Subtotal	197.80		\$93,813.00
Courtesy Discount			<u>-\$45,000.00</u>
Total			<u>\$48,813.00</u>
 Average Hourly Amount			 <u><u>\$246.78</u></u>

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceedings commenced at Hamilton

AFFIDAVIT OF CLARK LONERGAN
(Sworn January 19, 2026)

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

Matilda Lici (LSO #79621D)

Tel: (416) 865-3428

Email: mlici@airdberlis.com

*Counsel for BDO Canada Limited, in its capacity as
Court-appointed Receiver of the Respondents*

Appendix E

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

THE BANK OF NOVA SCOTIA

Applicant

- and -

UPPER CANADA GROWERS LTD. and UCG LAND INC.

Respondents

**AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of
the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and
section 101 of the *Courts of Justice Act*, R.S.O. 1990, c C.43, as amended**

**AFFIDAVIT OF IAN AVERSA
(sworn January 14, 2026)**

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 court-appointed receiver of Upper Canada Growers Ltd. and UCG Land Inc. (in such capacity, the "**Receiver**").
2. Aird & Berlis LLP has prepared statements of account in connection with its mandate as counsel to the Receiver, which detail its services rendered and disbursements incurred, namely:
 - (a) an account dated October 31, 2025 in the amount of \$69,203.88 in respect of the period from October 1, 2025 to October 31, 2025;
 - (b) an account dated November 30, 2025 in the amount of \$13,061.75 in respect of the period from November 1, 2025 to November 30, 2025; and

Attached is Exhibit "A"

Referred to in the
AFFIDAVIT OF IAN AVERSA

Sworn before me

this 14th day of January, 2026

DocuSigned by:

Matilda Lici

/CES76F4AA3D4CA...

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

October 31, 2025

Attention: Clark Lonergan

Invoice No: 1459912

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

Client No: 013137
Matter No: 326388

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

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
IEA	10/01/2025	850.00	0.50	425.00	Emails with client and M. Lici re draft court report and discovery and instructions to M. Lici re same; Emails with Oxley's counsel and M. Lici re correspondence re settlement and instructions to M. Lici re same
ML	10/01/2025	560.00	0.60	336.00	Generate easement blacklines and email to I. Aversa re: same; Call with I. Aversa re: easement agreement; email to Oxley's counsel re: draft easement
IEA	10/06/2025	850.00	1.10	935.00	Emails with client and M. Lici re draft court report; Emails re fee affidavit; Emails with counsel, client and M. Lici re draft Oxley agreement; Telephone call with Oxley's counsel
ML	10/06/2025	560.00	4.60	2,576.00	Review and revise first report of the Receiver; Email to I. Aversa re: same; Instructions re: draft motion materials
IEA	10/07/2025	850.00	2.50	2,125.00	Engaged with reviewing and revising the draft court report; Instructions to M. Lici re same, and emails with client and M. Lici re same; Telephone call and emails with Oxley's counsel; Emails and instructions re fee affidavit
KM	10/07/2025	425.00	0.50	212.50	Drafting Notice of Motion re Approval and Vesting Order
ML	10/07/2025	560.00	1.90	1,064.00	Discussion with I. Aversa re: motion; Review and revise first report of Receiver and email to Receiver re: same
IEA	10/08/2025	850.00	0.40	340.00	Emails with client and M. Lici re draft report and draft motion materials; Emails with Oxley's counsel, client and M. Lici

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
KM	10/08/2025	425.00	1.40	595.00	Drafting and preparing motion materials for Approval and Vesting Order and Ancillary Relief Order
KM	10/08/2025	425.00	4.80	2,040.00	Drafting and preparing Motion Materials (Notice of Motion, Approval and Vesting Order, Ancillary Order)
KM	10/08/2025	425.00	0.50	212.50	Review and revise draft First Report of Receiver
ML	10/08/2025	560.00	2.30	1,288.00	Review and revise draft AVO and draft ancillary relief order; Review and revise NOM
IEA	10/09/2025	850.00	3.00	2,550.00	Engaged with reviewing the draft motion materials, providing comments and emails and instructions to M. Lici re same; Emails with client re same; Emails with Oxley's counsel and M. Lici; Emails with BNS counsel re hearing; Instructions to M. Lici re next steps
ML	10/09/2025	560.00	3.10	1,736.00	Review and revise draft NOM, orders and email to I. Aversa re: same; Discussions with I. Aversa and review and revise NOM and orders, and email to clients re: same; Instructions re: revising service list; Email to Fasken re: drafts; Email to Oxley's counsel re: ancillary relief order; Email to Bonnfield's counsel re: draft motion materials; Revise fee affidavit and set up DocuSign
IEA	10/10/2025	850.00	1.50	1,275.00	Emails re motion materials and draft report; Emails re Oxley agreement; Instructions to M. Lici; Emails and discussions re revised draft report and related motion materials
ML	10/10/2025	560.00	2.70	1,512.00	Review Oxley minutes of settlement and email to I. Aversa re: Oxley's revisions to draft Order; Call with I. Aversa and email to Oxley agreeing to changes; Continue preparing motion materials
ASR	10/14/2025	725.00	0.40	290.00	Review draft order and discuss closing matters regarding registration of easements with C. Casasola and advise M. Lici, accordingly
CEC	10/14/2025	395.00	0.30	118.50	Receipt and review of draft order from A. Raponi and email from Oxley solicitors and telephone discussion with A. Raponi;

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
IEA	10/14/2025	850.00	2.10	1,785.00	Emails with counsel, client and M. Lici re draft report, related motion materials and next steps re same; Instructions to M. Lici re same; Emails with counsel and client re Mori litigation; Emails with counsel and A&B team re Oxley agreement and next steps re same; Instructions and emails re service and filing of the motion record; Emails with client and M. Lici re same
ML	10/14/2025	560.00	8.20	4,592.00	Review, revise and finalize BDO fee affidavit; Email to client re: same; Set up DocuSign; Revise draft AVO and circulate to D. Swift; Call with I. Aversa; Email to A. Raponi re: ancillary relief; Review and revise draft report and email to M. Basso and C. Lonergan re: same; Draft Factum; Revise orders and email to I. Aversa re: Oxley language; Assemble motion record; Review dockets for redactions; Instructions re: service; Call with I. Aversa; Email to J. Moher; Research and draft Factum re: motion; Service email and instructions re: AOS and filing
PLW	10/14/2025	295.00	0.40	118.00	Submitted Motion Record for filing with the court online
IEA	10/15/2025	850.00	0.40	340.00	Emails with client and M. Lici re motion materials and upcoming hearing; Instructions re same; Emails with counsel re same
ML	10/15/2025	560.00	0.30	168.00	Review AOS and service letter; Instructions re: service list; Review and revise confirmation of motion and instructions re: same
PLW	10/15/2025	295.00	0.40	118.00	Submitted Factum for filing online with the court
IEA	10/16/2025	850.00	1.00	850.00	Emails with counsel, client and M. Lici re upcoming hearing and related matters; Telephone call and emails with Oxley's counsel and M. Lici; Discussions with M. Lici re same
ML	10/16/2025	560.00	1.50	840.00	Review service letter and email to Oxley's counsel; Call with I. Aversa and emails with Hamilton Court re: filling; Call with I. Aversa; Call with Nate and John re: Mori and easement registration; Email to court re: confidential filing; Email to John and Nate re: easement registration
IEA	10/17/2025	850.00	0.40	340.00	Emails and discussions re upcoming hearing and next steps re proceedings
JBD	10/17/2025	825.00	0.30	247.50	Reviewing executed purchase agreement and related correspondence from M. Lici
ML	10/17/2025	560.00	0.10	56.00	Email to J. Dubelaar re: closing matters

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
JBD	10/20/2025	825.00	3.80	3,135.00	Reviewing purchase agreement, equipment lease and agricultural surface lease; Reviewing schedules of encumbrances to be deleted from title, and to remain on title; Related correspondence with C. Casasola, K. Smith, M. Lici and I. Aversa; Drafting list of items to be confirmed and otherwise attended to prior to closing; Drafting closing agenda and forms of closing documents
KS	10/20/2025	355.00	0.80	284.00	Subsearch; Order tax; Review PIN
IEA	10/21/2025	850.00	1.00	850.00	Emails with court office, counsel and M. Lici re upcoming hearing and next steps re same; Emails with A&B team re draft closing documents and next steps re same
JBD	10/21/2025	825.00	1.20	990.00	Corresponding with M. Lici, K. Smith and others regarding various transaction matters, including changes required to be made to form of Approval and Vesting Order; Reviewing and revising closing agenda
KS	10/21/2025	355.00	1.60	568.00	Review Agreement of Purchase and Sale and Closing Agenda; Revise closing agenda; Draft Schedules to AVO; Email to J. Dubelaar
ML	10/21/2025	560.00	0.10	56.00	Email to Hamilton Court re: confidential materials and arrange printing of motion materials
IEA	10/22/2025	850.00	2.00	1,700.00	Telephone call and emails with M. Lici re tomorrow's hearing; Emails with A&B team re form of order; Emails with client; Emails with service list; Engaged with reviewing revised draft orders; Emails re next steps re closing and reviewing documents re same; Discussions with M. Lici re same
JBD	10/22/2025	825.00	2.20	1,815.00	Corresponding with M. Lici regarding the status of various matters; Related revisions to closing agenda and template closing documents; Reviewing Bunkhouse Lease and other documents provided by M. Lici; Reviewing draft closing documents; Coordinating assumption agreement in connection with purchaser's intended acquisition structure; Related correspondence with M. Lici
KS	10/22/2025	355.00	3.00	1,065.00	Telephone conversation with J. Dubelaar; Draft closing documents

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
ML	10/22/2025	560.00	4.00	2,240.00	Review closing agenda and email to J. Dubelaar re: responses to closing agenda; Instructions re: materials; Revise draft approval and vesting order; Email to J. Dubelaar re: pre-closing matters; Review correspondence from Bonnefield counsel; Revise assumption agreement; Email to purchaser's counsel re: closing matters; Revise AVO; Prepare for Court; Update service list and email to client re: Zoom hearing
IEA	10/23/2025	850.00	1.20	1,020.00	Emails with counsel, client and M. Lici re the hearing and next steps re closing; Telephone call with M. Lici
JBD	10/23/2025	825.00	0.40	330.00	Reviewing issued Approval and Vesting Order; Corresponding with K. Smith regarding statement of adjustments and other pre-closing matters; Reviewing tax certificate
KS	10/23/2025	355.00	0.40	142.00	Review tax certificate; Update statement of adjustments; Email to J. Dubelaar
ML	10/23/2025	560.00	3.00	1,680.00	Prepare for and argue motion; Email to Service List re: Orders and Endorsement; Email to clerk re: entering orders; Email to J. Dubelaar re: orders
PLW	10/23/2025	295.00	0.40	118.00	Submitted 2 orders of October 3-25 for filing/entry online with the court
IEA	10/24/2025	850.00	1.00	850.00	Emails with A&B team re draft closing documents and next steps re closing; Engaged with reviewing documents and correspondence re same
JBD	10/24/2025	825.00	3.10	2,557.50	Drafting closing documents; Corresponding with I. Aversa and M. Lici regarding various matters, including regarding questions posed by purchaser's counsel; Reviewing related correspondence and purchase agreement regarding same
KS	10/24/2025	355.00	1.30	461.50	Draft documents; Email to J. Dubelaar
IEA	10/27/2025	850.00	1.50	1,275.00	Emails with client, counsel and M. Lici re draft closing documents and next steps re closing; Instructions to M. Lici re same; Engaged with reviewing draft documents
JBD	10/27/2025	825.00	1.10	907.50	Reviewing and revising draft closing documents; Related correspondence with K. Smith and others; Corresponding with M. Lici regarding various purchaser counsel requests, including with respect to purchase price adjustments; Related review of purchase agreement

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
KS	10/27/2025	355.00	1.80	639.00	Revise documents per J. Dubelaar's instructions; Email to M. Lici and Ian Aversa re draft documents;
ML	10/27/2025	560.00	0.70	392.00	Call with I. Aversa; Review and respond to J. Dubelaar re: enquiries from David Swift; Email to clients re: enquiries from D. Swift; Email to clerk re: closing matters
IEA	10/28/2025	850.00	1.00	850.00	Emails and discussions with client, counsel and A&B team re closing and next steps re same
JBD	10/28/2025	825.00	1.00	825.00	Corresponding with M. Lici and I. Aversa regarding pre-closing matters and draft closing documents, including with respect to transfer of vehicle registrations; Reviewing lease documents regarding applicable purchase price adjustments
KS	10/28/2025	355.00	0.80	284.00	Telephone conversation with J. Dubelaar; Review Tax; Revise Statement of Adjustments
ML	10/28/2025	560.00	0.40	224.00	Email to J. Dubelaar re: closing matters; Circulate invite re: call; Review emails from J. Dubelaar re: closing matters
IEA	10/29/2025	850.00	1.00	850.00	Telephone call and emails with BDO team and A&B team re draft closing documents and next steps re same
JBD	10/29/2025	825.00	1.20	990.00	Reviewing and revising closing documents; Call with P/ Kouadio, L. Dobush and others regarding closing documents and various pre-closing matters; Related review and revisions to closing agenda, and correspondence with K. Smith
KS	10/29/2025	355.00	1.70	603.50	Teams meeting; Revise documents; Email to J. Dubelaar
ML	10/29/2025	560.00	0.80	448.00	Call with client team, J. Dubelaar and I. Aversa; Email to D. Swift; Emails re same
IEA	10/30/2025	850.00	0.50	425.00	Emails with counsel, client and A&B team re draft closing documents and next steps re closing
JBD	10/30/2025	825.00	1.80	1,485.00	Reviewing and revising statement of adjustments and related funds direction; Reviewing purchase agreement and related lease documents regarding special purchase price adjustments; Reviewing realty tax certificate; Related correspondence with K. Smith; Corresponding with D. Swift regarding status of closing documents and other pre-closing matters

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
KS	10/30/2025	355.00	1.30	461.50	Revise documents; Telephone conversation with J. Dubelaar; Email to client re draft adjustments; Email to D. Swift re draft documents
ML	10/30/2025	560.00	0.20	112.00	Set up Docusign for Assumption Agreement; Email to service list re: issued and entered orders
IEA	10/31/2025	850.00	0.50	425.00	Engaged with reviewing revised draft of closing documents and emails with Purchaser's counsel and A&B team re same
JBD	10/31/2025	825.00	0.50	412.50	Corresponding with D. Swift regarding draft closing documents; Reviewing comments received on bill of sale; Reviewing and revising statement of adjustments; Related correspondence with K. Smith and others
KS	10/31/2025	355.00	0.40	142.00	Telephone conversation with J. Dubelaar; Revise statement of adjustments; Email to client

TOTAL: 95.90 \$60,698.00

Name	Hours	Rate	Value
Aversa, Ian E (IEA)	22.60	\$850.00	\$19,210.00
Casasola, Carlos E. (CEC)	0.30	\$395.00	\$118.50
Dubelaar, Jacob Bow (JBD)	16.60	\$825.00	\$13,695.00
Lici, Matilda (ML)	34.50	\$560.00	\$19,320.00
Moloney, Kieran (KM)	7.20	\$425.00	\$3,060.00
Raponi, Alexandra S. (ASR)	0.40	\$725.00	\$290.00
Smith, Kelley (KS)	13.10	\$355.00	\$4,650.50
Williams, Patrick L. (PLW)	1.20	\$295.00	\$354.00

OUR FEE \$60,698.00
 HST @ 13% 7,890.74

DISBURSEMENTS

Non-Taxable Disbursements

Application Fee	176.55
Total Non-Taxable Disbursements	\$176.55

Taxable Disbursements

Binding and Tabs	6.50
Courier/Delivery	248.38
Photocopies/Scanning	97.75

Teraview Search 35.50

Total Taxable Disbursements \$388.13
HST @ 13% 50.46

AMOUNT DUE

\$69,203.88 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 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
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T 416 863 1500
F 416 863 1515
airdberlis.com

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

November 30, 2025

Attention: Clark Lonergan

Invoice No: 1465439

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

Client No: 013137
Matter No: 326388

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ending November 30, 2025

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
IEA	11/03/2025	850.00	1.00	850.00	Emails and discussions with A&B team re update and next steps; Emails with counsel, client and A&B team re closing; Emails re assumption agreement
JBD	11/03/2025	825.00	0.60	495.00	Reviewing and revising statement of adjustments; Related correspondence; Corresponding with K. Smith and others regarding various pre-closing matters, including status of draft closing documents
KS	11/03/2025	355.00	0.70	248.50	Emails to D. Swift; Emails to client re statement of adjustments; Revise statement of adjustments
ML	11/03/2025	560.00	0.10	56.00	Email to D. Swift re: executed assumption agreement
IEA	11/04/2025	850.00	1.00	850.00	Engaged with reviewing revised draft closing documents and emails and discussions with counsel, client and A&B team re same; Engaged with reviewing and revising draft fee affidavit; Discussions with M. Lici and real estate team
JBD	11/04/2025	825.00	1.40	1,155.00	Attending to pre-closing matters including review of closing documents, review of updated title search, coordinating funds flow matter, and miscellaneous correspondence with purchaser's counsel and others
KS	11/04/2025	355.00	3.00	1,065.00	Review revisions to documents; Black lines to client; Emails to Purchaser's counsel; Telephone conversation with J. Dubelaar; Compile documents for execution; Review executed documents

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
ML	11/04/2025	560.00	0.20	112.00	Draft receiver's certificate and email to J. Dubelaar re: same
IEA	11/05/2025	850.00	1.00	850.00	Several emails and discussions with counsel, client and A&B team re closing and related closing documents
JBD	11/05/2025	825.00	2.40	1,980.00	Attending to closing and post-closing matters
KS	11/05/2025	355.00	1.30	461.50	Subsearch; Telephone conversation with J. Dubelaar; All matters re closing and closing funds
ML	11/05/2025	560.00	1.10	616.00	Set up Docusign for receiver's certificate; Emails re: closing matters; Closing matters re: receiver's certificate, wire instructions, redirection of funds; Service email re: closing certificate; Email to service list re: receiver's certificate
PLW	11/05/2025	295.00	0.40	118.00	Submitted Receiver's Certificate for filing online with the court
IEA	11/06/2025	850.00	0.10	85.00	Emails with A&B team re post-closing matters
KS	11/06/2025	355.00	0.30	106.50	Compile final documents; Update closing agenda
ML	11/06/2025	560.00	0.20	112.00	Emails with clerk and J. Dubelaar re: filing of receiver's certificate; Email to client re: stamped receiver's certificate; Email to purchaser's counsel re: stamped receiver's certificate
IEA	11/10/2025	850.00	0.30	255.00	Emails with A&B team and client re post-closing matters
KS	11/10/2025	355.00	0.20	71.00	Compile final documents; Email to client
IEA	11/21/2025	850.00	0.30	255.00	Emails with client re equipment auction and next steps re same
JBD	11/21/2025	825.00	0.30	247.50	Corresponding with L. Dobush, M. Lici and I. Aversa regarding proposed auction of remaining equipment; Reviewing related proposal materials
ML	11/21/2025	560.00	0.60	336.00	Review email from client and response to same re: sale auction and Kubota equipment; Email to clerk re: security vet
IEA	11/22/2025	850.00	0.50	425.00	Emails with client and M. Lici re equipment and auction re same
ML	11/22/2025	560.00	0.10	56.00	Email to client re: Ford and Kubota equipment

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
SRM	11/22/2025	510.00	0.40	204.00	Review email; Review Ford and Kubota contracts and PPSA registrations re same; Order and review VIN searches and report on same

TOTAL: 17.50 \$11,010.00

Name	Hours	Rate	Value
Aversa, Ian E (IEA)	4.20	\$850.00	\$3,570.00
Dubelaar, Jacob Bow (JBD)	4.70	\$825.00	\$3,877.50
Lici, Matilda (ML)	2.30	\$560.00	\$1,288.00
Morris, Shannon R (SRM)	0.40	\$510.00	\$204.00
Smith, Kelley (KS)	5.50	\$355.00	\$1,952.50
Williams, Patrick L. (PLW)	0.40	\$295.00	\$118.00

OUR FEE \$11,010.00
 HST @ 13% 1,431.30

DISBURSEMENTS

Non-Taxable Disbursements

Search Under P.P.S.A.	16.00
Wire Charges	32.50

Total Non-Taxable Disbursements \$48.50

Taxable Disbursements

Binding and Tabs	23.50
Photocopies/Scanning	395.75
Service Provider Fee	10.30
Teraview Search	76.60

Total Taxable Disbursements \$506.15
 HST @ 13% 65.80

AMOUNT DUE

\$13,061.75 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 Bill.Com Payment Network ID: c114483219512158

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

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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

January 14, 2026

Attention: Clark Lonergan

Invoice No: 1470452

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

Client No: 013137
Matter No: 326388

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

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
IEA	12/03/2025	850.00	0.50	425.00	Emails with client re auction; Engaged with reviewing correspondence re same; Engaged with reviewing correspondence re Mori litigation; Emails with client re same
IEA	12/04/2025	850.00	0.50	425.00	Telephone call with client and M. Lici re auction, next steps re hearing, Mori litigation and general updates; Instructions to M. Lici re same
ML	12/04/2025	560.00	0.60	336.00	Call with client and I. Aversa re next steps; Diarize relevant dates
IEA	12/08/2025	850.00	0.20	170.00	Emails re Oxley matter and next steps re same
IEA	12/09/2025	850.00	0.50	425.00	Emails with counsel, client and M. Lici re Oxley agreement and next steps re same; Emails re fee affidavit and draft motion materials
ML	12/09/2025	560.00	0.50	280.00	Email to Oxley parties re execution of settlement documents; Set up Docusign for fee affidavit
IEA	12/10/2025	850.00	0.10	85.00	Emails with client re Oxley settlement
ML	12/10/2025	560.00	0.20	112.00	Locate precedent for auction services agreement; Emails re next steps
IEA	12/11/2025	850.00	0.30	255.00	Emails with client re update and next steps re auction agreement; Instructions to M. Lici re same
ML	12/15/2025	560.00	0.30	168.00	Draft auction services agreement
IEA	12/16/2025	850.00	1.50	1,275.00	Engaged with reviewing the draft auction agreement and providing comments; Emails and instructions to M. Lici re same; Emails with client re same

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
ML	12/16/2025	560.00	3.50	1,960.00	Draft auction services agreement and email to I. Aversa re same; Call with I. Aversa re ASA; Begin drafting motion materials
IEA	12/17/2025	850.00	0.30	255.00	Emails re draft notice of motion and draft order and instructions re same
IEA	12/19/2025	850.00	0.20	170.00	Emails with client re Bonnefield extension agreement
IEA	12/22/2025	850.00	0.30	255.00	Emails and discussions re draft order and draft NOM; Instructions to M. Lici re Bonnefield extension; Emails with client re same
IEA	12/23/2025	850.00	0.30	255.00	Emails with client and M. Lici re Bonnefield extension agreement and next steps re same; Instructions re same
ML	12/23/2025	560.00	0.60	336.00	Email to clients re 8th amendment to servicing agreement; Review Vienna Farms letter and email to clients re same
IEA	12/29/2025	850.00	0.10	85.00	Emails with client and M. Lici re update and next steps
ML	12/29/2025	560.00	0.10	56.00	Email to clients to follow up re status of motion materials
IEA	12/30/2025	850.00	0.20	170.00	Emails with client re update and next steps; Instructions re draft order and NOM
TOTAL:			10.80	\$7,498.00	

Name	Hours	Rate	Value
Aversa, Ian E (IEA)	5.00	\$850.00	\$4,250.00
Lici, Matilda (ML)	5.80	\$560.00	\$3,248.00

OUR FEE \$7,498.00
 HST @ 13% 974.74

DISBURSEMENTS

Non-Taxable Disbursements

Notice of Motion/Application	339.00
Total Non-Taxable Disbursements	\$339.00

AMOUNT DUE **\$8,811.74 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
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55 King Street West	Account:	5221521
Toronto, ON M5K 1A2	Swift Code:	TDOMCATTOR

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

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Attached is Exhibit "B"

Referred to in the
AFFIDAVIT OF IAN AVERSA

Sworn before me

this 14th day of January, 2026

DocuSigned by:
Matilda Lici

7CE576F4A3D4CA...

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

Lawyer	Call to Bar	Hrly Rate	Total Time	Value
Aversa, I.	2008	\$850.00	31.80	\$27,030.00
Lici, M.	2020	\$560.00	42.60	\$23,856.00
Dubelaar, J.	2012	\$825.00	21.30	\$17,572.50
Moloney, K.	2025	\$425.00	7.20	\$3,060.00
Raponi, A.	2010	\$725.00	0.40	\$290.00
Clerk/Student	Call to Bar	Hrly Rate	Total Time	Value
Casasola, C.	N/A	\$395.00	0.30	\$118.50
Morris, S.	N/A	\$510.00	0.40	\$204.00
Smith, K.	N/A	\$355.00	18.60	\$6,603.00
Williams, P.	N/A	\$295.00	1.60	\$472.00

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

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceedings commenced at Hamilton

AFFIDAVIT OF IAN AVERSA
(Sworn January 14, 2026)

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

Matilda Lici (LSO #79621D)

Tel: (416) 865-3428

Email: mlici@airdberlis.com

*Counsel for BDO Canada Limited, in its capacity as
Court-appointed Receiver of the Respondents*

Confidential

Appendix A

Confidential
Appendix B

THE BANK OF NOVA SCOTIA
Applicant

and

UPPER CANADA GROWERS LTD. and UCG LAND INC.
Respondents

Court File No. CV-25-00090131-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceedings commenced at Hamilton

SECOND REPORT OF BDO CANADA LIMITED
(January 19, 2026)

AIRD & BERLIS LLP

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

Ian Aversa (LSO #55449N)

Tel: 416-865-3082
Email: smitra@airdberlis.com

Matilda Lici (LSO #79621D)

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

Counsel for BDO Canada Limited, in its capacity as Court-appointed Receiver of the Respondents.