

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

**IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF 2505243 ONTARIO LIMITED
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**MOTION RECORD OF 2505243 ONTARIO LIMITED
(Further DIP Increase)**

May 20, 2021

NORTON ROSE FULBRIGHT CANADA LLP

222 Bay Street, Suite 3000, P.O. Box 53
Toronto, ON M5K 1E7

Jennifer Stam (LSO# 46735J)

Tel: 416-202-6707

Email: jennifer.stam@nortonrosefulbright.com

Randy Sutton (LSO# 50369C)

Tel: 416-216-4046

Email: randy.sutton@nortonrosefulbright.com

Lawyers for 2505243 Ontario Limited

TO: THE SERVICE LIST

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

**IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF 2505243 ONTARIO LIMITED
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

INDEX

Tab	Document	Page
1	Notice of Motion dated May 20, 2021	1
2	Affidavit of Peter Eliopoulos sworn May 20, 2021	6
	Exhibit "A" – DIP Term Sheet dated October 16, 2020	10
	DIP Term Sheet Amendment dated November 30, 2020	29
	DIP Term Sheet Second Amendment dated January 18, 2021	32
	DIP Term Sheet Third Amendment dated February 24, 2021	35
	Exhibit "B" – DIP Term Sheet Fourth Amendment dated May 20, 2021	38
3	Draft Order (Further DIP Increase)	43

TAB 1

Estate/Court File No.: 31-2675288

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

**IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF 2505243 ONTARIO LIMITED
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**NOTICE OF MOTION
(Further DIP Increase)**

2505243 Ontario Limited (the **Company**) will make a motion to the Commercial List of the Superior Court of Justice on May 26, 2021 at 10:00 a.m., or as soon after that time as the motion can be heard, before the Honourable Justice Gilmore.

THE PROPOSED METHOD OF HEARING: The motion is to be heard via Zoom videoconference.

THE MOTION IS FOR AN ORDER:

1. Abridging the time for service of the Notice of Motion and Motion Record in respect of this motion and dispensing with further service thereof;
2. Further increasing the maximum borrowing available in Post-Filing Advances (as defined in the Order of this Court dated October 20, 2020, the **October 20 Order**) from \$1,500,000 to \$1,650,000 on the terms as amended by the Fourth DIP Amendment (as defined below);
3. Approving the sixth report of KSV Restructuring Inc. as proposal trustee (in such capacity, the **Proposal Trustee**) to be filed (the **Sixth Report**) and the activities of the Proposal Trustee set out therein; and

4. Such further and other relief as this Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background

1. On September 24, 2020, the Company filed a notice of intention (**NOI**) to make a proposal pursuant to the BIA and commenced these proceedings (the **NOI Proceedings**). KSV Restructuring Inc. was named as the Proposal Trustee in the NOI Proceedings;
2. The filing was made in response to the filing of an application for a bankruptcy order by Princes Gates GP Inc., the general partner of Princes Gates Hotel Limited Partnership (collectively, **PGH**) and a small number of other trade creditors of the Company;
3. On October 20, 2020, the Company sought and obtained the October 20 Order for, among other things, (a) extension of time to file a proposal in the NOI Proceedings to December 8, 2020; (b) approval of the Administration Charge (as defined in the October 20 Order); and (c) approval of post-filing funding up to \$300,000 from Peter and Paul's Gifts Limited (the **DIP Lender**);
4. Since the granting of the October 20 Order, the Company and PGH have adhered to an expedited and strict litigation timetable and are now on the eve of completing the trial in respect its litigation claim against PGH, with closing arguments to be heard on May 26, 2021;

Funding

5. The DIP Lender initially agreed to fund the Company up to \$300,000 pursuant to a DIP Term Sheet dated as of October 16, 2020 (the **DIP Term Sheet**), which was approved by the Court on October 20, 2020. The DIP Term Sheet has been amended from time to time for the

primary purpose of increasing the maximum borrowing amount. The current maximum borrowing amount is \$1,500,000;

6. The trial was initially scheduled for seven days but ultimately lasted 14 days, spread out over three months. As a result, the Company's expenses are now projected to exceed \$1,500,000. As such, pursuant to a fourth amendment to the DIP Term Sheet dated May 20, 2021 (the **Fourth DIP Amendment**), the DIP Lender has agreed to further increase the maximum amount of Post-Filing Advances by \$150,000 (the **DIP Increase Amount**) to bring the maximum amount available to be borrowed under the DIP facility to \$1,650,000;

7. The Post-Filing Advances will continue to be used to fund the Company's minimal operating costs, the completion of the trial and the professional costs of the NOI Proceedings, including the preparation of a proposal;

Report and Activities of the Proposal Trustee

8. The Proposal Trustee's activities as set out in the Sixth Report are lawful and proper and have provided assistance to the Court and interested stakeholders;

9. Section 50.6 of the BIA; and

10. Such further and other grounds as counsel may advise and this Court may permit.

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

1. The Affidavit of Peter Eliopoulos sworn May 20, 2021;

2. The Sixth Report; and

3. Such further and other evidence as counsel may advise and this Honourable Court may permit.

May 20, 2021

NORTON ROSE FULBRIGHT CANADA LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto, ON M5K 1E7

Jennifer Stam LSO #: 46735J

Tel: 416-202-6707

jennifer.stam@nortonrosefulbright.com

Randy C. Sutton LSO#: 50369C

Tel: 416-216-4046

randy.sutton@nortonrosefulbright.com

Lawyers for 2505243 Ontario Limited

TO: THE SERVICE LIST

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
2505243 ONTARIO LIMITED OF THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO

Estate/Court File No.: 31-2675288

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

Proceeding commenced at TORONTO

**NOTICE OF MOTION
(Further DIP Increase)**

NORTON ROSE FULBRIGHT CANADA LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto, ON M5K 1E7

Jennifer Stam (LSO# 46735J)

Tel: 416-202-6707

Email: jennifer.stam@nortonrosefulbright.com

Randy Sutton (LSO# 50369C)

Tel: 416-216-4046

Email: randy.sutton@nortonrosefulbright.com

Lawyers for 2505243 Ontario Limited

TAB 2

Estate/Court File No.: 31-2675288

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

**IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF 2505243 ONTARIO LIMITED
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**AFFIDAVIT OF PETER ELIOPOULOS
(sworn May 20, 2021)
(Further DIP Increase)**

I, Peter Eliopoulos, of the City of Toronto and the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

- 1 I am the Founder and President of 2505243 Ontario Limited (the **Company**) and, as such, have knowledge of the facts stated herein.
- 2 Except as otherwise indicated, the facts set forth in this Affidavit are based upon my personal knowledge, my review of relevant documents and information provided to me by employees working under my supervision, or in my opinion based upon my experience, knowledge and information concerning the operations of the Company and the industry in which it operates. Where I do not possess personal knowledge, I state the source of my information and, in all such cases, verily believe it to be true.
- 3 I swear this affidavit in connection with the Company's filing of a notice of intention (**NOI**) to make a proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 (**BIA**) and its current motion seeking, among other things, an order:
 - (a) further increasing the maximum borrowing available in Post-Filing Advances (as defined in the Order of this Court dated October 20, 2020, the **October 20 Order**) from \$1,500,000 to \$1,650,000; and

(b) approving the sixth report (the **Sixth Report**) of KSV Restructuring Inc. as proposal trustee (in such capacity, the **Proposal Trustee**) and the activities of the Proposal Trustee described therein.

A. BACKGROUND

4 Details regarding the background of the Company and the facts leading up to these proceedings are set out in my affidavits sworn September 25, 2020 (the **Initial Affidavit**) and October 16, 2020, and therefore are not repeated herein. I understand that copies of all my previous affidavits will be included for reference in the Company's motion record (the **Motion Record**).

5 On September 24, 2020, the Company filed a NOI to make a proposal pursuant to the BIA and commenced these proceedings (the **NOI Proceedings**). KSV Restructuring Inc. was named as the Proposal Trustee in the NOI Proceedings.

6 The filing was made in response to the filing of an application for a bankruptcy order (the **Bankruptcy Application**) by Princes Gates GP Inc., the general partner of Princes Gates Hotel Limited Partnership (collectively, **PGH**) and a small number of other trade creditors of the Company.

7 On October 20, 2020, the Company sought and obtained the October 20 Order for, among other things, (a) extension of time to file a proposal in the NOI Proceedings to December 8, 2020; (b) approval of the Administration Charge (as defined in the October 20 Order); and (c) approval of post-filing funding up to \$300,000 from Peter and Paul's Gifts Limited (the **DIP Lender**).

PGH Litigation

8 The Company's primary purpose for commencing the NOI Proceedings was to seek protection under the BIA so that it could obtain a streamlined and clear path for its litigation claim against PGH (the **Action**) with the ultimate goal of recovery from PGH and repayment to creditors. The Company does not have any other assets of any material value other than any recovery it may obtain if successful in the Action.

9 Following the granting of the October 20 Order, the Company and PGH have adhered to a strict and expedited litigation timetable and are now on the eve of completing the trial in respect of the Action, with closing arguments scheduled to be heard on May 26, 2021.

B. CASH FLOW AND FUNDING

10 As set out in my Initial Affidavit, the Company has understood that funding would need to be provided going forward given that the Company has not generated revenue since the closure of Hotel X in March 2020 and the purported termination by PGH in July 2020.

11 The DIP Lender initially agreed to fund the Company up to \$300,000 pursuant to a DIP Term Sheet dated as of October 16, 2020 (the **DIP Term Sheet**), which was approved by the Court on October 20, 2020. The DIP Term Sheet has been amended from time to time for the primary purpose of increasing the maximum borrowing amount. The current maximum borrowing amount is \$1,500,000.

12 Copies of the DIP Term Sheet and all amendments to date are attached hereto as Exhibit "A".

13 The trial was initially scheduled for seven days but ultimately lasted 14 days, spread out over three months. As a result, the Company's expenses are now projected to exceed

\$1,500,000. As such, pursuant to a fourth amendment to the DIP Term Sheet dated May 20, 2021 (the **Fourth DIP Amendment**), the DIP Lender has agreed to further increase the maximum amount of Post-Filing Advances by \$150,000 (the **DIP Increase Amount**) to bring the maximum amount available to be borrowed under the DIP facility to \$1,650,000.

14 The Post-Filing Advances will continue to be used to fund the Company’s minimal operating costs, the completion of the trial and the professional costs of the NOI Proceedings, including the preparation of a proposal. A copy of the Fourth DIP Amendment is attached hereto as Exhibit “B”.

15 I understand that an updated cash flow projection will be filed with the Sixth Report.

SWORN BEFORE ME via videoconference at the City of Aurora, in the Province of Ontario, this 20th day of May, 2021. in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for taking Affidavits

Erika Anschuetz



PETER ELIOPOULOS

THIS IS **EXHIBIT "A"** TO THE AFFIDAVIT OF
PETER ELIOPOULOS SWORN BEFORE ME VIA
VIDEOCONFERENCE IN THE CITY OF AURORA,
IN THE PROVINCE OF ONTARIO,
THIS 20TH DAY OF MAY, 2021.



A Commissioner for taking Affidavits in Ontario

INTERIM DIP FINANCING TERM SHEET

Dated as of October 16, 2020

WHEREAS 2505243 Ontario Limited (the “**Borrower**”) has requested and the DIP Lender (as defined below) has agreed to provide financing to the Borrower during the pendency of the Borrower’s proceedings (the “**NOI Proceedings**”) under the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) which commenced upon the Borrower’s filing of a notice of intention (“**NOI**”) to make a proposal on September 24, 2020, such financing to be provided in accordance with the terms and conditions set out herein;

AND WHEREAS, the DIP Lender has agreed to provide financing in order to fund certain obligations of the Borrower during the NOI Proceedings;

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

1. **BORROWER:** 2505243 Ontario Limited
2. **DIP LENDER:** Peter and Paul’s Gifts Limited (the “**DIP Lender**”).
3. **DEFINED TERMS:** Unless otherwise defined herein, capitalized words and phrases used in this DIP Financing Term Sheet have the meanings given thereto in Schedule A hereto. Unless otherwise noted, all references to currency, “dollars” or “\$” shall be deemed to refer to Canadian dollars.
4. **DIP FACILITY;
DRAWDOWNS:** A senior secured debtor-in-possession, interim, non-revolving multiple draw credit facility (the “**DIP Facility**”) up to a maximum principal amount of \$300,000 (the “**Facility Amount**”), subject to the terms and conditions contained herein.

The initial advance of the Facility Amount shall be funded to the Borrower within two (2) Business Days after the date on which the Funding Conditions (as defined below) have been satisfied or waived in accordance with Section 8, or such shorter period as the DIP Lender may agree in its sole discretion.
5. **INTEREST:** Interest shall be payable in cash on the aggregate of the outstanding principal amount of the Facility Amount from the date of the funding thereof at a rate equal to 5% per annum, compounded monthly and payable in full on the Maturity Date.

All interest and fees shall be computed on the basis of a year of 365 days, provided that whenever a rate of interest or fee hereunder is calculated on the basis of a year (the “**deemed year**”) that contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest or fee rate shall be expressed as a yearly rate by multiplying such rate of interest or fee by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

The parties shall comply with the following provisions to ensure that no receipt by the DIP Lender of any payments under this DIP Financing Term Sheet would result in a breach of section 347 of the *Criminal Code* (Canada):

- (a) If any provision of this DIP Financing Term Sheet would obligate the Borrower to make any payment to the DIP Lender of an amount that constitutes “interest”, as such term is defined in the *Criminal Code* (Canada) and referred to in this section as “**Criminal Code Interest**”, which would result in the receipt by the DIP Lender of Criminal Code Interest at a criminal rate (as defined in the *Criminal Code* (Canada) and referred to in this section as a “**Criminal Rate**”), then, notwithstanding such provision, that amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not result in the receipt by the DIP Lender of Criminal Code Interest at a Criminal Rate, and the adjustment shall be effected, to the extent necessary, as follows:
 - (i) *first*, by reducing the amount or rate of interest required to be paid to the DIP Lender; and
 - (ii) *thereafter*, by reducing any other amounts (other than costs and expenses) (if any) required to be paid to the DIP Lender which would constitute Criminal Code Interest.
- (b) Any amount or rate of Criminal Code Interest referred to in this section shall be calculated and determined in accordance with generally accepted actuarial practices and principles as an effective

annual rate of interest over the term that any portion of the DIP Facility remains outstanding on the assumption that any charges, fees or expenses that constitute Criminal Code Interest shall be pro-rated over the period commencing on the date of the advance of the Facility Amount and ending on the relevant Maturity Date (as may be extended by the DIP Lender from time to time under this DIP Financing Term Sheet).

6. COSTS AND EXPENSES

The Borrower will reimburse, without duplication, the DIP Lender for all reasonable and documented out-of-pocket expenses (including reasonable and documented legal fees and expenses of counsel for the DIP Lender) in connection with the NOI Proceedings and the on-going monitoring, administration and enforcement of the DIP Facility.

7. PURPOSE AND PERMITTED PAYMENTS:

The Borrower shall use proceeds of the DIP Facility solely for the following purposes, in each case in accordance with the DIP Order and the DIP Budget (subject to the Permitted Variance):

- (a) to pay (i) the reasonable and documented legal fees and expenses of the DIP Lender in accordance with Section 6 hereof, (ii) the reasonable and documented financial advisory fees and legal fees and expenses of the Borrower, and (iii) the reasonable and documented fees and expenses of the Proposal Trustee and its legal counsel;
- (b) to pay the fees and interest owing to the DIP Lender under this DIP Financing Term Sheet; and
- (c) to fund the Borrower's expenses as contemplated by the DIP Budget.

8. CONDITIONS PRECEDENT TO INITIAL FUNDING OF FACILITY AMOUNT:

The DIP Lender's agreement to fund the initial advance Facility Amount to the Borrower is subject to the satisfaction or waiver by the DIP Lender of the following conditions precedent (the "**Funding Conditions**"):

- (a) The DIP Lender (or its counsel) shall have had a reasonable opportunity to review advance copies of, and shall be reasonably satisfied with, all material documents to be filed in respect of the DIP Order;

- (b) The Court shall have entered the DIP Order substantially in the form reasonably acceptable to the DIP Lender (or its counsel), which shall include the grant by the Court of a charge in favour of the DIP Lender (the “**DIP Lender’s Charge**”) on the Collateral, securing all obligations owing by the Borrower to the DIP Lender hereunder including, without limitation, all principal, interest, and fees owing to the DIP Lender as set out herein (collectively, the “**DIP Financing Obligations**”) and providing, among other things, that the DIP Lender’s Charge shall have priority on the Collateral over all Liens, other than the Permitted Priority Liens, and such DIP Order shall not have been stayed, vacated or otherwise amended, restated or modified in any manner that adversely affects the DIP Lender, without the written consent of the DIP Lender;
- (c) The DIP Lender (or its counsel) shall be satisfied that the entering into of this DIP Financing Term Sheet, the granting of the DIP Lender’s Charge, the consummation of the transactions contemplated hereby has been approved by the Borrower;
- (d) The Borrower shall have executed and delivered this DIP Financing Term Sheet;
- (e) No Event of Default shall have occurred or will occur as a result of the requested advance;
- (f) There shall be no Liens ranking in priority to the DIP Lender’s Charge over the property and assets of the Borrower, other than the Permitted Priority Liens; and
- (g) All reasonable and documented expenses (including all reasonable and documented legal fees and expenses) of the DIP Lender incurred in connection with the DIP Facility and invoiced by no later than two (2) Business Days’ prior to the initial funding of the Facility Amount shall have been paid in full as and to the extent required under Section 6 (which expenses may be deducted from the advance of the Facility

Amount).

9. DIP FACILITY SECURITY: All obligations of the Borrower to the DIP Lender under or in connection with the DIP Facility shall be secured by the DIP Lender's Charge.

10. REPAYMENT: The DIP Facility shall be repayable in full on the earlier of: (i) the occurrence of any Event of Default hereunder which is continuing and has not been cured and a demand for repayment in writing having been made by the DIP Lender to the Borrower with a copy to the Proposal Trustee (and each of their respective counsel); (ii) the implementation of a proposal under the BIA, in which case the DIP Financing Obligations shall be treated in the manner contemplated thereunder; and (iii) March 24, 2021 (the earliest of such dates being the "**Maturity Date**"). The Maturity Date may be extended from time to time at the request of the Borrower and with the prior written consent of the DIP Lender for such period and on such terms and conditions as the Borrower and the DIP Lender may agree, provided that any material amendments to the terms and conditions shall be also be subject to the prior written consent of the Proposal Trustee.

11. DIP BUDGET AND VARIANCE REPORTING: Attached as Schedule B hereto is a copy of the agreed initial DIP Budget as in effect on the date hereof, which the DIP Lender acknowledges and agrees has been reviewed and approved by the DIP Lender, and is in form and substance satisfactory to the DIP Lender. Such DIP Budget shall be the DIP Budget referenced in this DIP Financing Term Sheet until such time as a revised DIP Budget has been approved by the DIP Lender in accordance with this Section 11.

The Borrower, with the assistance of the Proposal Trustee, shall update the DIP Budget from time to time coincident with the Borrower's Extension Motions and provide all updated DIP Budgets to the DIP Lender at least five (5) Business Days (or such shorter time as the DIP Lender may agree) in advance of filing such updated DIP Budget with the Court. If the DIP Lender determines that the proposed revised DIP Budget is not acceptable provide written notice to the Borrower (and its legal counsel) and the Proposal Trustee as soon as reasonably thereafter after receipt stating that the proposed revised DIP Budget is not acceptable and setting out the reasons why such revised DIP Budget is not acceptable, and until the Borrower has

delivered a revised DIP Budget acceptable to the DIP Lender, the prior DIP Budget shall remain in effect.

At any time, the latest DIP Budget accepted by the DIP Lender (or which has not been designated as not acceptable by the DIP Lender by written notice to the Borrower, as provided above), shall be the DIP Budget for the purpose of this DIP Financing Term Sheet.

Coincident with the Borrower's Extension Motions, the Borrower shall deliver to the DIP Lender's counsel, a variance calculation (the "**Variance Report**") setting forth (i) actual receipts and disbursements for the preceding extension period, and (ii) actual receipts and disbursements on a cumulative basis since the beginning of the period covered by the then-current DIP Budget, in each case as against the then-current DIP Budget, and setting forth all the variances, on an aggregate basis in comparison to the amounts set forth in respect thereof in the DIP Budget; each such Variance Report to be promptly discussed with the DIP Lender and its advisors upon request.

12. PREPAYMENTS:

The Borrower may, without premium or penalty, prepay any amounts outstanding under the DIP Facility at any time prior to the Maturity Date.

13. CURRENCY:

If any payment is received by the DIP Lender hereunder in a currency other than Canadian dollars, or, if for the purposes of obtaining judgment in any court it is necessary to convert a sum due in Canadian dollars (the "**Original Currency**") into another currency (the "**Other Currency**"), the parties hereby agree, to the fullest extent permitted by Applicable Law, that the rate of exchange used shall be the rate at which the DIP Lender is able to purchase the Original Currency with the Other Currency after any premium and costs of exchange on the Business Day preceding that on which such payment is made or final judgment is given.

14. REPRESENTATIONS AND WARRANTIES:

The Borrower represents and warrants to the DIP Lender, upon which the DIP Lender is relying in entering into this DIP Financing Term Sheet, that:

- (a) The transactions contemplated by this DIP Financing Term Sheet:

- (i) are within the corporate power of the Borrower;
 - (ii) have been duly executed and delivered by or on behalf of the Borrower;
 - (iii) upon the granting of the DIP Order, shall constitute legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their terms;
 - (iv) upon the granting of the DIP Order, do not require any material authorization from, the consent or approval of, registration or filing with, or any other action by, any governmental authority or any third party; and
 - (v) will not violate the articles or by-laws of the Borrower or any Applicable Law.
- (b) The Collateral is free and clear of all Liens other than Permitted Liens and, upon the granting of the DIP Order, the DIP Lender's Charge.

15. AFFIRMATIVE COVENANTS:

The Borrower agrees to do, or cause to be done, the following, unless otherwise consented to or waived in writing by the DIP Lender, acting reasonably:

- (a) The Borrower shall serve its motion materials for the DIP Order on all material secured parties, if any, and shall include a request by the Borrower requesting that the Court order that the DIP Lender's Charge shall rank in priority to the Liens of any such secured parties, but excluding, in each case, any secured party holding a Permitted Priority Lien;
- (b) Use the proceeds of the DIP Facility only in accordance with Section 7 and in accordance with the restrictions set out herein and pursuant to the DIP Budget;
- (c) Comply with the provisions of the DIP Order and all other orders of the Court entered in connection with the NOI Proceedings (collectively, the "**Court Orders**" and each a "**Court Order**");

- (d) Promptly notify the DIP Lender of the occurrence of any Event of Default;
- (e) Comply in all material respects with Applicable Law, except to the extent not required to do so pursuant to the DIP Order or any other Court Order;
- (f) Take all actions necessary or available to defend the Court Orders from any appeal, reversal, modifications, amendment, stay or vacating to the extent that it would materially affect the rights and interests of the DIP Lender or the Hotel X Claim;
- (g) Comply with the DIP Budget subject to the Permitted Variance;

16. NEGATIVE COVENANTS:

The Borrower covenants and agrees not to do, or cause not to be done, the following, other than with the prior written consent of the DIP Lender, acting reasonably:

- (a) Transfer, lease or dispose of all or any substantial part of its property, assets or undertaking outside of the ordinary course of business, except such asset sales or dispositions as are permitted pursuant to the DIP Order;
- (b) Make any payment, including, without limitation, any payment of principal, interest or fees, in respect of pre-filing indebtedness, or in respect of any other pre-filing liabilities, other such amounts as are permitted to be paid pursuant to the DIP Order and provided that the aggregate amount of all such pre-filing amounts shall not exceed the amount set out in the DIP Budget;
- (c) Create or permit to exist any indebtedness other than (A) the indebtedness existing as of the date hereof, (B) the DIP Financing Obligations and (C) as the DIP Lender and the Proposal Trustee may agree;
- (d) Make any distribution, dividend, return of capital or other distribution in respect of, or any redemption of, equity securities (in cash, securities or other property or otherwise);

- (e) Make any material investments or acquisitions whether direct or indirect, other than as reflected in the DIP Budget;
- (f) Create or permit to exist any Liens on any of its properties or assets other than the Permitted Liens;
- (g) Amalgamate, consolidate with or merge into or sell all or substantially all of their assets to another entity, or change their corporate or capital structure (including their organizational documents); or
- (h) Seek, or consent to the appointment of, a receiver or trustee in bankruptcy or any similar official in any jurisdiction.

17. EVENTS OF DEFAULT:

The occurrence of any one or more of the following events shall constitute an event of default (each an “**Event of Default**”) under this DIP Financing Term Sheet:

- (a) Failure by the Borrower to pay: (i) principal, interest or other amounts within three (3) Business Days of such amounts becoming due under this DIP Financing Term Sheet; or (ii) costs and expenses of the DIP Lender in accordance with Section 6 hereof within ten (10) Business Days of receiving an invoice therefor;
- (b) Failure by the Borrower to comply with its covenants as set out herein and such failure remains unremedied for ten (10) Business Days following receipt of notice thereof from the DIP Lender;
- (c) Any representation or warranty by the Borrower made in this DIP Financing Term Sheet is or proves to be incorrect or misleading in any material respect as of the date made;
- (d) Issuance of a Court Order: (i) dismissing the NOI Proceedings or lifting the stay in the NOI Proceedings to permit the enforcement of any security against the Borrower or the Collateral, the appointment of a receiver, interim receiver or similar official, an assignment in bankruptcy, or the making of a bankruptcy order against or in

respect of the Borrower, in each case which order is not stayed pending appeal thereof, and other than in respect of a non-material asset not required for the operations of the Borrower's business; (ii) granting any other Lien in respect of the Collateral that is in priority to or pari passu with the DIP Lender's Charge other than as permitted pursuant to this DIP Financing Term Sheet (including, for greater certainty, any Permitted Priority Liens granted pursuant to a Court Order), or (iii) staying, reversing, vacating or otherwise modifying this DIP Financing Term Sheet or the DIP Lender's Charge, in each case unless otherwise consented to by the DIP Lender;

- (e) Unless consented to in writing by the DIP Lender, the expiry of the stay of proceedings under the BIA;
- (f) As at the date of any Variance Report, there shall exist a net negative variance from the DIP Budget in excess of 20% (the "**Permitted Variance**") on a cumulative basis since the beginning of the period covered by the then-current DIP Budget; or
- (g) The denial or repudiation by the Borrower of the legality, validity, binding nature or enforceability of this DIP Financing Term Sheet.

18. REMEDIES:

Upon the occurrence of an Event of Default, the DIP Lender may, upon not less than seven (7) days' prior written notice to the Borrower and the Proposal Trustee, and otherwise subject to the provisions of the Court Orders, declare the DIP Financing Obligations to be immediately due and payable and may thereafter, exercise any and all of its rights and remedies against the Borrower or the Collateral under or pursuant to this DIP Financing Term Sheet and the DIP Lender's Charge, including, without limitation:

- (a) apply to a court for appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Borrower and for the appointment of a trustee in bankruptcy of the Borrower;

- (b) set-off or consolidate any amounts then owing by the DIP Lender to the Borrower against the obligations of any of the Borrower to the DIP Lender (in their capacities as such) hereunder; and
- (c) exercise all such other rights and remedies under Applicable Law.

**19. INDEMNITY AND
RELEASE:**

The Borrower agrees to indemnify and hold harmless the DIP Lender and its directors, officers, employees and agents (all such persons and entities being referred to hereafter as “**Indemnified Persons**”) from and against any and all actions, suits, proceedings, claims, losses, damages and liabilities of any kind or nature whatsoever (excluding indirect or consequential damages and claims for lost profits) which may be incurred by or asserted against any Indemnified Person as a result of or arising out of or in any way related to the DIP Facility, this DIP Financing Term Sheet and, upon demand, to pay and reimburse any Indemnified Person for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding or claim; provided, however, the Borrower shall not be obligated to indemnify any Indemnified Person against any loss, claim, damage, expense or liability (x) to the extent it resulted from the gross negligence or wilful misconduct of such Indemnified Person as finally determined by a court of competent jurisdiction (y) relating to the DIP Lender’s failure to comply with or breach of their respective obligations under this DIP Financing Term Sheet, or (z) to the extent arising from any dispute solely among Indemnified Persons other than any claims arising out of any act or omission on the part of the Borrower. The Borrower shall not be responsible or liable to any Indemnified Person or any other person for consequential damages, loss of profits or punitive damages.

**20. DIP LENDER’S
APPROVALS:**

Any consent, agreement, amendment, approval, waiver or instruction of the DIP Lender to be delivered hereunder, may be delivered by any written instrument, including by way of electronic mail, by counsel on behalf of the DIP Lender.

21. FURTHER ASSURANCES:

The Borrower shall, at its expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents and things as the DIP Lender may reasonably request for the purpose of giving effect to this DIP Financing Term Sheet.

**22. ENTIRE AGREEMENT;
CONFLICT:**

This DIP Financing Term Sheet, including the schedules hereto, constitute the entire agreement between the parties relating to the subject matter hereof.

23. AMENDMENTS,

No waiver or delay on the part of the DIP Lender in

WAIVERS, ETC.:

exercising any right or privilege hereunder will operate as a waiver hereof or thereof unless made in writing by the DIP Lender and delivered in accordance with the terms of this DIP Financing Term Sheet, and then such waiver shall be effective only in the specific instance and for the specific purpose given.

24. ASSIGNMENT:

The DIP Lender may, with the consent of the Borrower (which consent shall not be required during the existence of any Event of Default hereunder), assign this DIP Financing Term Sheet and its rights and obligations hereunder, in whole or in part, to any Person (subject in all cases to (i) providing the Proposal Trustee with reasonable evidence that such assignee has the financial capacity to fulfill the obligations of such assigning DIP Lender hereunder and (ii) the assignee entering into an agreement with the Borrower, in form and substance reasonably acceptable to the Borrower and the Proposal Trustee, to confirm such assignment). Neither this DIP Financing Term Sheet nor any right or obligation hereunder may be assigned by the Borrower.

25. SEVERABILITY:

Any provision in this DIP Financing Term Sheet which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

26. NO THIRD PARTY BENEFICIARY:

No person, other than the Borrower, the DIP Lender and the Indemnified Parties, is entitled to rely upon this DIP Financing Term Sheet and the parties expressly agree that this DIP Financing Term Sheet does not confer rights upon any other party.

27. COUNTERPARTS AND ELECTRONIC SIGNATURES:

This DIP Financing Term Sheet may be executed in any number of counterparts and by facsimile or other electronic transmission including "pdf email", each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

28. NOTICES:

Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to the such Person at its address set out on its signature page hereof. Any such notice, request or

other communication hereunder shall be concurrently sent to the Proposal Trustee and its counsel.

Any such notice shall be deemed to be given and received when received, unless received after 5:00pm (Toronto time) or on a day other than a Business Day, in which case the notice shall be deemed to be received the next Business Day.

29. GOVERNING LAW:

This DIP Financing Term Sheet shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[signature pages follow]

IN WITNESS HEREOF, the parties hereby execute this DIP Financing Term Sheet as at the date first above mentioned.

Address:

6260 Hwy 7, Unit 1
Vaughan, Ontario, L4H 4G3

Attention: Peter Eliopoulos
Email: peterandpauls@gmail.com

PETER AND PAUL'S GIFTS LIMITED

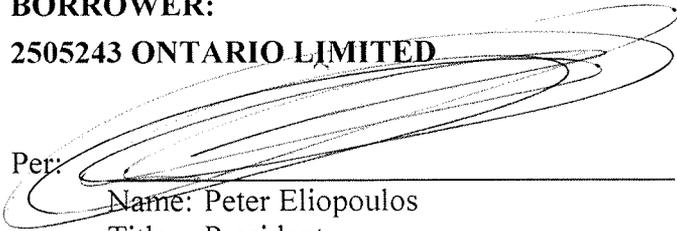
Per: 
Name: Anna Eliopoulos
Title: President

I have authority to bind the corporation.

Address:

6260 Hwy 7, Unit 1
Vaughan, Ontario, L4H 4G3

Attention: Peter Eliopoulos
Email: peterandpauls@gmail.com

BORROWER:
2505243 ONTARIO LIMITED

Per: Name: Peter Eliopoulos
Title: President

With a copy to:

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto, Ontario, M5K 1E7

Attention: Jennifer Stam
Email: jennifer.stam@nortonrosefulbright.com

I have authority to bind the corporation.

SCHEDULE A

DEFINED TERMS

“**Administration Charge**” means an administration charge in an aggregate amount not to exceed **\$100,000** which shall rank in priority to the DIP Lender’s Charge pursuant to the DIP Order.

“**Applicable Law**” means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations and all applicable official directives, orders, judgments and decrees of any Governmental Authority having the force of law and binding on such Person.

“**BIA**” has the meaning given thereto in the Recitals.

“**Borrower**” has the meaning given thereto in the Recitals.

“**Business Day**” means any day other than a Saturday, Sunday or any other day in which banks in Toronto, Ontario are not open for business.

“**Collateral**” means all of the Borrower’s current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof.

“**Court**” has the meaning given thereto in the Recitals.

“**Court Order**” and “**Court Orders**” have the meanings given thereto in Section 15(c).

“**Criminal Code Interest**” has meaning given thereto in Section 5.

“**Criminal Rate**” has meaning given thereto in Section 5.

“**DIP Budget**” means the financial projections prepared by the Borrower in connection with its October 20 Extension Motion, which shall be in form and substance reasonably acceptable to the DIP Lender, which financial projections may be amended from time to time in accordance with Section 11.

“**DIP Facility**” has the meaning given thereto in Section 4.

“**DIP Financing Obligations**” has the meaning given thereto in Section 8.

“**DIP Lender**” has the meaning given thereto in Section 2.

“**DIP Lender Charge**” has the meaning given thereto in Section 8(b).

“**DIP Order**” means an order of the Court granted pursuant to the BIA approving, among other things, the DIP Lender’s Charge.

“**Event of Default**” has the meaning given thereto in Section 17.

“**Extension Motions**” means the Borrower’s motions to seek an extension of the time in which it must file a proposal under the BIA.

“**Facility Amount**” has the meaning given thereto in Section 4.

“**Filing Date**” means September 24, 2020.

“**Funding Conditions**” has the meaning given thereto in Section 8.

“**Governmental Authority**” means any federal, provincial, state, municipal, local or other government, governmental or public department, commission, board, bureau, agency or instrumentality, domestic or foreign and any subdivision, agent, commission, board or authority of any of the foregoing.

“**Hotel X Claim**” means (i) the action in the Ontario Superior Court of Justice, bearing Court File No. CV-20-644262, commenced by the Borrower against the operator of Hotel X, Princes Gates GP Inc., on July 2020, 2020, and/or (ii) an arbitration between the Borrower and Princes Gates GP Inc. regarding the same issues as pleaded in the Borrower’s statement of claim in the court action referenced above at (i).

“**Indemnified Persons**” has the meaning given thereto in Section 19.

“**Liens**” means all liens, hypothecs, charges, mortgages, trusts, deemed trusts (statutory or otherwise), encumbrances and security interests of every kind and nature whatsoever.

“**Maturity Date**” has the meaning given thereto in Section 10.

“**NOI Proceedings**” has the meaning given thereto in the Recitals.

“**Original Currency**” has the meaning given thereto in Section 13.

“**Other Currency**” has the meaning given thereto in Section 13.

“**Permitted Liens**” means (i) the DIP Lender’s Charge; (ii) any charges created under the DIP Order or other Court Order, in each case subsequent in priority to the DIP Lender’s Charge and approved by the DIP Lender, acting reasonably; (iii) validly perfected Liens existing prior to the date hereof; (iv) inchoate statutory Liens arising after the Filing Date in respect of any accounts payable arising after the Filing Date in the ordinary course of business, subject to the obligation to pay all such amounts as and when due; and (v) the Permitted Priority Liens.

“**Permitted Priority Liens**” means (i) the Administration Charge, and (ii) any amounts payable by the Borrower for wages, vacation pay, employee deductions, sales tax, excise tax, tax payable pursuant to Part IX of the *Excise Tax Act* (Canada) (net of input credits), income tax and workers compensation claims or governmental liens that have been validly perfected pursuant to the *Personal Property Security Act* (Ontario), solely to the extent such amounts are given priority by

Applicable Law and only to the extent that the priority of such amounts have not been subordinated to the DIP Lender's Charge granted by the Court.

"Permitted Variance" has the meaning given thereto in Section 17(f).

"Person" means an individual, partnership, corporation, business trust, joint stock company, limited liability company, unlimited liability company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Proposal Trustee" means KSV Restructuring Inc., in its capacity as proposal trustee of the Borrower in the NOI Proceedings.

"Variance Report" has the meaning given thereto in Section 11.

FIRST AMENDMENT TO INTERIM DIP FINANCING TERM SHEET

This First Amendment (the “**First Amendment**”) to the Interim DIP Financing Term Sheet dated as of October 16, 2020 (the “**Original DIP Term Sheet**”) is dated as of the 30th day of November, 2020

BETWEEN:

2505243 ONTARIO LIMITED

(the “**Borrower**”)

AND:

PETER AND PAUL’S GIFTS LIMITED

(the “**DIP Lender**”)

WHEREAS, the Borrower requested and the DIP Lender agreed to provide financing to the Borrower during the pendency of the Borrower’s proceedings under the *Bankruptcy and Insolvency Act*, which commenced upon the Borrower’s filing of a notice of intention to make a proposal on September 24, 2020;

AND WHEREAS, the Borrower and the DIP Lender entered into the Original DIP Term Sheet;

AND WHEREAS, the Borrower and the DIP Lender wish to amend the Original DIP Term Sheet on the terms set out in this First Amendment.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

1. AMENDMENT TO TERM SHEET

The Borrower and the DIP Lender agree that the Original DIP Term Sheet is amended as follows:

(a) the definition of “Facility Amount” as defined in paragraph 4 of the Original DIP Term Sheet is amended to replace reference to \$300,000 with “\$460,000”.

2. CONSTRUCTION AND INTERPRETATION

This First Amendment shall be read together with the Original DIP Term Sheet. This First Amendment is governed exclusively by, and is to be enforced, construed and interpreted exclusively in accordance with, the laws of Ontario and the laws of Canada applicable in Ontario which is deemed to be the proper law of this First Amendment. If there is a conflict between the

terms and conditions of the Original DIP Term Sheet and the terms and conditions of this First Amendment, the terms and conditions of this First Amendment shall prevail.

3. COUNTERPARTS

This First Amendment may be executed by the parties in counterparts and may be executed and delivered by electronic transmission.

[Signature page follows]

IN WITNESS HEREOF, the parties hereby execute this First Amendment to the Interim DIP Financing Term Sheet as at the date first above mentioned.

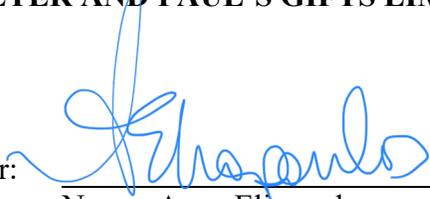
Address:

6260 Hwy 7, Unit 1
Vaughan, Ontario, L4H 4G3

Attention: Anna Eliopoulos
Email: peterandpauls@gmail.com

PETER AND PAUL'S GIFTS LIMITED

Per:



Name: Anna Eliopoulos
Title: President

I have authority to bind the corporation.

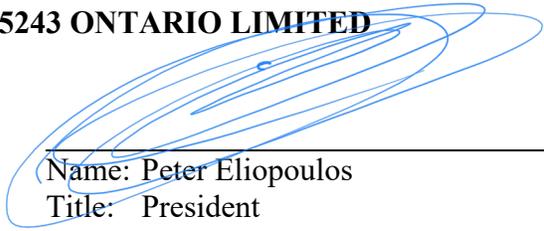
Address:

6260 Hwy 7, Unit 1
Vaughan, Ontario, L4H 4G3

Attention: Peter Eliopoulos
Email: peterandpauls@gmail.com

**BORROWER:
2505243 ONTARIO LIMITED**

Per:



Name: Peter Eliopoulos
Title: President

With a copy to:

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto, Ontario, M5K 1E7

Attention: Jennifer Stam
Email: jennifer.stam@nortonrosefulbright.com

I have authority to bind the corporation.

SECOND AMENDMENT TO INTERIM DIP FINANCING TERM SHEET

This Second Amendment (the “**Second Amendment**”) to the Interim DIP Financing Term Sheet dated as of October 16, 2020 (as amended on November 30, 2020 pursuant to the First Amendment to the Interim DIP Financing Term Sheet, the “**DIP Term Sheet**”) is dated as of the 18th day of January, 2021.

BETWEEN:

2505243 ONTARIO LIMITED

(the “**Borrower**”)

AND:

PETER AND PAUL’S GIFTS LIMITED

(the “**DIP Lender**”)

WHEREAS, the Borrower requested and the DIP Lender agreed to provide financing to the Borrower during the pendency of the Borrower’s proceedings under the *Bankruptcy and Insolvency Act*, which commenced upon the Borrower’s filing of a notice of intention to make a proposal on September 24, 2020;

AND WHEREAS, the Borrower and the DIP Lender entered into the DIP Term Sheet;

AND WHEREAS, the Borrower and the DIP Lender wish to further amend the DIP Term Sheet on the terms set out in this Second Amendment.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

1. AMENDMENT TO DIP TERM SHEET

The Borrower and the DIP Lender agree that the DIP Term Sheet is amended as follows:

- (a) the definition of “Facility Amount” as defined in paragraph 4 of the DIP Term Sheet is amended to replace reference to \$300,000 with “\$900,000”; and
- (b) the first sentence of paragraph 5 of the DIP Term Sheet is replaced in its entirety with “Interest shall be payable in cash on the aggregate of the outstanding principal amount of the Facility Amount (i) at a rate equal to 5% in respect of advances up to the principal amount of \$460,000, and (ii) at a rate equal to 7% in respect of advances to the subsequent principal amount of \$440,000, in each case per annum, compounded monthly and payable in full on the Maturity Date.”

2. CONSTRUCTION AND INTERPRETATION

This Second Amendment shall be read together with the DIP Term Sheet. This Second Amendment is governed exclusively by, and is to be enforced, construed and interpreted exclusively in accordance with, the laws of Ontario and the laws of Canada applicable in Ontario which is deemed to be the proper law of this Second Amendment. If there is a conflict between the terms and conditions of the DIP Term Sheet and the terms and conditions of this Second Amendment, the terms and conditions of this Second Amendment shall prevail.

3. COUNTERPARTS

This Second Amendment may be executed by the parties in counterparts and may be executed and delivered by electronic transmission.

[Signature page follows]

IN WITNESS HEREOF, the parties hereby execute this Second Amendment to the Interim DIP Financing Term Sheet as at the date first above mentioned.

Address:

PETER AND PAUL'S GIFTS LIMITED

6260 Hwy 7, Unit 1
Vaughan, Ontario, L4H 4G3

Attention: Anna Eliopoulos
Email: peterandpauls@gmail.com

Per: 
Name: Anna Eliopoulos
Title: President

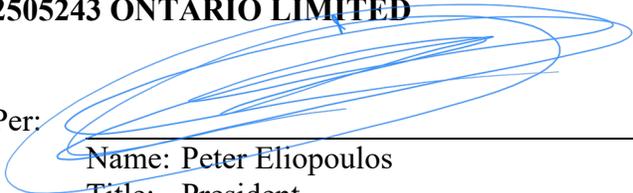
I have authority to bind the corporation.

Address:

**BORROWER:
2505243 ONTARIO LIMITED**

6260 Hwy 7, Unit 1
Vaughan, Ontario, L4H 4G3

Attention: Peter Eliopoulos
Email: peterandpauls@gmail.com

Per: 
Name: Peter Eliopoulos
Title: President

With a copy to:

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto, Ontario, M5K 1E7

Attention: Jennifer Stam
Email: jennifer.stam@nortonrosefulbright.com

I have authority to bind the corporation.

THIRD AMENDMENT TO INTERIM DIP FINANCING TERM SHEET

This Third Amendment (the “**Third Amendment**”) to the Interim DIP Financing Term Sheet dated as of October 16, 2020 (as amended on November 30, 2020 pursuant to the First Amendment to the Interim DIP Financing Term Sheet and as further amended on January 18, 2021 pursuant to the Second Amendment to the Interim DIP Financing Term Sheet, the “**DIP Term Sheet**”) is dated as of the 24th day of February, 2021.

BETWEEN:

2505243 ONTARIO LIMITED

(the “**Borrower**”)

AND:

PETER AND PAUL’S GIFTS LIMITED

(the “**DIP Lender**”)

WHEREAS, the Borrower requested and the DIP Lender agreed to provide financing to the Borrower during the pendency of the Borrower’s proceedings under the *Bankruptcy and Insolvency Act*, which commenced upon the Borrower’s filing of a notice of intention to make a proposal on September 24, 2020;

AND WHEREAS, the Borrower and the DIP Lender entered into the DIP Term Sheet;

AND WHEREAS, the Borrower and the DIP Lender wish to further amend the DIP Term Sheet on the terms set out in this Third Amendment.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

1. AMENDMENT TO DIP TERM SHEET

The Borrower and the DIP Lender agree that the DIP Term Sheet is amended as follows:

- (a) the definition of “Facility Amount” as defined in paragraph 4 of the DIP Term Sheet is amended to replace reference to \$300,000 with “\$1,500,000”.

2. CONSTRUCTION AND INTERPRETATION

This Third Amendment shall be read together with the DIP Term Sheet. This Third Amendment is governed exclusively by, and is to be enforced, construed and interpreted exclusively in accordance with, the laws of Ontario and the laws of Canada applicable in Ontario which is deemed to be the proper law of this Third Amendment. If there is a conflict between the terms and

conditions of the DIP Term Sheet and the terms and conditions of this Third Amendment, the terms and conditions of this Third Amendment shall prevail.

3. COUNTERPARTS

This Third Amendment may be executed by the parties in counterparts and may be executed and delivered by electronic transmission.

[Signature page follows]

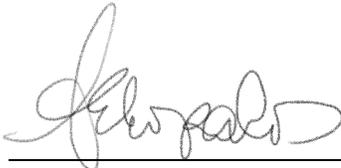
IN WITNESS HEREOF, the parties hereby execute this Third Amendment to the Interim DIP Financing Term Sheet as at the date first above mentioned.

Address:

PETER AND PAUL'S GIFTS LIMITED

6260 Hwy 7, Unit 1
Vaughan, Ontario, L4H 4G3

Attention: Anna Eliopoulos
Email: peterandpauls@gmail.com

Per: 
Name: Anna Eliopoulos
Title: President

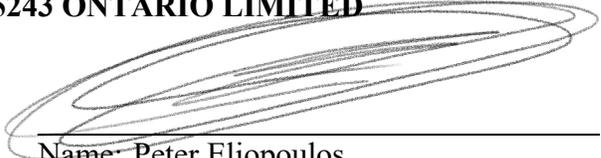
I have authority to bind the corporation.

Address:

**BORROWER:
2505243 ONTARIO LIMITED**

6260 Hwy 7, Unit 1
Vaughan, Ontario, L4H 4G3

Attention: Peter Eliopoulos
Email: peterandpauls@gmail.com

Per: 
Name: Peter Eliopoulos
Title: President

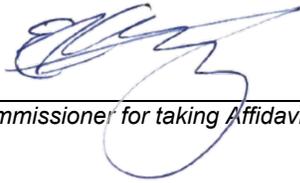
With a copy to:

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto, Ontario, M5K 1E7

Attention: Jennifer Stam
Email: jennifer.stam@nortonrosefulbright.com

I have authority to bind the corporation.

THIS IS **EXHIBIT "B"** TO THE AFFIDAVIT OF
PETER ELIOPOULOS SWORN BEFORE ME VIA
VIDEOCONFERENCE IN THE CITY OF AURORA,
IN THE PROVINCE OF ONTARIO,
THIS 20TH DAY OF MAY, 2021.



A Commissioner for taking Affidavits in Ontario

FOURTH AMENDMENT TO INTERIM DIP FINANCING TERM SHEET

This Fourth Amendment (the “**Fourth Amendment**”) to the Interim DIP Financing Term Sheet dated as of October 16, 2020 (as amended on November 30, 2020, January 18, 2021 and February 24, 2021, collectively, the “**DIP Term Sheet**”) is dated as of the 20th day of May, 2021.

BETWEEN:

2505243 ONTARIO LIMITED

(the “**Borrower**”)

AND:

PETER AND PAUL’S GIFTS LIMITED

(the “**DIP Lender**”)

WHEREAS, the Borrower requested and the DIP Lender agreed to provide financing to the Borrower during the pendency of the Borrower’s proceedings under the *Bankruptcy and Insolvency Act*, which commenced upon the Borrower’s filing of a notice of intention to make a proposal on September 24, 2020;

AND WHEREAS, the Borrower and the DIP Lender entered into the DIP Term Sheet;

AND WHEREAS, the Borrower and the DIP Lender wish to further amend the DIP Term Sheet on the terms set out in this Fourth Amendment.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

1. AMENDMENT TO DIP TERM SHEET

The Borrower and the DIP Lender agree that the DIP Term Sheet is amended as follows:

- (a) the definition of “Facility Amount” as defined in paragraph 4 of the DIP Term Sheet is amended to replace reference to \$1,500,000 with “\$1,650,000”.

2. CONSTRUCTION AND INTERPRETATION

This Fourth Amendment shall be read together with the DIP Term Sheet. This Fourth Amendment is governed exclusively by, and is to be enforced, construed and interpreted exclusively in accordance with, the laws of Ontario and the laws of Canada applicable in Ontario which is deemed to be the proper law of this Fourth Amendment. If there is a conflict between the terms and

conditions of the DIP Term Sheet and the terms and conditions of this Fourth Amendment, the terms and conditions of this Fourth Amendment shall prevail.

3. COUNTERPARTS

This Fourth Amendment may be executed by the parties in counterparts and may be executed and delivered by electronic transmission.

[Signature page follows]

IN WITNESS HEREOF, the parties hereby execute this Fourth Amendment to the Interim DIP Financing Term Sheet as at the date first above mentioned.

Address:

6260 Hwy 7, Unit 1
Vaughan, Ontario, L4H 4G3

Attention: Anna Eliopoulos
Email: peterandpauls@gmail.com

PETER AND PAUL'S GIFTS LIMITED

Per: 
Name: Anna Eliopoulos
Title: President

I have authority to bind the corporation.

Address:

6260 Hwy 7, Unit 1
Vaughan, Ontario, L4H 4G3

Attention: Peter Eliopoulos
Email: peterandpauls@gmail.com

BORROWER:
2505243 ONTARIO LIMITED

Per: 
Name: Peter Eliopoulos
Title: President

With a copy to:

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto, Ontario, M5K 1E7

Attention: Jennifer Stam
Email: jennifer.stam@nortonrosefulbright.com

I have authority to bind the corporation.

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
2505243 ONTARIO LIMITED OF THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO

Estate/Court File No.: 31-2675288

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

Proceeding commenced at TORONTO

**AFFIDAVIT OF PETER ELIOPOULOS
(Sworn May 20, 2021)
(Further DIP Increase)**

NORTON ROSE FULBRIGHT CANADA LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto, ON M5K 1E7

Jennifer Stam (LSO# 46735J)

Tel: 416-202-6707

Email: Jennifer.stam@nortonrosefulbright.com

Randy Sutton (LSO# 50369C)

Tel: 416-216-4046

Email: randy.sutton@nortonrosefulbright.com

Fax: 416-216-3930

Lawyers for 2505243 Ontario Limited

TAB 3

Estate/Court File No.: 31-2675288

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

THE HONOURABLE)	WEDNESDAY, THE 26TH
)	
JUSTICE GILMORE)	DAY OF MAY, 2021
)	

**IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF 2505243 ONTARIO LIMITED
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**ORDER
(Further DIP Increase)**

THIS MOTION, made by 2505243 Ontario Limited (the **Debtor**) for an order, among other things, (a) further increasing the maximum borrowing available in Post-Filing Advances (as defined in the Order of this Court dated October 20, 2020, the **October 20 Order**) on the terms as amended by the fourth amendment to the DIP Term Sheet dated May 20, 2021 (the **Fourth DIP Amendment**); and (b) approving the Sixth Report of the Proposal Trustee (as both terms are defined below) and the activities of the Proposal Trustee described therein, was heard this day virtually via Zoom videoconference as a result of the COVID 19 pandemic.

ON READING the affidavit of Peter Eliopoulos sworn May 20, 2021 (the **Eliopoulos Affidavit**), the sixth report of KSV Restructuring Inc., in its capacity as proposal trustee (in such capacity, the **Proposal Trustee**) dated May ●, 2021 (the **Sixth Report**), and on hearing the submissions of counsel for the Debtor, the Proposal Trustee and those other parties present, no one else appearing although duly served as evidenced by the Affidavit of Service of Gianni Bianchi sworn May 20, 2021, filed;

SERVICE

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

AMENDMENTS TO DIP FINANCING

2. **THIS COURT ORDERS** that the Debtor shall be authorized and empowered to obtain further additional Post-Filing Advances on the same terms as authorized by the October 20 Order with such changes as have been subsequently approved by this Court and those that are reflected in the Fourth DIP Amendment.

3. **THIS COURT ORDERS** that the DIP Lender's Charge (as defined in the October 20 Order) and the priority afforded thereto shall apply to any Post-Filing Advances.

ACTIVITIES OF THE PROPOSAL TRUSTEE

4. **THIS COURT ORDERS** that the Sixth Report and the activities of the Proposal Trustee as set out therein be and are hereby approved.

RECOGNITION

5. **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 Debtor, the Proposal Trustee and their respective 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 Debtor and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in

any foreign proceeding, or to assist the Debtor and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
2505243 ONTARIO LIMITED OF THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO

Estate/Court File No.: 31-2675288

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

Proceeding commenced at TORONTO

**ORDER
(Further DIP Increase)**

NORTON ROSE FULBRIGHT CANADA LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto, ON M5K 1E7

Jennifer Stam (LSO# 46735J)

Tel: 416-202-6707

Email: jennifer.stam@nortonrosefulbright.com

Randy Sutton (LSO# 50369C)

Tel: 416-216-4046

Email: randy.sutton@nortonrosefulbright.com

Lawyers for 2505243 Ontario Limited

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
2505243 ONTARIO LIMITED OF THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO

Estate/Court File No.: 31-2675288

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

Proceeding commenced at TORONTO

**MOTION RECORD OF 2505243 ONTARIO LIMITED
(Further DIP Increase)**

NORTON ROSE FULBRIGHT CANADA LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto, ON M5K 1E7

Jennifer Stam (LSO# 46735J)

Tel: 416-202-6707

Email: jennifer.stam@nortonrosefulbright.com

Randy Sutton (LSO# 50369C)

Tel: 416-216-4046

Email: randy.sutton@nortonrosefulbright.com

Lawyers for 2505243 Ontario Limited