

Report of the Receiver dated April 4, 2022 (the "**Third Report**"), as amended by the asset purchase agreement amending agreement, dated April 8, 2022 (the "**APA**"), (ii) authorizing the Receiver to enter into any other ancillary documents and agreements required to complete the Transaction, (iii) vesting in the Purchaser the Companies' right, title and interest in and to the assets described in the APA (the "**Purchased Assets**") free and clear of all liens, charges, security interests and encumbrances, other than Permitted Encumbrances (defined in the APA), was heard this day by judicial videoconference.

ON READING the Third Report, the supplement to the third report of the Receiver dated April 8, 2022 (the "**Supplement**"), and on hearing the submissions of counsel for the Receiver, and such other parties listed on the Participant Information Form, no one else appearing although properly served as appears from the Affidavit of Service of Caitlin McIntyre sworn April 5, 2022 and the Affidavit of Service of Nancy Thompson sworn April 8, 2022, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Receiver's Notice of Motion dated April 1, 2022 (the "**NOM**"), the Third Report and the Supplement, be and hereby is abridged, such that service of the NOM, the Third Report and the Supplement is hereby validated, and that further service thereof is hereby dispensed with.

SALE AGREEMENT APPROVAL

2. **THIS COURT ORDERS** that any capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the APA.

3. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the APA by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and

directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), all of the Receiver's and the Companies' right, title and interest in and to the Purchased Assets described in the APA shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice McEwen dated October 1, 2021; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule "B" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "C") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets and are non-enforceable and non-binding as against the Purchaser.

5. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Brant (No. 2) of an Application for Vesting Order in the form prescribed

by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule “D” hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule “B” hereto.

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

8. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the past and current employees of the Companies, including personal information. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Companies

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

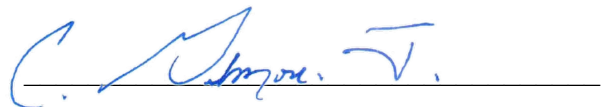
- (a) the pendency of these proceedings;

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

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

MISCELLANEOUS

10. **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.



Schedule A – Form of Receiver’s Certificate

Court File No. CV-21-00664778-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

SKYMARK FINANCE CORPORATION

Applicant

- and -

MAHAL VENTURE CAPITAL INC. and GOLDEN MILES FOOD
CORPORATION

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice McEwen of the Ontario Superior Court of Justice (the "**Court**") dated October 1, 2021, KSV Restructuring Inc. was appointed as receiver and manager (in such capacity, the "**Receiver**"), without security, of the assets, undertakings and properties of Mahal Venture Capital Inc. ("**Mahal VC**") and Golden Miles Food Corporation ("**Golden Miles**" and, together with Mahal VC, the "**Companies**") owned or used in connection with the flour mill located on the property municipally known as 155 Adams Blvd., Brantford, Ontario

B. Pursuant to an Order of the Court dated April 11, 2022 the Court approved the agreement of purchase and sale made as of March 18, 2022 (as amended, the "**APA**") between the Receiver and 12175622 Canada Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Companies’ right, title and interest in and to the Purchased Assets, which vesting is to be

effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 8 of the APA have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the APA.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the APA;
2. The conditions to Closing as set out in Article 8 of the APA have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

KSV RESTRUCTURING INC., in its capacity as Receiver of the undertaking, property and assets of Mahal Venture Capital Inc. and Golden Miles Food Corporation, and not in its personal capacity

Per: _____

Name:

Title:

Schedule B – Claims to be deleted and expunged from title to Real Property

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO |
|------------------|-------------|------------------------|---------------|-----------------------------|-----------------------------|
| BC276347 | 2015/06/22 | CHARGE | \$4,000,000 | MAHAL VENTURE CAPITAL INC. | MERK INVESTMENTS LTD. |
| BC311800 | 2017/02/28 | TRANSFER OF CHARGE | | MERK INVESTMENTS LTD. | SKYMARK FINANCE CORPORATION |
| BC316950 | 2017/05/29 | TRANSFER OF CHARGE | | SKYMARK FINANCE CORPORATION | KLN HOLDINGS INC. |
| BC322163 | 2017/08/09 | TRANSFER OF CHARGE | | KLN HOLDINGS INC. | SKYMARK FINANCE CORPORATION |
| BC322166 | 2017/08/09 | CHARGE | \$9,600,000 | MAHAL VENTURE CAPITAL INC. | SKYMARK FINANCE CORPORATION |
| BC322167 | 2017/08/09 | NO ASSGN RENT GEN | | MAHAL VENTURE CAPITAL INC. | SKYMARK FINANCE CORPORATION |
| BC322175 | 2017/08/09 | POSTPONEMENT | | SKYMARK FINANCE CORPORATION | SKYMARK FINANCE CORPORATION |
| BC322181 | 2017/08/09 | TRANSFER OF CHARGE | | SKYMARK FINANCE CORPORATION | KLN HOLDINGS INC. |
| BC327419 | 2017/10/27 | NO SEC INTEREST | \$928,500 | SKYMARK FINANCE CORPORATION | |
| BC329736 | 2017/12/01 | TRANSFER OF CHARGE | | SKYMARK FINANCE CORPORATION | KLN HOLDINGS INC. |
| BC330339 | 2017/12/12 | NO SEC INTEREST | \$3,300,000 | SKYMARK FINANCE CORPORATION | |
| BC335201 | 2018/03/19 | NO SEC INTEREST | \$633,950 | SKYMARK FINANCE CORPORATION | |
| BC335884 | 2018/04/03 | TRANSFER OF CHARGE | | SKYMARK FINANCE CORPORATION | KLN HOLDINGS INC. |
| BC337603 | 2018/05/07 | TRANSFER OF CHARGE | | SKYMARK FINANCE CORPORATION | KLN HOLDINGS INC. |

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO |
|-----------|------------|--------------------|-------------|-----------------------------|---|
| BC344769 | 2018/09/07 | CHARGE | \$6,400,000 | MAHAL VENTURE CAPITAL INC. | SKYMARK FINANCE CORPORATION KLN HOLDINGS INC. |
| BC344775 | 2018/09/07 | NO ASSGN RENT GEN | | MAHAL VENTURE CAPITAL INC | SKYMARK FINANCE CORPORATION KLN HOLDINGS INC. |
| BC345096 | 2018/09/13 | POSTPONEMENT | | SKYMARK FINANCE CORPORATION | SKYMARK FINANCE CORPORATION KLN HOLDINGS INC. |
| BC345098 | 2018/09/13 | POSTPONEMENT | | SKYMARK FINANCE CORPORATION | SKYMARK FINANCE CORPORATION KLN HOLDINGS INC. |
| BC345099 | 2018/09/13 | POSTPONEMENT | | SKYMARK FINANCE CORPORATION | SKYMARK FINANCE CORPORATION KLN HOLDINGS INC. |
| BC345100 | 2018/09/13 | POSTPONEMENT | | SKYMARK FINANCE CORPORATION | SKYMARK FINANCE CORPORATION KLN HOLDINGS INC. |
| BC352563 | 2019/01/23 | NO SEC INTEREST | \$650,891 | SKYMARK FINANCE CORPORATION | |
| BC353871 | 2019/02/19 | NO SEC INTEREST | \$2 | SKYMARK FINANCE CORPORATION | |
| BC354820 | 2019/03/07 | CONSTRUCTION LIEN | \$4,640,578 | VICANO CONSTRUCTION LIMITED | |
| BC356416 | 2019/04/10 | CONSTRUCTION LIEN | \$439,421 | VICANO CONSTRUCTION LIMITED | |
| BC358285 | 2019/05/16 | CERTIFICATE | | VICANO CONSTRUCTION LIMITED | |
| BC360674 | 2019/06/27 | TRANSFER OF CHARGE | | SKYMARK FINANCE CORPORATION | THOMSON, ANDREW 2620509 ONTARIO INC. 2580165 ONTARIO INC. JANODEE INVESTMENTS LTD. |

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO |
|------------------|-------------|------------------------|---------------|-----------------------------------|--|
| | | | | | RENAUD, RAYMOND RENAUD, CAMERON 1061307 ONTARIO INC. KLN HOLDINGS INC. |
| BC361676 | 2019/07/15 | NO SEC INTEREST | \$2,680,000 | SKYMARK FINANCE CORPORATION | |
| BC362237 | 2019/07/25 | TRANSFER OF CHARGE | | SKYMARK FINANCE CORPORATION | SEAGRAVE BUILDING SYSTEMS LTD. |
| BC386710 | 2020/09/21 | TRANSFER OF CHARGE | | SKYMARK FINANCE CORPORATION | MERK INVESTMENTS LTD. |
| BC393218 | 2020/12/22 | TRANSFER OF CHARGE | | RENAUD, RAYMOND | 1061307 ONTARIO INC. |
| BC399266 | 2021/03/26 | CHARGE | \$35,000,000 | MAHAL VENTURE CAPITAL INC. | GOLDEN MILES FOOD CORPORATION |
| BC399986 | 2021/04/06 | NOTICE OF LEASE | \$1 | MAHAL VENTURE CAPITAL INC. | GOLDEN MILES FOOD CORPORATION |

**Schedule C – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

- (a) Encumbrances related to Taxes and utilities arising by operation of law (statutory or otherwise) which relate to or secure Liabilities that in each case are not yet due or are not in arrears or, if due or in arrears, the validity of which is being contested;
- (b) only with respect to the Owned Real Property, construction, mechanics', carriers', workers', repairers', storers' or other similar Encumbrances (inchoate or otherwise) if individually or in the aggregate: (i) they are not material; (ii) they arose or were incurred in the ordinary course of business; (iii) they have not been filed, recorded or registered in accordance with Applicable Law; (iv) notice of them has not been given to the Debtors or the Vendor; and (v) the indebtedness secured by them is not in arrears;
- (c) title defects or irregularities, unregistered easements or rights of way, and other unregistered restrictions or discrepancies affecting the use of real property;
- (d) registered restrictive covenants, leases and notices of lease, easements, covenants, rights of way and other restrictions, including without limitation: (i) registered easements on real property for the supply of utilities or telephone services and for drainage, storm or sanitary sewers, public utilities lines, telephone lines, cable television lines or other services, and (ii) registered easements or rights-of-way for the passage, ingress and egress of Persons and vehicles over parts of the Owned Real Property;
- (e) registered agreements with municipalities or public utilities;
- (f) facility cost sharing, servicing, parking, reciprocal and other similar agreements with neighbouring landowners and/or any Governmental Authority in respect of the Owned Real Property;
- (g) any encroachments by any structure located on the Owned Real Property onto any adjoining lands and any encroachment by any structure located on adjoining lands onto the Owned Real Property;
- (h) in respect of the Owned Real Property, the provisions of any Applicable Law, including by-laws, regulations, airport zoning regulations, ordinances and similar instruments relating to development and zoning, and any reservations, exceptions, limitations, provisos and conditions contained in the original Crown grant or patent;
- (i) in respect of the Owned Real Property, any Work Orders; and

- (j) the notice of lease registered as instrument number A473982 against title to the Owned Real Property under PIN 32281-0177 in favour of The TDL Group Corp. (the “**TDL Notice**”), provided that the Vendor shall use commercially reasonable efforts to obtain the consent of The TDL Group Corp. to the discharge of the TDL Notice on or prior to the Closing Date (whether pursuant to the Approval and Vesting Order or otherwise);

provided that, notwithstanding anything in the foregoing to the contrary, Permitted Encumbrances shall not include any of the instruments or registrations listed in Schedule “B” hereof, nor any registrations made against either Debtor under the *Personal Property Security Act* (Ontario) to the extent such registrations attach to the Purchased Assets.

Schedule D – Real Property

PIN 32281-0177 (LT): PT LT 38 CON 3 GEOGRAPHIC TWP OF BRANTFORD, BEING PT 2 ON 2R4137; BRANTFORD CITY; T/W EASEMENT OVER PART LOTS 37 & 38, CON 3 GEOGRAPHIC TWP OF BRANTFORD, PT 24,25,26,30,31,32,36,37,38,42,43,44, 2R6421 AS IN BC66565 AND PT RELEASE IN BC96373

PIN 32281-0309 (LT): FIRSTLY: PART LOTS 38, 39, CONCESSION 3 BRANTFORD CITY DESIGNATED AS PARTS 1, 2, PLAN 2R6545; SUBJECT TO EASEMENT OVER PART 2, PLAN 2R6545 AS IN BC304245; SECONDLY: PART LOTS 38, 39, CONCESSION 3 BRANTFORD CITY DESIGNATED AS PARTS 1, 2, 3, PLAN 2R1332 AND PART 1, PLAN 2R4747; CITY OF BRANTFORD

SKYMARK FINANCE CORPORATION
Applicant

- and -

MAHAL VENTURE CAPITAL INC., et al.
Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding Commenced at Toronto

APPROVAL AND VESTING ORDER

BLAKE, CASSELS & GRAYDON LLP

Barristers and Solicitors

199 Bay Street

Suite 4000, Commerce Court West

Toronto, Ontario M5L 1A9

Chris Burr, LSO #55172H

Tel: 416-863-3261

Email: chris.burr@blakes.com

Caitlin McIntyre, LSO #72306R

Tel: 416-863-4174

Fax: 416-863-2653

Email: caitlin.mcintyre@blakes.com

Lawyers for the Receiver