

**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

Respondents

**MOTION RECORD
(Approval and Vesting Order, Fee & Activity Approval,
Realtor Commission Approval, etc.)
Returnable April 11, 2021**

April 4, 2021

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**ONTARIO
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B E T W E E N:

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MOTION RECORD

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TAB 1

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

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**NOTICE OF MOTION
(Approval and Vesting Order, Fee and Activity Approval)
Returnable April 11, 2022**

KSV RESTRUCTURING INC., in its capacity as the Court-appointed 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 (the “**Flour Mill**”) located on the property municipally known as 155 Adams Blvd., Brantford, Ontario (the “**Property**”), will make a motion to Mr. Justice McEwen on **Monday, April 11, 2022 at 10:00 a.m.**, or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- In writing under subrule 37.12.1(1) because it is (*insert one of* on consent, unopposed *or* made without notice);
- In writing as an opposed motion under subrule 37.12.1(4);
- In person;
- By telephone conference;
- By video conference.

at the following location:

Join Zoom Meeting

<https://us02web.zoom.us/j/85339936666?pwd=TkZITGk1V0F4cE50dnBZeUszbzY2QT09>

Meeting ID: 853 3993 6666

Passcode: 433825

Please refer to the video conference details attached at Schedule “A” hereto in order to attend the motion, and advise if you plan to attend the application by emailing Caitlin McIntyre at caitlin.mcintyre@blakes.com

THE MOTION IS FOR:

(a) Orders, substantially in the form of the draft Orders included in the Motion Record of the Receiver, *inter alia*:

- (i) approving the proposed transaction (the “**Transaction**”) between the Receiver and 12175622 Ontario Inc. (the “**Purchaser**”), a corporation controlled by Santokh Mahal (“**Santokh**”), a principal of Golden Miles’, which contemplates the sale to the Purchaser of substantially all of the Property pursuant to an asset purchase agreement dated March 18, 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, on closing, the Companies’ and the Receiver’s right, title and interest in and to the Purchased Assets (as defined in the

APA), free and clear of all liens, charges, security interests and encumbrances, other than the Permitted Encumbrances (defined below);

- (iv) authorizing a payment to Colliers Macaully Nicholls Inc. (the “**Realtor**”), the realtor engaged by the Receiver in the Sale Process, upon the closing of the Transaction;
- (v) sealing the confidential appendices and (the "**Confidential Appendices**") to the Third Report of the Receiver dated April 4, 2022 (the “**Third Report**”);
- (vi) approving the fees and disbursements of the Receiver and its counsel, Blake, Cassels & Graydon LLP (“**Blakes**”); and
- (vii) approving the Third Report and the Receiver’s activities described therein.

(b) such further and other relief as counsel may request and this Honourable court may permit.

THE GROUNDS FOR THE MOTION ARE:

Background

1. KSV was appointed Receiver without security, of the assets, undertakings and properties of the Companies owned or used in connection with the Flour Mill located on the Property pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made October 1, 2021 (the “**Receivership Order**”).

2. Forthwith after its appointment, and as authorized by the Receivership Order, the Receiver took possession and control of the Property. A detailed description of the Receiver's activities to date is included in the Third Report.
3. On November 15, 2021, the Receiver filed an assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 on behalf of the Companies pursuant to paragraph 3(r) of the Receivership Order. KSV was appointed the licensed insolvency trustee (the "Trustee") of the Companies by the Office of the Superintendent of Bankruptcy (Canada).
4. On November 22, 2021, the Court made an Order (the "**Sale Process Order**") approving the sale process (the "**Sale Process**") described in the Second Report of the Receiver dated November 15, 2021.
5. Following issuance of the Sale Process Order, the Receiver took a number of steps to advance the Sale Process, including distributing an interest solicitation letter to 92 potential purchasers and setting up and providing access to a virtual data room to potential purchasers that executed a confidentiality agreement.
6. The initial bid deadline under the Sale Process was January 31, 2022. However, due to specific interest expressed in the real property owned by the Companies (the "**Real Property**"), the Receiver selected the Realtor to market the Real Property following a competitive selection process. The bid deadline was subsequently amended to March 7, 2022 (the "**Bid Deadline**") to allow the Realtor sufficient time to market the Real Property.

Sale Process Results

7. A summary of the Sale Process results, including the results from the process conducted by the Realtor, is as follows:

- (a) 32 parties executed a confidentiality agreement prior to the Bid Deadline; and
- (b) 12 offers were submitted at the Bid Deadline.

8. The Purchaser was selected as the successful bidder. The Receiver recommends the Court approve the Transaction for, among others, the following reasons:

- (a) in the Receiver's view, the sale process undertaken by the Receiver was commercially reasonable and conducted in accordance with the court-approved Sale Process;
- (b) the market was widely canvassed by the Receiver. The Receiver does not believe further time spent marketing the Property will result in a superior transaction;
- (c) the Transaction provides for the greatest recover available in the circumstances;
- (d) the Purchaser is intimately familiar with the Property, and has completed its due diligence;
- (e) the Purchaser has made a substantial non-refundable deposit and provided evidence to the Receiver that it has secured sufficient financing to satisfy the Purchase Price on Closing;

- (f) the Transaction will provide for the Receiver to sell all the Companies' tangible property, which will substantially eliminate the costs associated with the Flour Mill;
- (g) the Companies' key stakeholders are supportive of the Transaction; and
- (h) the Purchase Price allocation is reasonable based on the offers received.

Sealing Order

9. The Confidential Appendices contain (a) a summary of offers received by the Receiver in the Sales Process, (b) the unredacted APA and (c) the purchase price allocation. The Receiver requests that the Confidential Appendices be filed with the Court on a confidential basis and be sealed. The Confidential Appendices contain confidential information, including with respect to value. If these documents are not sealed, the information may negatively impact realizations on the Purchased Assets if the Transaction does not close. The Receiver is not aware of any party that will be prejudiced if the information is sealed. The salutary effects of sealing such information from the public record greatly outweigh the deleterious effects of doing so under the circumstances.

10. Accordingly, in the Receiver's view, it is necessary and appropriate for the Confidential Appendices to be sealed.

Approval of the Receiver's Fees & Activities

11. The activities of the Receiver to date, as further detailed in the Third Report, have primarily consisted of, among other things, (i) conducting and facilitating the Court-approved Sale Process; (ii) corresponding with Santokh and Jesse Mahal and their counsel regarding the Companies'

affairs and these proceedings; (iii) corresponding with creditors, including Skymark Finance Corporation, (iv) corresponding with the Companies' insurers to ensure that the Property is properly insured through the Closing Date in the APA, (v) dealing with matters relating to the operation and maintenance of the Flour Mill, and (vi) preparing the Third Report.

12. In the Receiver's view, these activities have been necessary, consistent with the Receiver's duties and powers in the Appointment Order, and undertaken with efficiency and reasonableness, in the interests of the Companies stakeholders generally. Accordingly, they ought to be approved.

13. The fees and disbursements of the Receiver and Blakes have been incurred in good faith, the rates are consistent with the rates charged by other comparable firms practicing in the area of insolvency in the Toronto market, and they are fair and reasonable.

Additional Grounds

14. The grounds as more particularly set out in the Third Report;

15. Rules 1.04, 2.03, 3.02, 16 and 37 of the Ontario *Rules of Civil Procedure*, RRO 1990, Reg 194; and

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

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

1. the Third Report; and

2. such further and other evidence as counsel may advise and this Honourable Court may permit.

April 1, 2022

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SCHEDULE “A”
Conference Details to join Motion via Zoom

Join Zoom Meeting

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65.39.152.160 (Canada Vancouver)
Meeting ID: 853 3993 6666
Passcode: 433825

SKYMARK FINANCE CORPORATION
Applicant

- and -

MAHAL VENTURE CAPITAL INC., et al.
Respondents

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

Proceeding Commenced at Toronto

**NOTICE OF MOTION
(Approval and Vesting Order, Fee and Activity
Approval)
Returnable April 11, 2022**

BLAKE, CASSELS & GRAYDON LLP

Barristers and Solicitors

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Lawyers for the Receiver

TAB 2



**Third Report to Court of
KSV Restructuring Inc.
as Receiver and Manager of
Mahal Venture Capital Inc. and
Golden Miles Food Corporation**

April 4, 2022

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COURT FILE NO. CV-21-00664778-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

SKYMARK FINANCE CORPORATION

APPLICANT

- AND -

MAHAL VENTURE CAPITAL INC. AND
GOLDEN MILES FOOD CORPORATION

RESPONDENTS

THIRD REPORT OF
KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER

APRIL 4, 2022

1.0 Introduction

1. This report (the “Report”) is filed by KSV Restructuring Inc. (“KSV”) in its capacity as receiver and manager (“Receiver”) 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 (the “Flour Mill”) located on the property municipally known as 155 Adams Blvd., Brantford, Ontario (the “Real Property” and together with the Flour Mill, the “Property”).
2. KSV was appointed Receiver of the Companies pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “Court”) made on October 1, 2021 (the “Receivership Order”). A copy of the Receivership Order is provided as Appendix “A”.
3. On November 15, 2021, the Receiver filed an assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3*, as amended (the “BIA”) on behalf of the Companies pursuant to Paragraph 3(r) of the Receivership Order. KSV was appointed the licensed insolvency trustee (the “Trustee”) of the Companies by the Office of the Superintendent of Bankruptcy (Canada) (the “OSB”).
4. The principal purpose of the receivership proceedings is to allow the Receiver to take possession, preserve, market and sell the Property to maximize value for the Companies’ creditors.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about this proceeding;
 - b) summarize the Court-approved process pursuant to which the Property was marketed for sale (the “Sale Process”);
 - c) summarize a proposed transaction (the “Transaction”) between the Receiver and 12175622 Ontario Inc. (the “Purchaser”), a corporation controlled by Santokh Mahal (“Santokh”), Golden Miles’ principal, which contemplates the sale to the Purchaser of substantially all of the Property pursuant to an asset purchase agreement dated March 18, 2022 (the “APA”);
 - d) summarize the fees and disbursements of the Receiver and Blake, Cassels & Graydon LLP (“Blakes”), the Receiver’s legal counsel;
 - e) summarize the Receiver’s activities since the date of the Second Report to Court dated November 15, 2021 (the “Second Report”); and
 - f) request that the Court issue an Order:
 - i. approving the Transaction;
 - ii. authorizing the Receiver to enter into any other ancillary documents and agreements required to complete the Transaction;
 - iii. vesting in the Purchaser, on closing, the Companies’ and the Receiver’s right, title and interest in and to the Purchased Assets (as defined in the APA), free and clear of all liens, charges, security interests and encumbrances, other than the Permitted Encumbrances;
 - iv. authorizing a payment to Colliers Macaulay Nicholls Inc. (the “Realtor”), the realtor engaged by the Receiver in the Sale Process, upon closing the Transaction;
 - v. sealing the Confidential Appendices to this Report;
 - vi. approving the fees and disbursements of the Receiver and Blakes; and
 - vii. approving this Report and the Receiver’s activities described herein.

1.2 Currency

1. All amounts in this Report are expressed in Canadian Dollars, unless otherwise noted.

1.3 Restrictions

1. In preparing this Report, the Receiver has relied upon certain of the Companies’ unaudited financial statements, limited books and records obtained from the Companies’ principals, Santokh and Jesse Mahal (“Jesse”, and together with Santokh, the “Mahals”) and discussions with the Mahals and a former advisor to the Companies.

2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Report in a manner that complies with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.

2.0 Background

1. Mahal VC was incorporated in 2014 under the *Canada Business Corporations Act* and is a single purpose corporation that owns the Real Property. The Receiver understands that Jesse is the sole officer, director and shareholder of Mahal VC.
2. Golden Miles was incorporated in 2010 as Golden Miles Bread & Bagel Corporation under the *Business Corporations Act* (Ontario) and changed its name to Golden Miles Food Corporation in 2017. The Receiver understands that Santokh, Jesse’s father, is the sole officer, director and shareholder of Golden Miles.
3. Mahal VC owns the Real Property, which totals over 20 acres, and the Mahals have advised the Receiver that Golden Miles owns the machinery, equipment and vehicles used in connection with the Flour Mill. Golden Miles operates from the Real Property and describes itself in its unaudited financial statements as at June 30, 2020 as being “engaged in the sale of cookies, crackers, and dried plant material”.
4. Construction of the Flour Mill appears to be substantially complete; however, it has not been issued the permits, licenses and approvals necessary to operate from the relevant authorities, including the City of Brantford and various health and safety regulators. The City of Brantford has provided the Receiver with a list of deficiencies required to be addressed before an occupancy permit can be issued.
5. The Mahals have advised the Receiver that the Companies had no employees as of the date of the Receivership Order.

2.1 Secured Creditors

1. Skymark Finance Corporation (“Skymark”) is the Companies’ largest creditor. As of the date of the Receivership Order, the Companies were indebted to Skymark in the amount of approximately \$29.2 million¹. The Skymark debt relates to various loans to Mahal VC in connection with mortgages granted by Mahal VC on the Real Property (the “Mahal Loans”) and to Golden Miles in connection with equipment financing (the “GM Loans”, and together with the Mahal Loans, the “Loans”). The Receiver understands that the primary purpose of the Loans was to construct the Flour Mill on the Real Property.

¹ This Skymark facility consists of approximately \$19.7 million owing by Mahal VC and approximately \$9.5 million owing by Golden Miles.

2. Several parties have advised the Receiver that they have interests in the Mahal Loans and the mortgages that secure them, including Andrew Thompson, 2620509 Ontario Inc., 2580165 Ontario Inc., Cameron Renaud, 1061307 Ontario Inc. and KLN Holdings. These parties are collectively represented by Gardiner Roberts LLP and are referred to in this Report as the “Gardiner Parties”. The Receiver has not yet assessed the claims of the Gardiner Parties but it has been provided with supporting documentation from their counsel and notes their security registrations against the Real Property.
3. The Receiver has been provided with a copy of a promissory note allegedly issued by Golden Miles to Santokh in the approximate amount of \$24.1 million, together with a general security agreement dated December 14, 2020 (the “Santokh GSA”). Santokh filed a financing statement in the *Personal Property Security Act* (Ontario) (the “PPSA”) registry against Golden Miles on December 16, 2020.
4. Pursuant to a motion record filed by Santokh dated November 21, 2021 and a supplementary motion record dated December 17, 2021 (the “Santokh Security Motion”), Santokh is seeking an order, among other things, declaring that Santokh’s security is valid and enforceable, and ranks in priority to any other security interest registered under the PPSA, with certain exceptions, to the extent of approximately \$2.2 million claimed to have been advanced by Santokh to Golden Miles after December 14, 2020 (the date of the Santokh GSA). The Santokh Security Motion is scheduled to be heard on May 17, 2022.
5. The Court is also scheduled to hear an application by Skymark on May 17, 2022, which was commenced by an application record dated January 14, 2022 (the “Skymark Application”). The Skymark Application seeks, among other things, an order varying or setting aside the Santokh GSA pursuant to the oppression remedy under the Ontario *Business Corporations Act*.
6. The implications on the Transaction of the results of the Santokh Security Motion and the Skymark Application are discussed below in Section 4 of this Report
7. In addition to Skymark and Santokh, the following parties have registered PPSA financing statements against Golden Miles:
 - a) The Bank of Nova Scotia, in respect of a 2019 Ford F150;
 - b) Caterpillar Financial Services Limited, in respect of a Caterpillar 259D3 compact track loader;
 - c) Fluid Construction & Project Management Inc., registered against all personal property; and
 - d) Buhler Inc. (“Buhler”), in respect of certain milling equipment².

² This registration was made on December 3, 2021 with the Receiver’s knowledge.

8. Bodkin, a division of Bennington Financial Corp. (“Bodkin”) and Toyota Industries Commercial Finance Canada Inc. (“Toyota”) had formerly made registrations related to aluminum grain tank trailers and certain forklifts, respectively. Bodkin and Toyota appear to have discharged their financing statements on September 19, 2021 and October 19, 2021, respectively.
9. Several other registrations have been made against the Real Property, including:
 - a) a construction lien in 2019 by Vicano Construction Limited, one of the Companies’ former general contractors, in the approximate amount of \$5.8 million;
 - b) a number of transfers of charges by the Gardiner Parties; and
 - c) a mortgage in 2021 by Golden Miles, in the approximate amount of \$35 million.
10. Buhler has also registered a PPSA financing statement against Mahal VC, though the registration occurred with the Receiver’s knowledge after the date that it was appointed and after the Mahal VC bankruptcy was commenced.
11. Blakes has been reviewing the validity and priority of the security interests claimed or registered against the Property. The Receiver will report on the results of this security review after the Transaction is completed and when the Receiver brings a motion seeking approval of distributions to creditors.

2.2 Additional Information

1. Additional information regarding the Companies and these proceedings is included in the First Report, a copy of which is provided, without appendices, in Appendix “B”. Materials filed with the Court in this proceeding can be accessed from the Receiver’s website at: <https://www.ksvadvisory.com/experience/case/mahal-venture-capital-inc>.

3.0 Sale Process

1. A summary of steps in the Sale Process is as follows:
 - a) on November 22, 2021, the Court made an Order (the “Sale Process Order”) approving the sale process described in the Second Report. A copy of the Second Report is attached hereto as Appendix “C”, without appendices;
 - b) following the issuance of the Sale Process Order, the Receiver distributed an interest solicitation letter (the “ISL”) to 92 potential purchasers detailing the acquisition opportunity, including strategic buyers, financial buyers and liquidators. These were comprised of parties that had previously contacted the Receiver, parties recommended to the Receiver by Buhler, a prominent supplier of milling machinery and equipment, and parties identified through the Receiver’s database and independent research;
 - c) attached to the ISL was a form of confidentiality agreement (“CA”) that interested parties were required to sign in order to obtain access to a virtual data room (the “VDR”);

- d) the VDR contained information concerning the Companies, including all financial information, contracts, permits, designs, drawings, schematics and other diligence information that had been provided to the Receiver by the Mahals or other representatives of the Companies; and
 - e) the VDR also included a form of asset purchase agreement. Prospective purchasers were requested to submit offers in the form of the agreement, together with a blacklined version of their offer against the form of offer.
2. The initial bid deadline under the Sale Process was January 31, 2022 (the “Initial Bid Deadline”), approximately 10 (ten) weeks after the Sale Process was approved by the Court; however, the Sale Process explicitly authorized the Receiver, in its sole discretion, to alter deadlines.
 3. Given the specialized equipment and single-purpose nature of the Flour Mill, the Receiver initially marketed the Property on the basis that the realizable value would be maximized by a sale to a purchaser who intended to complete the facility and operate the business as a mill. Accordingly, the Receiver did not market the Real Property on a stand-alone basis through traditional real estate channels.
 4. In early January 2022, the Receiver was contacted by realtors who advised that they represented parties interested in developing the Real Property for purposes other than a flour mill. These realtors advised the Receiver that transactions for properties comparable to the Real Property had closed in the range of \$750,000 to \$950,000 per developable acre, which far exceeded the approximately \$200,000 per developable acre value reflected in a land appraisal dated July 16, 2020 provided to the Receiver by the Mahals.
 5. Due to the interest in the Real Property, the Receiver invited two national real estate brokerages with specific expertise in industrial land in Southwestern Ontario to submit proposals to list the Real Property for sale. The Receiver requested that proposals be submitted by 4pm on January 24, 2022.
 6. The Receiver received a proposal from both realtors. The Receiver subsequently met with each of the realtors to review their proposals, discuss their views on the Real Property and understand their approach to marketing the Real Property for sale.
 7. Based on the realtor proposals and the Receiver’s subsequent discussions with the realtors and Skymark, the Receiver selected the Realtor to market the Real Property. This decision was based on, among other things, the Realtor’s knowledge of the Real Property, its familiarity with the applicable market, its proposed marketing process, its commission structure and the experience of its team in the relevant market.
 8. On January 26, 2022, after consulting with certain of the Companies’ stakeholders, including Skymark and RCM Capital Management (“RCM”), the Companies’ interim lender, the Receiver advised all prospective purchasers that had executed a CA that the Initial Bid Deadline was being extended to March 7, 2022 (the “Bid Deadline”), to allow the Realtor sufficient time to market the Real Property.
 9. The Receiver entered into a listing agreement with the Realtor on February 3, 2022 (the “Listing Agreement”). A copy of the Listing Agreement is attached as Appendix “D”.

10. The Realtor is entitled to a commission of 1.25% of the Purchase Price allocated to the Real Property when the Transaction closes. The Receiver is seeking authority to pay the commission following closing of the Transaction. In the Receiver's view, the Realtor provided value to the Sale Process and effectively exposed the Real Property to a broad scope of potential purchasers.

3.1 Sale Process Results

1. A summary of the Sale Process results, including the results from the process conducted by the Realtor, is as follows:
 - a) 32 parties executed a CA prior to the Bid Deadline; and
 - b) 12 offers were submitted at the Bid Deadline.
2. A summary of all offers (the "Offer Summary") received in the Sale Process, including the process conducted by the Realtor, is provided in Confidential Appendix "1".
3. Prior to entering into the APS, the Receiver discussed the offers received with Skymark, RCM and representatives of the Gardiner Parties on a confidential basis, after confirming with each that they were not participating directly or indirectly in the Sale Process, and had not directly or indirectly made an offer. These parties were supportive of the Receiver pursuing a transaction with the Purchaser.
4. The original offer from the Purchaser provided for a deposit of 8% of the purchase price. As detailed in the Reports to Court filed by KSV as Receiver and Trustee, concerns surrounding the Mahals' credibility have been raised, giving rise to closing risks associated with a transaction with the Purchaser. Accordingly, the Receiver advised the Purchaser that it required a deposit of 15% of the purchase price and evidence that the Purchaser has the funding necessary to close the Transaction.
5. The Purchaser provided a term sheet from a large reputable lender which provides sufficient funding to close the Transaction. The Purchaser also paid the deposit required by the Receiver, which is non-refundable except under certain limited circumstances set out in the APA.

4.0 The Transaction³

1. The key terms and conditions of the APA are provided below.
 - a) Purchaser: 12175622 Canada Ltd., an entity controlled directly or indirectly by Santokh.
 - b) Vendor: KSV, in its capacities as Receiver and Trustee of the Companies.
 - c) Purchase Price: The Purchase Price and the allocation of the Purchase Price among the Purchased Assets is included in Confidential Appendix "2".

³ Terms not defined in this section have the meaning provided to them in the APA. This section is intended as a summary only. Reference should be made directly to the APA for a complete understanding of the terms of the proposed Transaction.

- d) Deposit: A Deposit representing slightly more than 15% of the Purchase Price was paid to the Vendor upon execution of the APA. The balance of the Purchase Price, after crediting the Deposit, will be paid at Closing.
- e) Purchased Assets: The Purchased Assets include all of the Companies' right, title and interest in the Property, excluding the Excluded Assets. The Purchased Assets are detailed on Schedule "D" of the APA and include all tangible personal property located at the Flour Mill, the Real Property, Assigned Contracts, Permits and Licenses (to the extent transferrable), Data, Receivables, Books and Records, Intellectual Property, and goodwill of the Companies.
- f) Refund: The Purchaser shall be entitled to a refund of the Purchase Price equal to the amount, if any, that the Court declares as owing by Golden Miles to Santokh that is secured by a security interest in any of Golden Miles' personal property ranking in priority to all other encumbrances on such personal property (other than super-priority charges created by Court order in the Receivership Proceedings), which order is being sought by Santokh in the Santokh Security Motion. As discussed above, Santokh is seeking a declaration that his security has priority to the extent of \$2,182,915 advanced to Golden Miles after December 14, 2020, and the concept of the "Refund" in the APA replicates the effect that a credit bid would have if Santokh's security's priority had been adjudicated when the APA was executed. The amount of the Refund, if any, will not be known until the Santokh Security Motion and the Skymark Application have been finally adjudicated.
- g) Release of Costs Claim: The APA provides that the Trustee will release any claim against Santokh (the "Trustee Costs Claim") in respect of a motion brought by Santokh in the Mahal VC bankruptcy proceedings seeking a declaration that Mahal VC's interests in a certain condominium are held in trust by Mahal VC for Santokh, and accordingly do not vest in the Trustee. Santokh formally abandoned this motion on March 9, 2022, and the issue of costs was adjourned *sine die*.
- h) Excluded Assets: includes all of the Companies' interest in any outstanding litigation, and in any tax refunds in respect of taxes paid in the period beginning on or after the date of the Receivership Order.
- i) Assumed Liabilities: consist of the following:
 - i. all Liabilities under the Assigned contracts and Permits and Licenses, to the extent they can be effectively assigned to the Purchaser, arising after the Closing Date;
 - ii. all Liabilities arising after the Closing Date in respect of the Purchased Assets or liabilities related to the business;
 - iii. all Liabilities on account of the trade accounts, payables and other current accounts payable, in each case incurred or accrued by any of the Companies on or after the Closing Date in the ordinary course of business and related to the business; and
 - iv. all Environment Claims and Environmental Liabilities.

- j) “As is, Where is”: the APA is consistent with standard insolvency transactions, i.e. to be completed on an “as is, where is” basis with minimal representations, warranties and conditions.
 - k) Target Closing Date: means the first Business Day following the date on which the Court grants the Approval and Vesting Order, subject to any appeals of the Approval and Vesting Order.
 - l) Outside Closing Date: means April 29, 2022.
 - m) Material Conditions: The following are the key material conditions to closing:
 - i. Approval and Vesting Order – the Approval and Vesting Order, and if applicable, the Assignment Order, shall have been issued by the Court and shall each have become a Final Order;
 - ii. Vendor’s Deliveries – the Vendor shall have executed and delivered to the Purchaser at the Closing, all the items contemplated in Section 7.2. of the APA; and
 - iii. Purchaser’s Deliverables - the Purchaser shall have executed and delivered to the Vendor at the Closing all the documents and payments contemplated in Section 7.3 of the APA.
 - n) Termination: the APA can be terminated:
 - i. upon mutual written consent of the Receiver and the Purchaser;
 - ii. by written notice from the Purchaser to the Vendor in accordance with Section 6.3 of the APA, in the event of a Material Casualty;
 - iii. by either the Vendor or the Purchaser in the event of a material breach by the other party; or
 - iv. by either the Vendor or the Purchaser if the Closing has not occurred by April 29, 2022, or such later date as the Purchaser and Vendor may mutually agree.
2. A copy of the APA with the purchase price redacted is attached as Appendix “E”. An unredacted version is filed as Confidential Appendix “3”. The basis for sealing the unredacted version of the APA is provided in Section 4.3 below.

4.1 Purchase Price Allocation

1. Santokh claims a first ranking security interest in the personal property and equipment of Golden Miles, securing approximately \$2.2 million allegedly loaned to Golden Miles after December 14, 2020, which allegation is the subject of the Santokh Security Motion. The priority of Santokh’s security, and the quantum of any debt secured thereby will be determined by the Santokh Security Motion and/or the Skymark Application. The allocation in the APA for the equipment is consistent with other offers for the equipment at the Flour Mill received by the Receiver in the Sale Process. The balance of the Purchase Price is allocated to the Real Property

2. The Receiver believes that the allocation of the Purchase Price as set out in the APA is fair and reasonable, and consistent with indications of value obtained by the Receiver, including offers received in the Sale Process.

4.2 Recommendation

1. The Receiver recommends the Court approve the Transaction for the following reasons:
 - a) in the Receiver's view, the sale process undertaken by the Receiver was commercially reasonable, and conducted in accordance with the terms of the Sale Process set out in the Second Report and approved by the Sale Process Order;
 - b) the Transaction provides for the greatest recovery available in the circumstances;
 - c) the market was widely canvassed by the Receiver. The Receiver also engaged the Realtor, which has experience selling industrial properties, to assist in the Sale Process;
 - d) the Receiver does not believe that further time spent marketing the Property will result in a superior transaction;
 - e) the Purchaser is intimately familiar with Property and has completed its due diligence;
 - f) the Purchaser has made a substantial non-refundable deposit and provided evidence to the Receiver that it has secured sufficient financing to satisfy the Purchase Price on Closing;
 - g) the Transaction will provide for the Receiver to sell all of the Companies' tangible property, which will eliminate the carrying costs associated with the Flour Mill;
 - h) the Refund, if any, will reflect an amount that could have been credit bid by the Purchaser⁴ if the Santokh Security Motion and the Skymark Application had been adjudicated prior to the execution of the APA, and therefore is economically neutral;
 - i) the release of the Trustee Costs Claim is reasonable in the circumstances, and the Receiver and the Trustee will agree on an allocation of value to the bankrupt estate of Mahal VC accordingly;

⁴ A credit bid by the Purchaser would have required Santokh to assign his debt and security to the Purchaser, which the Receiver believes could have been done without the Receiver's consent, and therefore the Receiver considers the Refund to be economically equivalent to a credit bid, subject to the resolution of the Santokh Security Motion and the Skymark Application.

- j) Skymark, RCM and the Gardiner Parties support the Transaction; and
- k) the Purchase Price allocation is reasonable based on the offers received.

4.3 Sealing Order

1. The Receiver respectfully requests that the Offer Summary, purchase price allocation and the unredacted APA, attached as Confidential Appendices “1”, “2” and “3”, respectively, be filed with the Court on a confidential basis and be sealed (“Sealing Order”) as the documents contain confidential information, including with respect to value. If these documents are not sealed, the information may negatively impact realizations on the Purchased Assets if the Transaction does not close. The Receiver is not aware of any party that will be prejudiced if the information is sealed.
2. Sealing this information is beneficial to maximizing value in these proceedings and maintains the integrity of the Sale Process. The salutary effects of sealing such information from the public record greatly outweigh the deleterious effects of doing so under the circumstances. Accordingly, the Receiver believes the proposed Sealing Order is appropriate in the circumstances.

5.0 Receiver’s Activities

1. The Receiver’s activities since the date of the Second Report have included, among other things, the following:
 - a) corresponding with the Mahals and their counsel regarding the Companies’ affairs and these proceedings;
 - b) corresponding with Skymark and its counsel regarding all aspects of this mandate, including providing periodic status updates;
 - c) corresponding with Platform Insurance, the Companies’ insurance broker, regarding an extension of the Companies’ insurance policies to ensure the Property is insured through to the Closing Date in the APA;
 - d) corresponding with Aon Reed Stenhouse Inc., an insurance broker, regarding a new insurance policy for the Companies;
 - e) conducting the Court-approved Sale Process;
 - f) soliciting and reviewing brokerage proposals;
 - g) coordinating with the Realtor regarding the Sale Process;
 - h) drafting all Sale Process related materials, including the ISL;
 - i) compiling information in the VDR;
 - j) facilitating due diligence requests submitted by prospective purchasers throughout the Sale Process, including facilitating site tours;
 - k) reviewing and preparing summaries of offers from prospective purchasers in the Sale Process;

- l) corresponding with representatives of the City of Brantford (the “City”) regarding the status of the outstanding inspections and permits related to the Flour Mill;
- m) corresponding with Callidus Engineering, a building and mechanical engineering firm, regarding its mandate to assist the Receiver to address deficiencies identified by the City;
- n) attending periodically at the Flour Mill to deal with operating matters, including to arrange for the maintenance and general upkeep of the Property;
- o) coordinating extensively with various vendors to arrange key services at the Flour Mill;
- p) reviewing correspondence with certain judgment creditors or counterparties to litigation against the Companies, including Garage Living Inc. and Vivian Group Inc.;
- q) corresponding with Buhler and its counsel regarding its status as a creditor in these proceedings;
- r) corresponding with RCM in regard to status of the proceedings and the Receiver’s funding requests;
- s) preparing periodic statements of receipts and disbursements (“R&D”), including an R&D for the period ended March 31, 2022 a copy of which is provided as Appendix “F”;
- t) corresponding with P&H Milling Group and Enviro-Cor Enterprises Ltd., vendors with expertise in the flour milling industry, regarding a proposal to empty the grain silos and flour bins located at the Flour Mill;
- u) corresponding with Canada Revenue Agency regarding the Companies’ payroll and HST accounts; and
- v) preparing this Report.

6.0 Professional Fees

1. The fees of the Receiver since the commencement of the receivership proceeding to February 28, 2022 total \$319,085, excluding disbursements and HST. Blakes’ fees for the same period total \$184,228.50, excluding disbursements and HST. Fee affidavits and accompanying invoices in respect of the fees and disbursements of the Receiver and Blakes for these periods are attached as Appendices “G” and “H”, respectively, to this Report. As referenced in the R&D, these fees have largely been funded from Receiver’s Certificates issued to RCM, the interim lender.
2. The average hourly rate for the Receiver and Blakes for the referenced billing period was \$540 and \$680, respectively.
3. The Receiver is of the view that Blakes’ hourly rates are consistent with the rates charged by other law firms practicing in the area of insolvency in the Toronto market, and that its fees are reasonable and appropriate in the circumstances.

7.0 Conclusion

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(1)(f) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF
MAHAL VENTURE CAPITAL INC. AND GOLDEN MILES FOOD CORPORATION
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

Appendix “A”

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Skybank Finance Corporation
Plaintiff(s)

AND

Mahel Venture Capital Inc et al
Defendant(s)

Case Management Yes No by Judge: _____

Counsel	Telephone No:	Facsimile No:
(see attached counsel slip)		

- Order Direction for Registrar (No formal order need be taken out)
- Above action transferred to the Commercial List at Toronto (No formal order need be taken out)

- Adjourned to: _____
- Time Table approved (as follows):

This matter returned before me again today. The Respondents have been unable to secure financing as per the Minutes of Settlement.

As per the terms of the Minutes of Settlement the Applicant seeks the appointment of the Receiver.

The Respondents ask that I defer the appointment to allow them an

1 Oct 21

Date

McE...

Judge's Signature

Additional Pages three

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

opportunity to obtain financing through
FCC. as per the Sept 30/21 letter
from FCC.

I decline to do so for the
following reasons:

- ① The time to obtain financing as per
the Minutes of Settlement has passed.
- ② The Respondents have been unable to
secure any financing to date (there
have been two failed attempts) and
have not repaid any of the money
owing to the Applicant.
- ③ They entered into a Consent order
with the Applicant that the Applicant
now seeks to enforce.
- ④ The letter from FCC does not constitute
any form of commitment. It expressly
notes that the "information provided [by
FCC] is not an offer of financing
from FCC". Further, there is no interest

Court File Number: _____

**Superior Court of Justice
Commercial List**

FILE/DIRECTION/ORDER

Judges Endorsment Continued

rate in the letter and we agreed upon terms. Last, it proposes financing by Nov 30/21 - which would be over 4 months from the time this matter first appeared before me - assuming FCC provides financing.

In all of these circumstances it is just and reasonable to appoint the Receiver.

I note that this does not preclude the Respondents from attempting to redeem or purchase the business.

The order shall go as per the draft filed and signed as attached.

McE...

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

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

THE HONOURABLE MR.

)

FRIDAY, THE 1ST DAY

JUSTICE MCEWEN

)

OF OCTOBER, 2021

)

SKYMARK FINANCE CORPORATION

Applicant

- and -

**MAHAL VENTURE CAPITAL INC. and GOLDEN MILES FOOD
CORPORATION**

Respondents

**ORDER
(Appointing Receiver)**

THIS APPLICATION made by the Applicant, Skymark Finance Corporation ("**Skymark**"), 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 KSV Restructuring Inc. as receiver and manager (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings and properties of Mahal Venture Capital Inc. and Golden Miles Food Corporation (collectively, the "**Debtors**") owned or used in connection with the flour mill located on the property municipally known as 155 Adams Blvd., Brantford, Ontario (the "**Real Property**"), was heard this day by video-conference due to the COVID-19 crisis.

ON READING the affidavits of Paul Millar sworn June 24, 2021, June 29, 2021, July 9, 2021, July 13, 2021, the affidavits of Santokh Mahal sworn July 5, 2021 and July 26, 2021, and the exhibits thereto and on hearing the submissions of counsel for Skymark and such other counsel as are listed on the counsel slip, no one else appearing although duly served as appears

from the affidavit of service of Sanea Tanvir sworn June 25, 2021 and on reading the consent of KSV Restructuring Inc. to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for and manner of service of the Notice of Application and the Application is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, KSV Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors owned or used in connection with the flour mill located on the Real Property and all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

3. **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;
- (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

- 3 -

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 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 as follows:
 - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; 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 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;
- (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;

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- (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 file an assignment in bankruptcy on behalf of the Debtors appointing KSV as trustee in bankruptcy; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

4. **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 their 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 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.

5. **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 5 or in paragraph 6 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.

6. **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.

7. **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

8. **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

9. **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

10. **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

11. **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

12. **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

13. **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

14. **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

15. **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

16. **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

17. **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, 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

18. **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 that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (not including Bodkin, a Division of Bennington Financial Corp., the Bank of Nova Scotia and Caterpillar Financial Services Limited, subject to further order of the Court), but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. **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 Commercial List of the Ontario Superior Court of Justice.

20. **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

21. **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, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (not including Bodkin, a Division of Bennington Financial Corp., the Bank of Nova Scotia and Caterpillar Financial Services Limited, subject to further order of the Court), but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. **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.

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

24. **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.

SERVICE AND NOTICE

25. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of

documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) 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 21 of the Protocol, service of documents in accordance with the Protocol 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.ksvadvisory.com/insolvency-cases/case/mahal-venture-capital-inc>>’.

26. **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

27. **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.

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

29. **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.

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

31. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's 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.

32. **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 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.



A handwritten signature in black ink, appearing to read 'McIntosh', is written above a horizontal line.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. **THIS IS TO CERTIFY** that KSV Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of Mahal Venture Capital Inc. and Golden Miles Food Corporation (collectively, the "**Debtors**") owned or used in connection with the flour mill located on the property municipally known as 155 Adams Blvd., Brantford, Ontario, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of _____, 20__ (the "**Order**") made in an action having Court file number __-CL-_____, 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 Toronto, 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

- 2 -

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 _____, 20__.

KSV Restructuring Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

SKYMARK FINANCE CORPORATION

-and-

MAHAL VENTURE CAPITAL INC. and GOLDEN MILES FOOD CORPORATION

Applicant

Respondents

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

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

PROCEEDING COMMENCED AT
TORONTO

ORDER

CHAITONS LLP

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Toronto, Ontario M2N 7E9

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Lawyers for the Applicant

COUNSEL SLIP

Court File Number: CV-21-00664778-00CL	Date: October 1, 2021
Title of Proceeding: Skymark Finance Corporation v. Mahal Venture Capital Inc. and Golden Miles Food Corporation	
Counsel:	Representing:
CHAITONS LLP Harvey Chaiton Tel: (416) 218-1129 E-mail: harvey@chaitons.com Sanee Tanvir Tel: (416) 218-1128 Email: stanvir@chaitons.com	Skymark Finance Corporation
KIRWIN PARTNERS LLP Rodney M. Godard Tel: (519) 255-9840 ext. 112 Email: rgodard@kirwinpartners.com	Mahal Venture Capital Inc. and Golden Miles Food Corporation
BLAKE, CASSELS & GRAYDON LLP Chris Burr Tel: (416) 863-2400 Email: chris.burr@blakes.com Maia Jorgensen Tel: (416) 863-2498 Email: maia.jorgensen@blakes.com	Counsel for KSV Restructuring Inc., Proposed Receiver
WATEROUS HOLDEN AMEY HITCHON LLP Dennis Touesnard Tel: (519) 759-6220 Email: dtouesnard@waterousholden.com	Vicano Construction Limited

GARDINER ROBERTS LLP Rob Winterstein Tel: (416) 865-6790 Email: rwinterstein@grllp.com	Andrew Thomson, 2620509 Ontario Inc., 2580165 Ontario Inc., Cameron Renaud, 1061307 Ontario Inc. and KLN Holdings Inc.
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Other Attendees

Mitch Vininsky Tel: (416) 932-6013 Email: mvininsky@ksvadvisory.com	KSV Restructuring Inc., Proposed Receiver
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Appendix “B”



**First Report to Court of
KSV Restructuring Inc.
as Receiver and Manager of
Mahal Venture Capital Inc. and
Golden Miles Food Corporation**

October 20, 2021

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COURT FILE NO. CV-21-00664778-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

SKYMARK FINANCE CORPORATION

APPLICANT

- AND -

MAHAL VENTURE CAPITAL INC. AND
GOLDEN MILES FOOD CORPORATION

RESPONDENTS

FIRST REPORT OF
KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER

OCTOBER 20, 2021

1.0 Introduction

1. This report ("Report") is filed by KSV Restructuring Inc. ("KSV") in its capacity as receiver and manager ("Receiver") 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 (the "Flour Mill") located on the property municipally known as 155 Adams Blvd., Brantford, Ontario (the "Real Property" and together with the Flour Mill, the "Property").
2. KSV was appointed Receiver of the Companies pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on October 1, 2021 (the "Receivership Order"). A copy of the Receivership Order is provided as Appendix "A".
3. The principal purpose of the receivership proceedings is to allow the Receiver to take possession, preserve, market and sell the Property to maximize value for the Companies' creditors and other stakeholders.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about these proceedings;
 - b) summarize the Receiver's activities since the date of its appointment;
 - c) outline the Receiver's attempts to obtain information and Property from the Companies' principals, Santokh Mahal ("Santokh") and Jesse Mahal ("Jesse", and together with Santokh, the "Mahals"); and
 - d) request that the Court issue an Order:
 - i. directing each of Santokh and Jesse to comply with their obligations under the Receivership Order, including to, among other things, immediately provide to the Receiver all Property and records (physical and electronic) in their possession, power and control;
 - ii. directing each of Santokh and Jesse to return to the Receiver, no later than 5 p.m. (Toronto Time) on October 22, 2021, the PLC (as defined below), or, if not in their possession, to provide to the Receiver the complete contact information of the party in possession of the PLC, including all correspondence regarding the chain of custody of the PLC from the Companies to such party;
 - iii. directing Santokh to return, no later than 5 p.m. (Toronto Time) on October 22, 2021, \$21,500 that was transferred from the bank account of Golden Miles to his personal account on October 4, 2021, after the date of the Receivership Order;
 - iv. directing the Companies' accountants, Gill & Co. ("Gill"), to provide no later than 5 p.m. (Toronto Time) on October 28, 2021 certain Records (as defined in the Receivership Order) and supporting documentation for the payment it received from Golden Miles on October 4, 2021;
 - v. making certain declarations and orders commensurate with the foregoing, as further set out in the draft order attached to the Receiver's motion record; and
 - vi. directing the Mahals, on a joint and severally basis, to pay the costs of the Receiver and its counsel incurred in preparing this Report and seeking the relief herein .

1.2 Currency

1. All amounts in this Report are expressed in Canadian Dollars, unless otherwise noted.

1.3 Restrictions

1. In preparing this Report, the Receiver has relied upon certain of the Companies' unaudited financial statements, limited books and records obtained from Jesse (as discussed below) and discussions with the Mahals and a former advisor to the Companies.

2. The Receiver has not audited, or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Report in a manner that complies with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.

2.0 Background

1. Mahal VC was incorporated in 2014 under the *Business Corporation Act* (Canada) and is a single purpose corporation that owns the Real Property. The Receiver understands that Jesse is the sole officer, director and shareholder of Mahal VC.
2. Golden Miles was incorporated in 2010 as Golden Miles Bread & Bagel Corporation under the *Business Corporations Act* (Ontario) and changed its name to Golden Miles Food Corporation in 2017. The Receiver understands that Santokh, Jesse’s father, is the sole officer, director and shareholder of Golden Miles.
3. The Mahals have advised the Receiver that Mahal VC owns the Real Property and that Golden Miles owns the machinery, equipment and vehicles used in connection with the Flour Mill. Golden Miles operates from the Real Property and describes itself in its unaudited financial statements as at June 30, 2020 as being “engaged in the sale of cookies, crackers, and dried plant material”.
4. Construction of the Flour Mill appears to be substantially complete; however, it has not been issued the permits, licenses and approvals necessary to operate from the relevant authorities, including the City of Brantford and various health and safety regulators.
5. The Receiver understands that the Companies had no employees as of the date of the Receivership Order. As discussed further below, the Mahals have not provided the Receiver with any information regarding the Companies’ obligations, including any amounts owing to its former employees.
6. Skymark Financial Corporation (“Skymark”) is the Companies’ largest creditor. As of the date of the Receivership Order, and for the reasons described below, KSV determined that the Companies were indebted to Skymark in the amount of approximately \$29.2 million¹. The Skymark debt relates to various loans to Mahal VC in connection with mortgages granted by Mahal VC on the Real Property (the “Mahal Loans”) and to Golden Miles in connection with equipment financing (the “GM Loans”, and together with the Mahal Loans, the “Loans”). The Receiver understands that the primary purpose of the Loans was to construct a Flour Mill on the Real Property.
7. The Skymark receivership application materials and related documentation provide details concerning the defaults under the Loans and subsequent events resulting in these proceedings. These materials include the Minutes of Settlement dated July 26, 2021 between Skymark and the Companies (the “Minutes”) pursuant to which, among other things, KSV was engaged to determine the amount owing under the Loans.

¹ This Skymark facility consists of approximately \$19.7 million owing by Mahal VC and approximately \$9.5 million owing by Golden Miles.

8. The Receiver has been provided with a copy of a promissory note allegedly issued by Golden Miles to Santokh in the approximate amount of \$24.1 million, together with a general security agreement dated December 14, 2020. Santokh filed a financing statement in the *Personal Property Security Act* (Ontario) (the “PPSA”) registry against Golden Miles on December 16, 2020.
9. Several other parties have also made registrations against Golden Miles under the PPSA and/or filed charges or liens against the Real Property, including (i) a construction lien in 2019 by Vicano Construction Limited (“Vicano”), one of the Companies’ former general contractors, in the approximate amount of \$5.8 million; (ii) a number of transfers of charges by parties that funded Skymark so that Skymark could make the Loans; and (iii) a mortgage in 2021 by Santokh, in the approximate amount of \$35 million.
10. As set out in Section 3 below, the Receiver has located virtually no books and records of the Companies and therefore has been unable to compile creditor lists, which were required for the Receiver’s statutory report to the Office of Superintendent of Bankruptcy which was due ten days after the granting of the Receivership Order. Accordingly, all indebtedness referred to in this Report should be considered preliminary.
11. The Receiver’s counsel, Blake, Cassels & Graydon LLP (“Blakes”), is currently reviewing the validity and priority of the security interests claimed or registered against the Property. The limited records provided by the Companies have forced the Receiver and Blakes to rely on records provided by the respective secured creditors, which has delayed the process. The Receiver will report on the results of this security review when it is complete.

3.0 Receiver’s Activities

1. The Mahals have provided minimal cooperation and information to the Receiver since its appointment. The Receiver’s dealings with the Mahals are set out in Section 3.1 and 3.2 below.
2. Notwithstanding the minimal cooperation, the Receiver has taken steps to secure the Property and gather information relating to the Companies as expeditiously and cost-effectively as possible. Among other things, the Receiver has:
 - a) secured the Flour Mill by changing the locks, installing exterior security cameras, disabling the exterior gates (the “Gates”) and arranging periodic security patrols at the Real Property;
 - b) reviewed records provided by Skymark and its counsel;
 - c) met with certain of the Companies’ vendors, including:
 - i. Buhler Canada Inc., an international milling equipment supplier;
 - ii. Fluid Construction Inc., the most recent general contractor of the Flour Mill;
 - iii. Vicano, the former general contractor and current construction lien claimant, as described above;

- iv. Pelican Woodcliff Inc., a cost consultant engaged by Golden Miles to review its construction budget; and
- v. several vendors that maintained the Flour Mill's alarms, sprinklers and equipment;
- d) met with Richard Rossetti, an engineer involved in the design and construction of the Flour Mill. Mr. Rossetti accompanied the Receiver on a tour of the Flour Mill, identified deficiencies that, in his view, need to be addressed, and provided the Receiver with extensive electronic data regarding the Property;
- e) met with the Companies' insurance agent and representatives of one of the Companies' insurers in order to maintain insurance for the Property;
- f) corresponded with financial institutions where the Companies hold accounts²;
- g) held discussions and corresponded with certain judgment creditors or counterparties to litigation, such as Garage Living Inc. (which has a \$61,000 judgment against the Companies) and Vivian Group Inc. (which has advanced a \$750,000 trust claim, among other claims, against the Companies); and
- h) corresponded with Gill, the Companies' accountants.

3.1 Attendances at the Flour Mill and Missing Records and Property

First Attendance – July 30, 2021

1. Pursuant to the Minutes, the Companies agreed that KSV would be entitled to “attend at the [Flour Mill] to make an inventory of and inspect the condition of the collateral secured under the [Loans] and report its findings to Skymark.” The Companies agreed in the Minutes to “provide all reasonable assistance to KSV or its representatives to enable the inspection provided for in [the Minutes] to take place, including without limitation, providing physical access to the [Flour Mill] and promptly responding to any questions or requests from KSV or its representatives”.
2. On July 30, 2021, KSV engaged an agent to visit the Flour Mill (the “July Inspection”). KSV's agent was initially refused access by Santokh, and ultimately only permitted by Santokh to enter the Flour Mill on the basis that no photographs, notes or other recordings be taken. KSV's records of the July Inspection are accordingly based on a recount by its agent immediately following the July Inspection.

Second Attendance – October 1, 2021

3. On October 1, 2021, representatives of the Receiver attended outside the Flour Mill, awaiting the granting of the Receivership Order which was being taken out on consent that day pursuant to the terms of the Minutes.

² Based on banking information the Receiver obtained from Skymark related to the Companies. The Mahals have not provided the Receiver with any of the Companies' bank account details.

4. Pending the granting of the Receivership Order, the Receiver observed both Jesse and Santokh removing bags and boxes from the office entrance of the Flour Mill into their respective vehicles. The Receiver did not review the contents of these bags and boxes as the removal was completed prior to the Receiver's appointment. The Receiver has requested that the contents of these bags and boxes be provided to the Receiver; however, this request has been ignored.
5. Immediately upon issuance of the Receivership Order, the Receiver entered the Flour Mill, accompanied by the Mahals, to undertake its duties and exercise the powers granted by the Receivership Order. The Receiver's observations on October 1, 2021 included:
 - a) numerous empty racks with loose/disconnected wiring inside the server room – only one server remained;
 - b) office furniture, including desks, chairs, monitors, keyboards and wires, but no CPUs or laptop computers;
 - c) no physical records, financial or otherwise, stored on the site;
 - d) no security camera monitoring equipment, despite numerous security cameras installed both inside and outside the Flour Mill; and
 - e) large bags and boxes of raw tobacco located inside and outside the premises (the "Tobacco").
6. The Receiver questioned the Mahals regarding the above, including the absence of records inside the office area. The Mahals advised the Receiver that no Property or records had been removed, yet neither of them identified where any records were located.
7. At the July Inspection, KSV's agent observed equipment, including servers, security monitoring equipment and CPUs, in the Flour Mill that were no longer there on October 1, 2021. The Receiver inquired about the location of these specific assets, and the Mahals again advised, without explanation, that no Property had been removed.
8. As part of securing of the Flour Mill, the Receiver attempted to change the passcode on the Gates which secure the premises from vehicle access. The Receiver was unable to reprogram the Gates and therefore disabled them by disconnecting the Gate-opening mechanism from the power source. This would ensure that no vehicles could access the Flour Mill over the weekend of October 2 and 3, 2021.
9. On Monday, October 4, 2021, the Receiver re-attended at the Property and observed that the Gates were open and the power supply physically reconnected. The Receiver requested an explanation from the Mahals. The Mahals' counsel at the time, Kirwin Partners LLP ("Kirwin"), advised that "the gate to the plant has a malfunction which causes it to open spontaneously in damp weather." An explanation was not provided as to how the weather could cause cables to be physically reconnected. Kirwin advised that the Mahals did not attend at the Property on October 2 or 3, 2021.

3.2 Written Requests for Information From the Companies and Mahals

1. Due to the issues described above, the Receiver and Blakes made numerous written requests to the Mahals and their counsel.
2. On October 1, 2021, Blakes advised Kirwin, the Companies' counsel at the time, (the "October 1st Correspondence") that the Receiver's representatives did not locate any digital or physical records and required that Jesse and Santokh "advise of the existence of all physical and digital records, and to provide access to and copies of same." In a follow up email on the same date, Blakes requested details regarding the Companies' insurance as soon as possible. Neither Kirwin nor the Companies responded to these requests. A copy of the October 1st Correspondence is attached as Appendix "B".
3. Blakes sent a letter dated October 4, 2021 (the "October 4th Letter") to Kirwin and requested, among other things, that:
 - a) Jesse and Santokh return the Property that was found to be missing from the Flour Mill and disclose the location of any and all other Property of the Companies that is subject to the Receivership Order;
 - b) Jesse and Santokh disclose the location of the Companies' books and records and permit the Receiver to make, retain and take copies of these records; and
 - c) all information and records specifically identified in Schedule "A" to the October 4th Letter be provided to the Receiver by noon on October 5, 2021. The Receiver also requested that the computers and other electronic devices of the Mahals (the "Devices") be provided to the Receiver so that they could be imaged.

A copy of the October 4th Letter is provided as Appendix "C".

4. Kirwin responded by email on October 5, 2021 to the October 4th Letter (the "October 5th Email") and indicated that "Santosh takes his obligations under the order seriously. I will assist in coordinating a meaningful response to the information requested in schedule A to your letter without further delay." The response from Kirwin, among other things, requested that the Receiver provide further specifics regarding the missing Property and the books and records. The October 5th Email is provided, without attachments, as Appendix "D".
5. Along with the October 5th Email, the Receiver was provided with a one-page document that listed six vendor accounts and court file links to ongoing litigation between the Companies and Vicano. In addition to the response from Kirwin, Santokh emailed to Blakes a copy of a recent electricity bill. The electricity bill was addressed to Santokh's personal residence.
6. Following the October 5th Email, Blakes sent a follow-up letter dated October 5, 2021 (the "October 5th Letter") to Kirwin which responded to questions from Kirwin. A copy of the October 5th Letter is attached as Appendix "E".
7. The Receiver was advised by Jesse on October 6, 2021 that the Mahals had retained Dickinson Wright LLP ("Dickinson"). A notice of change of lawyer was filed by Dickinson in these proceedings on October 6, 2021, which advised that Kirwin had been replaced by Dickinson as lawyers of record for the Companies.

8. On October 6, 2021, Blakes prepared an email (the “October 6th Email”) to Dickinson regarding the complete lack of cooperation from the Mahals and their breaches of and disregard for the Receivership Order. The October 6th Email, which included the October 4th Letter and the October 5th Letter, is provided, without attachments, as Appendix “F”.
9. On October 7, 2021, on a call with the Receiver, Blakes, Dickinson and Jesse (the “October 7th Phone Call”), Jesse advised that he would upload the information requested by the Receiver to a data room. While Jesse provided numerous documents, he did not do so in a manner that was responsive to the Receiver’s information requests. He provided a “data dump” of what appear to be selective and outdated engineering files, site-drawings, floor plans, old invoices, budgets, old statements of account from Vicano and Fluid and certain property assessment documents. The documents uploaded in the data room did not include any of the financial books and records, bank or Canada Revenue agency (“CRA”) account numbers, permit related documents, and certain other documents which the Receiver had requested on a priority basis. The Mahals also ignored the Receiver’s requirement that they provide the Devices.
10. Following its review of the data upload, the Receiver advised Jesse on October 12, 2021 that the information it received was deficient and summarized, yet again, its requirements, including the Devices. No response was provided.
11. Later on October 12, 2021, the Receiver requested that Jesse provide the Receiver with the key to the mailbox at the Real Property and the “PCL (*sic*) Controller unit which has all the software programs to run the mill” as Jesse had previously advised the Receiver that the programmable logic controller (the “PLC”), an industrial computer adapted for the control of manufacturing processes which contains the essential software and source code required to operate the Flour Mill, was moved to the basement of the Flour Mill.
12. It is the Receiver’s understanding, based on its consultations with third party experts, that without the PLC, the Flour Mill is inoperable.
13. On October 13, 2021, Jesse advised the Receiver:
 - a) “Still acquiring remaining information requested”; and
 - b) “PLC control is with supplier in Europe for further coding. They require payment and need to come over to install and commission all machines.”
14. Copies of the October 12 and 13, 2021 emails (the “October 12th and 13th Emails”) are attached as Appendix “G”.
15. On the morning of October 20, 2021, Jesse attended at the Flour Mill with a representative of the Receiver in order to recover certain property that is not subject to the Receivership Order. Jesse produced a laptop and agreed to let the Receiver copy it; however, he advised that he was not willing to leave the laptop with the Receiver and requested to be present when the device is being imaged. This is acceptable to the Receiver, and the Receiver is prepared to coordinate a technician to undertake such imaging forthwith with Jesse present.

3.3 Gill & Co.

1. During the October 7th Phone Call, Jesse advised the Receiver that hard copies of the Companies' books and records had recently been sent to Gill.
2. Based on the Receiver's review of bank account information obtained directly from the Companies' banks (described below in section 3.4), the Receiver identified a \$15,750 cheque from Golden Miles to Gill that cleared on October 4, 2021, three days after the Receiver was appointed.
3. On October 14, 2021, representatives of the Receiver contacted Pardeep Gill of Gill ("Ms. Gill") by telephone to request access to the accounting and tax records of the Companies. On this call, the Receiver specifically requested the Companies' financial statements and tax returns. On October 14, 2021, the Receiver followed up with an email, attaching the Receivership Order and requesting a call the next day (October 15, 2021).
4. Ms. Gill responded by email on October 18, 2021 proposing a call on Wednesday, October 20, 2021. The Receiver responded by requesting a call that day (October 18, 2021) due to urgency. Receiving no response, the Receiver followed up by email again on October 18, 2021 reiterating its request for the Companies' financial statements and tax returns. No response was received.
5. On October 19, 2021, the Receiver emailed Ms. Gill again, asking for a response and specifically requesting (a) all trial balances and financial statements of the Companies, in draft or final form, (b) all draft and filed tax returns of the Companies, (c) details of any and all funds that Gill currently holds on behalf of the Companies or the Mahals, and (d) a copy of the invoice related to the \$15,750 cheque that cleared on October 4, 2021. This email requested a response by noon the next day (October 20, 2021).
6. At 12:56 p.m. on October 20, 2021, the Receiver was contacted by Navjot Mahant of Gill who advised "I see a meeting scheduled with you today in Pardeep's calendar for 1 o'clock. However, Pardeep is out of the office and has been sick for the last two days. I will find a new time for you and schedule a meeting". Copies of the emails between the Receiver and Gill are provided in Appendix "H".
7. The Receiver has not been provided with any of the Records it has requested from Gill. Gill is in receipt of funds that may be Property (as defined in the Receivership Order) and the Receiver has been advised by Jesse that material Records (as defined in the Receivership Order) have been transferred to Gill. Accordingly, the Receiver is seeking an order specifically directing Gill to make the disclosure required by the Receivership Order.

3.4 Bank Accounts

1. As referenced above, the Mahals have not provided the Receiver with any of the Companies' banking information.

2. Based on information provided by Skymark (including cheque copies), the Receiver has been able to identify a bank account held by Mahal VC at Royal Bank of Canada (“RBC”) and accounts held by Golden Miles at Toronto-Dominion Bank (“TD”). Based on this information, the Receiver advised RBC and TD of the Receivership Order and requested account details. Their responses are summarized below:
 - a) RBC advised that Mahal VC’s account has been set to deposits only per the Receiver’s request. The Receiver has requested account balance details and an account history for the last 12 months; and
 - b) TD advised that Golden Miles maintained three accounts and provided to the Receiver account histories for the last 12 months. The Receiver notes that:
 - i. two of these accounts were closed on July 26, 2021 and the remaining active account had a balance of \$41,074 on the date of the Receivership Order;
 - ii. the address of the bank statements is Jesse’s personal residence; and
 - iii. a transfer was made on October 4, 2021 from account 5325309 in the amount of \$21,500. Following an inquiry with TD, the Receiver was advised that this transfer was made to Santokh. An extract of the TD statement for account 5325309 and confirmation from TD regarding the transfer is provided as Appendix “I”.

3.5 The Tobacco

1. Blakes and the Receiver requested documentation from the Mahals related to the Tobacco that was discovered at the Property, described above.
2. The response to this request in the October 5th Email was that “the Tobacco leaf product at the mill is not Property as defined in the receivership order. In any event, it is damaged and is at the mill waiting to be discarded.” In a subsequent phone call on October 5, 2021 between Blakes and Kirwin, Blakes was advised that the Tobacco was imported from India and sold to local indigenous communities.
3. During the October 7th Phone Call, Jesse advised that certain unknown parties dumped tobacco near the Companies’ garbage bin for disposal, without the Companies’ knowledge or consent. The Receiver asked Jesse to explain how several large unopened boxes of tobacco were also located inside the warehouse of the Flour Mill. Jesse responded that they were “moving stuff around” and so some of the Tobacco was moved into the warehouse.
4. Having been provided with no permits, licences, stamps or other documentation with respect to the Tobacco, and having received inconsistent explanations for the existence of a material volume of a controlled substance at the Flour Mill, the Receiver contacted Health Canada and the City of Brantford for guidance and direction on the disposal of the Tobacco. The Receiver anticipates that the Tobacco will be disposed of in the short term, in accordance with directions from Health Canada and the City of Brantford.

4.0 Summary of Deficiencies

1. As of the date of this Report, the Receiver has not been provided with most of the items requested in its original information request list or in the October 12th and 13th Emails, including without limitation:
 - a) the financial accounting records of the Companies, digital or physical;
 - b) information regarding the Companies' bank accounts;
 - c) copies of all permits, certifications, licenses, patents, and approvals obtained or pending in connection with the Property;
 - d) the Devices for Jesse and Santokh;
 - e) the location of the Property that was identified as missing from the Flour Mill;
 - f) accounts payable listings with addresses and contact information for the Companies;
 - g) access to all email accounts associated with Mahal VC and Golden Miles;
 - h) any permits, stamps or registrations connected to the Tobacco identified at the Property; and
 - i) notices and account statements from CRA.
2. The Receiver has also not been provided with any information regarding the location of the PLC, despite it being one of the most important components of the Flour Mill.
3. Santokh furthermore appears to have transferred \$21,500 from Golden Miles to himself after the Receiver was appointed, without the Receiver's authorization or knowledge. The absence of books and records has prevented the Receiver from reviewing this transfer. Unless and until those funds have been determined by the Receiver to be outside of the scope of the Receivership Order, they should be returned.
4. The virtual absence of cooperation and disclosure by the Mahals and their apparent attempts to frustrate the process is preventing the Receiver from undertaking its duties under the Receivership Order. The realizable value of the Property may be materially impaired if the Mahals do not provide the Receiver with the information and Property it has requested.

5.0 Conclusion and Recommendation

1. Overall, the Receiver is of the view that the Mahals have demonstrated an intent to delay, hinder and defeat the Receiver in its ability to perform its duties as set out in the Receivership Order. The majority of the Receiver's requests have been ignored, and in the limited circumstances where information has been provided, the Mahals' responses have been implausible (for example that rain re-connected the disconnected power source for the Gates) or inconsistent (for example with respect to the Tobacco).

2. The Receiver and its counsel have made numerous and repeated requests and demands for Records and Property since being appointed, each in accordance with the Receiver's powers and entitlements under the Receivership Order. As outlined above, these requests and demands have had very little effect and have largely been ignored by the Mahals. This has left the Receiver with no choice but to bring the within motion, incur the costs of preparing this Report and attend at Court. These costs could have been avoided had the Mahals cooperated and fulfilled their obligations under the Receivership Order. In the Receiver's view, it is unfair and inappropriate for the creditors of the Companies to bear these costs. The Mahals ought to be personally liable for the costs that their behaviour has caused.
3. The Receiver respectfully requests the Court's assistance to fulfil its mandate. The Receiver is not, at this time, seeking an expansion of the powers granted to it in the Receivership Order, but rather directions to the Mahals and Gill to comply with the Receiver's existing powers. It is apparent to the Receiver that without such directions, the Receiver will continue to be ignored.
4. Accordingly, the Receiver respectfully requests that the Court make an Order:
 - a) directing each of Santokh and Jesse to comply with their obligations under the Receivership Order, including to, among other things, immediately provide to the Receiver all Property and records (physical and electronic) in their possession, power and control;
 - b) directing each of Santokh and Jesse to return to the Receiver, no later than 5 p.m. (Toronto Time) on October 22, 2021, the PLC, or, if not in their possession, to provide to the Receiver the complete contact information of the party in possession of the PLC, including all correspondence regarding the chain of custody of the PLC to such party;
 - c) directing Santokh to return, no later than 5 p.m. (Toronto Time) on October 22, 2021, \$21,500 that was transferred from the bank account of Golden Miles to his personal account on October 4, 2021, after the date of the Receivership Order;
 - d) directing Gill to provide, no later than 5 p.m. (Toronto Time) on October 28, 2021, certain Records (as defined in the Receivership Order) and supporting documentation for the payment it received from Golden Miles on October 4, 2021;
 - e) declaring that the Mahals are personally liable, on a joint and several basis, for the reasonable costs of the Receiver and its counsel incurred in connection with the preparation of this Report and their attendance at the motion seeking the within relief; and
 - f) making certain declarations and orders commensurate with the foregoing, as further set out in the draft order attached to the Receiver's motion record.
5. The Receiver is also seeking that the Mahals pay personally and forthwith the Receiver's costs of preparing this Report, costs thrown away due to Mahals' refusal to comply with the terms of the Receivership Order which was granted three weeks ago.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF
MAHAL VENTURE CAPITAL INC. AND GOLDEN MILES FOOD CORPORATION
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

Appendix “C”



**Second Report to Court of
KSV Restructuring Inc.
as Receiver and Manager of
Mahal Venture Capital Inc. and
Golden Miles Food Corporation**

November 15, 2021

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COURT FILE NO. CV-21-00664778-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

SKYMARK FINANCE CORPORATION

APPLICANT

- AND -

MAHAL VENTURE CAPITAL INC. AND
GOLDEN MILES FOOD CORPORATION

RESPONDENTS

SECOND REPORT OF
KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER

NOVEMBER 15, 2021

1.0 Introduction

1. This report (this “Report”) is filed by KSV Restructuring Inc. (“KSV”) in its capacity as receiver and manager (“Receiver”) 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 (the “Flour Mill”) located on the property municipally known as 155 Adams Blvd., Brantford, Ontario (the “Real Property” and together with the Flour Mill, the “Property”).
2. KSV was appointed Receiver of the Companies pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “Court”) made on October 1, 2021 (the “Receivership Order”). A copy of the Receivership Order is provided as Appendix “A”.
3. The principal purpose of the receivership proceedings is to allow the Receiver to take possession, preserve, market and sell the Property to maximize value for the Companies’ creditors.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about these proceedings;
 - b) summarize the proposed sale process for the Property to be carried out by the Receiver (the “Sale Process”);
 - c) summarize the status of the Companies’ insurance;
 - d) summarize the terms under which the Receiver proposes to borrow up to \$2 million under Receiver Certificates (the “Receiver’s Borrowings”) pursuant to a term sheet from RCM Capital Management or its nominee (“RCM”);
 - e) summarize the Receiver’s rationale for assigning the Companies into bankruptcy pursuant to the Receiver’s powers in the Receivership Order;
 - f) summarize the Receiver’s activities since the date of the First Report to Court dated October 20, 2021 (the “First Report”); and
 - g) request that the Court issue an Order:
 - i. approving the Sale Process;
 - ii. amending the Receivership Order to:
 - increase the Receiver’s borrowing limit in paragraph 21 of the Receivership Order from \$500,000 to \$2 million;
 - explicitly enable the Receiver to pay reasonable fees or charges in respect of borrowings; and
 - elevate the priority of the Receiver’s Charge and Receiver’s Borrowings Charge above the charges of the three secured creditors in respect of which the Receiver’s Charge and Receiver’s Borrowings Charge are currently subordinate;
 - iii. sealing Confidential Appendix “1” to this Report; and
 - iv. approving the First Report, this Report and the Receiver’s activities as set out in this Report and the First Report.

1.2 Currency

1. All amounts in this Report are expressed in Canadian Dollars, unless otherwise noted.

1.3 Restrictions

1. In preparing this Report, the Receiver has relied upon certain of the Companies’ unaudited financial statements, limited books and records obtained from the Companies’ principals, Santokh Mahal (“Santokh”) and Jesse Mahal (“Jesse”, and together with Santokh, the “Mahals”) and discussions with the Mahals and a former advisor to the Companies.

2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Report in a manner that complies with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.

2.0 Background

1. Mahal VC was incorporated in 2014 under the *Canada Business Corporations Act* and is a single purpose corporation that owns the Real Property. The Receiver understands that Jesse is the sole officer, director and shareholder of Mahal VC.
2. Golden Miles was incorporated in 2010 as Golden Miles Bread & Bagel Corporation under the *Business Corporations Act* (Ontario) and changed its name to Golden Miles Food Corporation in 2017. The Receiver understands that Santokh, Jesse’s father, is the sole officer, director and shareholder of Golden Miles.
3. The Mahals have advised the Receiver that Mahal VC owns the Real Property and that Golden Miles owns the machinery, equipment and vehicles used in connection with the Flour Mill. Golden Miles operates from the Real Property and describes itself in its unaudited financial statements as at June 30, 2020 as being “engaged in the sale of cookies, crackers, and dried plant material”.
4. Construction of the Flour Mill appears to be substantially complete; however, it has not been issued the permits, licenses and approvals necessary to operate from the relevant authorities, including the City of Brantford and various health and safety regulators. The City of Brantford has provided the Receiver with a list of deficiencies required to be addressed before an occupancy permit can be issued.
5. The Mahals have advised the Receiver that the Companies had no employees as of the date of the Receivership Order.

2.1 Secured Creditors

1. Skymark Finance Corporation (“Skymark”) is the Companies’ largest creditor. As of the date of the Receivership Order, the Companies were indebted to Skymark in the amount of approximately \$29.2 million¹. The Skymark debt relates to various loans to Mahal VC in connection with mortgages granted by Mahal VC on the Real Property (the “Mahal Loans”) and to Golden Miles in connection with equipment financing (the “GM Loans”, and together with the Mahal Loans, the “Loans”). The Receiver understands that the primary purpose of the Loans was to construct the Flour Mill on the Real Property.

¹ This Skymark facility consists of approximately \$19.7 million owing by Mahal VC and approximately \$9.5 million owing by Golden Miles.

2. Several parties have advised the Receiver that they have interests in the Mahal Loans and the mortgages that secure them, including Andrew Thompson, 2620509 Ontario Inc., 2580165 Ontario Inc., Cameron Renaud, 1061307 Ontario Inc. and KLN Holdings. These parties are collectively represented by Gardiner Roberts LLP and are referred to in this Report as the “Gardiner Parties”. The Receiver has not yet assessed the claims of the Gardiner Parties but it has been provided with supporting documentation from their counsel and notes their security registrations against the Real Property.
3. The Receiver has been provided with a copy of a promissory note allegedly issued by Golden Miles to Santokh in the approximate amount of \$24.1 million, together with a general security agreement dated December 14, 2020. Santokh filed a financing statement in the *Personal Property Security Act* (Ontario) (the “PPSA”) registry against Golden Miles on December 16, 2020.
4. In addition to Skymark and Santokh, the following parties have registered PPSA financing statements against Golden Miles:
 - a) Bodkin, a division of Bennington Financial Corp. (“Bodkin”), in respect of aluminum grain tank trailers;
 - b) The Bank of Nova Scotia (“BNS”), in respect of a 2019 Ford F150 (the “Ford Truck”);
 - c) Caterpillar Financial Services Limited (“Caterpillar”), in respect of a Caterpillar 259D3 compact track loader; and
 - d) Toyota Industries Commercial Finance Canada Inc. (“Toyota”), in respect of certain forklifts (the “Toyota Forklifts”).
5. Several other registrations have been made against the Real Property, including:
 - a) a construction lien in 2019 by Vicano Construction Limited, one of the Companies’ former general contractors, in the approximate amount of \$5.8 million;
 - b) a number of transfers of charges by the Gardiner Parties; and
 - c) a mortgage in 2021 by Golden Miles, in the approximate amount of \$35 million.
6. The Receiver’s counsel, Blake, Cassels & Graydon LLP (“Blakes”), has been reviewing the validity and priority of the security interests claimed or registered against the Property. The Receiver will report on the results of this security review when it is complete.

2.2 Additional Information

1. Additional information regarding the Companies and these proceedings is included in the First Report, a copy of which is provided, without appendices, in Appendix “B”. Materials filed with the Court in this proceeding can be accessed from the Receiver’s website at: <https://www.ksvadvisory.com/insolvency-cases/case/Golden-Miles-Food-Corporation>.

3.0 Recovery of Books and Records

1. As set out in the First Report, the Receiver had located virtually none of the Companies' books and records when it was appointed and received minimal cooperation from the Mahals.
2. As a result of the lack of records and cooperation, the Receiver brought a motion seeking disclosure, compliance with the Receivership Order and the return of certain funds (in each case discussed in further detail in the First Report). This motion was resolved by way of a consent order issued on October 26, 2021, a copy of which is provided as Appendix "C" (the "Consent Order").
3. The Mahals provided information to the Receiver subsequent to the date of the First Report being filed, including information related to the Companies' creditors. Further information was provided following the issuance of the Consent Order. Accordingly, the Receiver issued a revised Notice and Statement of the Receiver pursuant to Subsection 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") in respect of Golden Miles to include information regarding Golden Miles' creditors. As no additional creditors were identified for Mahal VC, a revised statement was not issued.
4. The funds required to be returned to the Receiver in Paragraph 1 of the Consent Order, and the costs required to be paid to the Receiver in Paragraph 2 of the Consent Order, were paid by the Mahals following the issuance of the Consent Order.

4.0 Sale Process

1. As detailed in the First Report, the Receiver met with the Mahals immediately following issuance of the Receivership Order and toured the Flour Mill. As the Companies have not received the required permits, the Flour Mill has not operated other than for testing purposes.
2. Throughout October 2021, the Receiver met with several parties, including engineers and consultants that had worked with the Companies in the design and construction of the building, to understand the status of the project and what remains for it to be completed. The Receiver also learned that the Companies had planned to reconfigure certain equipment that has been delivered to the Flour Mill but not yet installed.
3. The Receiver discussed, at a high level, the Flour Mill's potential production capacity, equipment configuration and market prospects with two major flour milling companies to understand, among other things, their diligence requirements if they were to participate in a sale process. Based on input received from prospective purchasers, the Receiver is recommending a ten-week diligence period for prospective purchasers to submit bids in the Sale Process. Prospective purchasers have advised the Receiver that they will require this extended timeline due to, among other things, the upcoming holiday season, the need to diligence the equipment in the Flour Mill and to understand permitting requirements from the City of Brantford.
4. The Receiver developed the Sale Process based on its discussions with certain of the Companies' stakeholders, including with Skymark who the Receiver understands supports the process.

5. The Sale Process is summarized in the table below.

Sale Process		
Milestone	Description of Activities	Estimated Timeline
<i>Phase 1 – Underwriting</i>		
Marketing materials	<ul style="list-style-type: none"> ➤ The Receiver will prepare: <ul style="list-style-type: none"> ○ an interest solicitation letter (“ISL”); ○ a form of non-disclosure agreement (“NDA”); and ○ a virtual data room. 	In process
Prospect Identification	<ul style="list-style-type: none"> ➤ The Receiver will prepare a list of prospective purchasers who may be interested in the opportunity (the “Prospective Purchasers”). This list will include parties that: <ul style="list-style-type: none"> ○ have expressed interest to the Receiver or requested an ISL; ○ are recommended to the Receiver by the Companies, Skymark or any other stakeholder; and ○ the Receiver identifies through its research. 	
<i>Phase 2 – Marketing</i>		
Interest Solicitation	<ul style="list-style-type: none"> ➤ The Receiver will contact Prospective Purchasers and provide them with the ISL and NDA. An ISL and NDA will also be provided to any party that reasonably requests same. 	Weeks 1 –10
Access to Data Room	<ul style="list-style-type: none"> ➤ Upon execution of the NDA, Prospective Purchasers will be provided: <ul style="list-style-type: none"> ○ access to the data room; and ○ other information that becomes available to the Receiver, including any reports associated with the Property. ➤ The Receiver reserves the right to refuse access to the data room and other information, or to restrict access to the data room and other information from parties previously granted such access, in the event that the Receiver believes, in its sole reasonable discretion, that such party is not a <i>bona fide</i> potential purchaser, including taking into account, without limitation, the financial wherewithal of the party. ➤ The Receiver and its representatives and advisors are not responsible for, and will bear no liability with respect to, any information obtained by any party in the data room or otherwise from the Receiver. 	

Sale Process		
Milestone	Description of Activities	Estimated Timeline
Diligence	<ul style="list-style-type: none"> ➤ Interested parties to conduct diligence, including: <ul style="list-style-type: none"> ○ accessing the information in the data room (including financial information, all critical contracts, designs, drawings, schematics, etc.); ○ attending site tours at the Flour Mill; and ○ attending meetings with former advisors to the Companies, if possible and upon request. 	
Offer Deadline	<ul style="list-style-type: none"> ➤ Binding offers are to be submitted on or before 4:00 pm (Toronto Time) on January 31, 2022. ➤ Offers shall be submitted by way of a form of asset purchase agreement. <ul style="list-style-type: none"> ○ The Receiver will upload to the data room a standard form Asset Purchase Agreement (the “Transaction Documents”). ○ When submitting offers, bidders will be required to blackline any changes to the Transaction Documents. 	January 31, 2022
Post-Bidding Negotiation	<ul style="list-style-type: none"> ➤ The Receiver, in its sole discretion, may invite certain parties to participate in further rounds of bidding. The Receiver may also seek to clarify terms of the offers submitted and to negotiate such terms. 	After Offer Deadline
<i>Phase 3 – Offer Review and Negotiations</i>		
Selection of Successful Offer(s)	<ul style="list-style-type: none"> ➤ The Receiver will select the successful bidder, having regards to, among other things: <ul style="list-style-type: none"> ○ Total consideration (cash and assumed liabilities); ○ Form of consideration being offered; ○ Third party approvals required; ○ Conditions (including any financing conditions); ○ Other factors affecting the speed, certainty and ease of closing. ➤ 	Week 11
Sale Approval Motion	<ul style="list-style-type: none"> ➤ Upon selection of the successful offer(s), the Receiver will seek Court approval of the successful offer(s), on not less than 7 calendar days’ notice to the service list and registered secured creditors. 	ASAP
Closing	<ul style="list-style-type: none"> ➤ As soon as possible following Court approval. 	ASAP

Sale Process		
Milestone	Description of Activities	Estimated Timeline
<i>General Terms and Conditions</i>		
As-is, where-is	<ul style="list-style-type: none"> ➤ The Property will be marketed and sold on an “as-is, where-is” basis, with no representations, warranties or assurances of fitness for use. 	
Free and Clear of Claims	<ul style="list-style-type: none"> ➤ To the extent permitted by law, all of the rights, title and interests of the Companies in the Property will be sold free and clear of all pledges, liens, security interests, encumbrances and claims, pursuant to an approval and vesting order to be sought by the Receiver. 	
Court Approval	<ul style="list-style-type: none"> ➤ Any transaction or transactions by the Receiver for the Property pursuant to the Sale Process shall be subject to approval by the Court. 	
Modification, Termination & Waiver	<ul style="list-style-type: none"> ➤ The Receiver shall have the right, at any time and in its sole discretion, to: <ul style="list-style-type: none"> ○ waive strict compliance with the terms of the Sale Process, including deadlines; ○ modify the procedures set out herein (including altering the deadlines); ○ adopt such other procedures that will, in the Receiver’s sole discretion, better promote the sale of the Property or increase the aggregate recoveries from same; ➤ Any material modifications to, or the termination of, the Sale Process shall require Court approval. 	
Advice and Directions	<ul style="list-style-type: none"> ➤ At any time during the Sale Process, the Receiver shall be at liberty to seek advice and directions from the Court in respect of any aspect of the Sale Process. 	

4.1 Sale Process Recommendation

1. The Receiver recommends that the Court issue an order approving the Sale Process for the following reasons:
 - a) the proposed Sale Process is fair, open and transparent and is intended to canvass the market broadly on an orderly basis;
 - b) given the specialized, industry-specific nature of the Property, the Receiver believes that the pool of potential buyers is limited and that the approach to locate prospective purchasers set out in the Sale Process is sufficient to reach substantially all interested parties;
 - c) there will be no delay commencing the Sale Process which is important given (i) the material carrying costs associated with the Property, and (ii) the approaching holiday season which will likely cause potential purchasers to be less engaged for several weeks;
 - d) the Sale Process provides sufficient time for potential purchasers to assess the opportunity given the complexities associated with the Flour Mill and the steps required for it to become operational;

- e) the Sale Process provides flexibility for the Receiver to amend or extend the process in order to maximize value; and
- f) Skymark and RCM support the terms of the Sale Process.

5.0 Insurance

1. The Companies' property and liability insurance policies expired on October 4, 2021, just after the date of the Receivership Order. Unbeknownst to the Receiver, shortly after its appointment on October 1, 2021, Jesse instructed Platform Insurance ("Platform"), the Companies' insurance agent, to renew the policies.
2. Once the Receiver learned that Platform was the Companies' agent, the Receiver corresponded with Platform to, among other things, inform the insurers about the receivership and confirm that coverage remained in force.
3. Platform advised the Receiver that the policies were being renewed; however, it was not aware of the receivership and understood that the Flour Mill had been operating (as stated above, the Flour Mill has never been operational). The Receiver responded to several inquiries from the Companies' insurers and met with their representatives to provide additional information on the status of the Flour Mill and security measures required by the insurers to maintain coverage. The Receiver also advised Platform that coverage for inventory and business interruption could be deleted as these were no longer applicable².
4. Following their diligence, the insurers advised the Receiver that they would require several amendments to the policies based on their assessment of a material change in the risk profile, including that the Flour Mill would be vacant. The amendments included: (a) an increase in the annualized premium from \$252,582 to \$311,439 (notwithstanding the deletion of coverage for inventory and business interruption); (b) a reduction of coverage from "all perils" to "named perils"; and (c) a change in the expiry date from October 3, 2022 to March 31, 2022.
5. As an alternative to the Platform coverage, the Receiver requested that another insurance agent which manages a national program designed for insolvency proceedings provide a proposal for the Flour Mill. After considering the attributes of the Flour Mill and the limits of insurance for the building and equipment, which exceed \$50 million in value, the agent was unable to offer an alternative. The Receiver therefore advised Platform that it would accept the policies with the proposed revisions.
6. The insurance premium is a material cost of this receivership proceeding and one of the reasons for commencing the Sale Process as soon as possible. Funding of the premium was also one of the main reasons why the Receiver sought financing from RCM (described in further detail below).

² The Receiver advised the Mahals that if they require this coverage for any of the Companies' business unrelated to the Flour Mill, then they would be required to reimburse the Receiver for the applicable cost. The Mahals did not respond.

6.0 Funding of the Receivership

1. The Companies had nominal balances in their bank accounts when the Receivership Order was issued. There were also no known accounts receivable or other current assets associated with the Flour Mill available to the Receiver to be monetized. Accordingly, the Receiver is required to borrow under Receiver Certificates, as contemplated in paragraph 21 of the Receivership Order, to fund the receivership, including for utilities, insurance, security, maintenance and professional costs.
2. The Receiver prepared a budget of the funds it requires until a transaction for the Flour Mill is completed, which the Receiver estimates to be up to \$2 million, subject to unknown or unforeseen costs (the "Budget")³. A copy of the Budget is provided as Appendix "D".
3. The Receiver approached Skymark, as the largest creditor, to discuss whether it would provide funding for the receivership. Skymark advised the Receiver that it was not prepared to do so.
4. On October 28, 2021, the Receiver approached four prospective lenders, including the Gardiner Parties and three lenders with experience funding in an insolvency process. While the Gardiner Parties declined the opportunity to fund, each of the three lenders expressed an interest and were provided with access to information in a data room, including a template term sheet, upon signing a confidentiality agreement. Two of the lenders also attended a tour of the Flour Mill with the Receiver. The Receiver set a deadline of November 3, 2021 for the parties to submit offers.
5. The three prospective lenders submitted funding offers, which are summarized in Confidential Appendix "1". As the offers submitted by two of the lenders were substantially the same, the Receiver provided them with an opportunity to improve their terms; RCM did so and the other lender did not.
6. The Receiver accepted a financing term sheet from RCM (the "Term Sheet"). A copy of the Term Sheet is provided as Appendix "E".
7. The key terms of the Term Sheet are summarized below.
 - a) Amount: up to \$2,000,000.
 - b) Term: the earlier of: (i) completion of a sale of the Flour Mill by the Receiver; (ii) termination of the receivership proceedings by a Court order; (iii) six months from the date of the Term Sheet (November 3, 2021), which the Receiver may, in its sole discretion, extend by a further six months upon written notice to RCM; or (iv) a default under the Term Sheet.
 - c) Repayment: any time without penalty.

³ The Budget provides for a cash requirement of \$1.3 million. The Receiver has signed a term sheet for \$2 million so it has a cushion for unknown or unexpected costs.

- d) Interest rate: 10.5% per annum, compounded monthly.
 - e) Fees: \$20,000 structuring fee upon the initial advance, plus a \$20,000 extension fee if the Receiver extends the term beyond six months.
 - f) Draws and Security: funds are to be advanced under Receiver's Certificates. Advances are to be secured by a Court-ordered charge on the Property which is only subordinate to the Receiver's Charge (as defined in the Receivership Order).
 - g) Material Conditions:
 - i. the Court increases the borrowing limit in paragraph 21 of the Receivership Order to \$2 million;
 - ii. the Receivership Order and the Amending Order, if applicable, shall not have been stayed, vacated or otherwise amended, restated or modified in respect of any amendment relating to the Term Sheet or any other matter that affects RCM, without the written consent of RCM; and
 - iii. the Receiver will be in compliance with the Budget.
8. The Receiver believes that the Term Sheet is fair and reasonable for the following reasons:
- a) the process carried out by the Receiver to solicit offers was commercially reasonable, particularly given the short amount of time that the Receiver had to obtain funds;
 - b) the Receiver requires liquidity to fund these proceedings;
 - c) the Term Sheet represents the most attractive offer presented to fund this proceeding;
 - d) the terms of the facility are consistent with other recent restructurings in which KSV is involved. In the Receiver's view, the interest rate and commitment fee are both reasonable in the circumstances;
 - e) the cost of capital is lower than provided by Skymark under the Loans; and
 - f) Skymark supports the approval of the Term Sheet.
9. To date, the Receiver has borrowed \$375,000 from RCM pursuant to the Term Sheet, excluding the \$20,000 structuring fee. Any further borrowing requests are subject to the Receivership Order being amended to increase the cap on the Receiver's borrowings.

6.1 Amendments to the Receivership Order

1. The Receiver estimates that it will require up to \$2 million to fund the costs of this proceeding. RCM has committed to provide this amount pursuant to the Term Sheet; however, the Receiver's authority to borrow on a super-priority basis is capped at a maximum of \$500,000 pursuant to Paragraph 21 of the Receivership Order.
2. In order to fund the proceedings through the Sale Process, in accordance with the Budget and pursuant to the Term Sheet, the Receiver recommends that this Court make an order amending the Receivership Order to increase the borrowing limit in Paragraph 21 from \$500,000 to \$2 million.
3. The Term Sheet contemplates that a \$20,000 structuring fee and \$20,000 extension fee are payable. In the Receiver's view, the existing language in Paragraph 21 of the Receivership Order is sufficient to permit the Receiver to pay these fees (to the extent they are costs of borrowing, like interest, which the Receiver is explicitly empowered to pay). However, for the avoidance of doubt, the Receiver is seeking an amendment to the Receivership Order to explicitly provide for the payment of reasonable fees or charges incidental to borrowings.
4. In addition, the Receiver is seeking an order amending the Receivership Order to elevate the priority of the Receiver's Charge (which secures the fees and disbursements of the Receiver and Blakes) and the Receiver's Borrowings Charge (which secures the amounts borrowed by the Receiver pursuant to Receiver's Certificates) over the charges of Bodkin, BNS and Caterpillar.
5. On its initial application, Skymark did not serve Bodkin, BNS and Caterpillar, and accordingly did not seek to prime their security interests with the Court-ordered charges. However, this was explicitly "subject to further order of the Court". The Receiver is now seeking that further order, on notice to Bodkin, BNS and Caterpillar.
6. In the Receiver's view, the proposed elevation of the Receiver's Charge and the Receiver's Borrowings Charge is fair and reasonable. Bodkin, BNS and Caterpillar will benefit from the receivership proceedings to the extent of their valid claims and to the extent of their priority, therefore any Property that is collateral charged by their interests, if any, ought to be subject to the charges that facilitate such proceeds being realized.
7. Moreover, the Ford Truck secured by the BNS security is not located at the Flour Mill, and the Receiver's inquiries to Jesse about the location of the Ford Truck have not been responded to. It is accordingly not clear to the Receiver that the BNS collateral is (a) part of these receivership proceedings, (b) eligible Property to be sold in the Sale Process or (c) still even owned by Golden Miles.⁴

⁴ BNS has filed a secured proof of claim with the Receiver, claiming \$57,772 on account of financing for the Ford Truck.

6.2 Sealing Order

1. The Receiver is proposing to seal the funding offer summary until further Order of the Court. If it is not sealed, future bidders would have access to the terms proposed, which may affect any subsequent funding rounds, if needed. The Receiver believes that no party will be prejudiced if the funding summary is sealed.
2. Accordingly, the Receiver believes the proposed sealing order is reasonable and appropriate in the circumstances.

7.0 Bankruptcies

1. On November 15, 2021, the Receiver filed an assignment in bankruptcy on behalf of both of the Companies pursuant to Paragraph 3(r) of the Receivership Order. KSV was appointed as Licensed Insolvency Trustee (“Trustee”), subject to affirmation by the creditors at the first meeting of creditors.
2. The Receiver’s rationale for assigning the Companies into bankruptcy included, among other things:
 - a) the bankruptcies will allow the Trustee to conduct a review for preferences and transfers at undervalue, including any related party transactions;
 - b) there appear to be assets owned by Golden Miles unrelated to the Flour Mill and therefore outside the scope of the Receivership Order. The bankruptcies will provide a forum for these assets to be administered in a transparent manner for the benefit of Golden Miles’ creditors, which is in their interests particularly if the recoveries associated with the Flour Mill are insufficient to satisfy Golden Miles’ liabilities;
 - c) the bankruptcies will provide the Trustee with expanded investigatory powers which may be required to obtain additional information regarding the Companies and their interests; and
 - d) the Companies are party to numerous actions in Ontario, both as plaintiffs and as defendants. The limitation of the scope of the receivership to “the Companies’ assets owned or used in connection with the Flour Mill located on the Real Property” makes it difficult to determine over which actions the Receiver has control. An assessment of the litigation and its value may be necessary, depending on the outcome of the Sale Process, and managing this litigation will be materially easier, transparent and cost effective if it is done by a Trustee pursuant to the rules and procedures in the BIA.
3. The Receiver is not seeking any relief in respect of the bankruptcies of the Companies, as it filed assignments on behalf of the Companies pursuant to pre-existing authority. The foregoing is provided to update the Court and the Companies’ stakeholders.

8.0 Receiver's Activities

1. The Receiver's activities since the date of the First Report have included, among other things, the following:
 - a) Corresponding with the Mahals and their counsel regarding the Receiver's information requests;
 - b) Corresponding with Skymark and its counsel regarding all aspects of this mandate, including providing periodic status updates;
 - c) Corresponding with counsel to the Gardiner Parties regarding the status of the proceedings and the Receiver's solicitation of interest for interim financing;
 - d) Developing the Sale Process;
 - e) Corresponding with Platform;
 - f) Corresponding with representatives of the City of Brantford regarding the status of the outstanding inspections and permits related to the Flour Mill;
 - g) Attending periodically at the Flour Mill to deal with operating matters, including to arrange for the maintenance and general upkeep of the Property;
 - h) Coordinating extensively with various vendors to arrange key services at the Flour Mill;
 - i) Preparing an operating budget for the Companies;
 - j) Carrying out the process to identify a lender to fund the receivership, including preparing a virtual data room to facilitate due diligence requests from lenders;
 - k) Dealing with the Mahals regarding the inventory of cookies located at the Flour Mill and certain equipment which they claim is unrelated to the Flour Mill;
 - l) Reviewing correspondence with certain judgment creditors or counterparties to litigation against the Companies, including Garage Living Inc. and Vivian Group Inc.;
 - m) Corresponding with Buhler Inc., an equipment vendor, and its counsel regarding its status as a creditor in these proceedings;
 - n) Corresponding with P&H Milling Group and Enviro-Cor Enterprises Ltd., vendors with expertise in the flour milling industry, regarding a proposal to empty the grain silos and flour bins located at the Flour Mill;
 - o) Corresponding with Toyota (and its leasing agent, Liftow Limited ("Liftow")) regarding the Toyota Forklifts, including assessing Liftow's request for the return of the Toyota Forklifts on the basis that no payment for same has been made by Golden Miles;
 - p) Corresponding with Canada Revenue Agency regarding the Companies' payroll and HST accounts;

- q) Corresponding with Imas Inc. (“Imas”), a Turkish company that Jesse advised is in possession of the programmable logic computer (“PLC”) that controls the equipment at the Flour Mill⁵;
- r) Imaging the Mahals’ computers and electronic devices;
- s) Preparing this Report; and
- t) Assigning the Companies into bankruptcy.

9.0 Conclusion

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(1)(g) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF
MAHAL VENTURE CAPITAL INC. AND GOLDEN MILES FOOD CORPORATION
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

⁵ Imas has not confirmed to the Receiver that it is holding the PLC. The Receiver has requested that Imas provide a listing of all equipment owned by Golden Miles that it is repairing, storing or holding. Imas has refused to provide such a listing until it is paid US \$451,700, the amount it alleges is owed by Golden Miles.

Appendix “D”

Listing Agreement

Re: Listing Agreement (the “Agreement”) for 155 Adams Blvd., Brantford, Ontario, (the “Real Property”) between Colliers Macaulay Nicolls Ontario Inc. (the “Listing Brokerage”) and KSV Restructuring Inc. , without personal or corporate liability and solely in its capacity as receiver and manager (“Receiver” or the “Seller”) 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 (the “Flour Mill”) located on the Real Property (and together with the Flour Mill, the “Property”).

Notwithstanding anything contained in the Agreement, each of the Listing Brokerage and the Seller acknowledges and agrees as follows:

1. **Termination Rights.** The Seller may without penalty or cost to the Seller terminate the Agreement at any time, if the Listing Brokerage is in default hereunder or under any other agreement with the Seller. In addition, this Agreement shall automatically terminate if: (a) the Court order appointing the Seller and/or the Seller’s appointment as Receiver of the Real Property is revoked, overturned on appeal, suspended or terminated; and/or (b) the Seller is restricted in or enjoined from dealing with the Real Property by a court of competent jurisdiction; and/or (c) any of the mortgagees of the Real Property or any other future lenders are permitted by Court order to enforce their rights and/or remedies against the Real Property.

2. **Price.** While it is the Seller’s intention to obtain the highest and best offer for the Real Property, the Listing Brokerage acknowledges and agrees that the Seller need not accept the highest offers and/or the best offers or any offer, and that acceptance by the Seller of any offers for the Real Property are subject at all times to the Seller’s approval in its sole and absolute discretion and as well as approval by the Court. Subject to the terms hereof, no fee, commission or other compensation is payable to the Listing Brokerage in respect of the Real Property unless and until the sale of the Real Property has been completed and the Seller is paid in its entirety.

3. **Holdover Period Commission.** Any fee, commission or other compensation payable to the Listing Brokerage in connection with a holdover period, being six (6) months from the termination of the Listing Agreement (“**Holdover Period**”), shall: (a) only apply to those purchasers who were introduced to the Seller or to the Real Property by the Listing Brokerage during the Listing Period and who the Listing Brokerage has previously disclosed in writing to the Seller no later than three (3) days following the earlier of the expiration or termination of the Agreement; and (b) be reduced by any fee, commission and/or other compensation paid to another broker or agent for the sale of the Real Property as the new Listing Brokerage (the “**New Agent**”) on the basis of an agreement with the New Agent entered into with respect to the Holdover Period.

If the Listing Brokerage had introduced up to a maximum of two (2) different prospective *bona fide* purchasers to the Seller during the Listing Period (each being a “**Serious Prospect**”) and said Serious Prospect had entered into material negotiations with the Seller to purchase the Real Property, but said material negotiations had not resulted in a binding agreement of purchase and sale, to the extent that each of the Listing Brokerage and the Seller agree in writing to designate said prospective purchaser as a Serious Prospect prior to the expiration of the Listing Period, and so long as the Seller is not prohibited from doing so, and provided that the New Agent has agreed to forego its fee should a sale to a Serious Prospect be completed, the Listing Brokerage shall be entitled to its commission in connection with the transaction being completed with the Serious Prospect upon terms and conditions acceptable to the Seller in their sole and absolute discretion, which transaction must be subject to Court approval and a binding and unconditional agreement of purchase and sale executed by each of the parties thereto prior to the expiration of the Holdover Period.

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

4. **Listing Brokerage’s Duties.** The Listing Brokerage covenants and agrees with the Seller to:

(a) pursuant to the Seller’s instructions as outlined below, list the Real Property for sale on an

un-priced basis (save and except as described in (b) below with respect to the Multiple Listings Service (“MLS”));

- (b) if instructed by the Seller, offer the Real Property for sale on MLS, for which the listed price shall be \$1.00 (as a price is required) and the Commissions to Co-operating Brokerage shall be \$1.00 (it being the intention that the buyer(s) shall be responsible for any commissions to any Cooperating Agents (as defined below) or that the Listing Brokerage shall pay the Cooperating Agent from the Listing Fee (as defined below));
- (c) unless otherwise agreed by the Seller, diligently market the Real Property for sale and use commercially reasonable efforts to assist the Seller in selling the Real Property pursuant to the following process:

Summary of Sale Process		
Milestone	Description of Activities	Timeline
<i>Phase 1 – Underwriting</i>		
Due diligence	➤ Listing Brokerage to review all available documents concerning the Property.	Prior to February 7, 2022
Finalize marketing materials	➤ Listing Brokerage and the Seller to: <ul style="list-style-type: none"> ○ prepare a marketing brochures; ○ populate an online data room; ○ prepare a confidentiality agreement (“CA”); ○ prepare a Confidential Information Memorandum (“CIM”); and ○ prepare form of Purchase and Sale Agreement (“PSA”). 	
Prospect Identification	➤ Listing Brokerage will qualify and prioritize prospects.	
<i>Phase 2 – Marketing and Offer Solicitation</i>		
Stage 1	➤ Mass market introduction, including offering summary to be sent to interested parties;	February 7, 2022
Stage 2	<ul style="list-style-type: none"> ➤ Listing Brokerage to provide detailed information to qualified prospects which sign the CA, including the CIM and access to the data room; ➤ Listing Brokerage to facilitate diligence by interested parties; ➤ Listing Brokerage to publicize the acquisition opportunity in <i>The Globe and Mail</i> (National Edition); ➤ Listing Brokerage to conduct site visits 	Ongoing
Stage 3	➤ Prospective purchasers to submit PSAs or other proposals.	March 7, 2022
Selection of Successful Bids	➤ Select successful bidder and finalize definitive documents.	ASAP
Sale Approval Motion and Closing	➤ Motion for sale approval and close transaction	ASAP

- (d) co-operate with all licensed real estate brokers and agents in the sale of the Real Property

(collectively the “**Cooperating Agents**” and each a “**Cooperating Agent**”), with any commissions or fees of such Cooperating Agents to be paid by the purchasers or by the Listing Brokerage out of the Listing Fee;

- (e) ensure that there is continuity in the assignment of individual staff members and partners to the work performed by the Listing Brokerage under the terms of this engagement. In particular, the Listing Brokerage agrees to ensure that individual staff members originally assigned, including Ron Jansen and Justin Lavoie (collectively the “**Listing Team**”), perform work in connection with the Listing Brokerage’s engagement, will each be available and will devote the time required to undertake the assignment contemplated herein;
- (f) subject to the instructions of the Seller, to assist the Seller in negotiating binding agreements of purchase and sale subject to Court approval with those parties identified by the Seller. Only the Seller shall have authority to accept offers and the Listing Brokerage shall not have any authority whatsoever to enter into any sale, financing or other contract on behalf of the Seller and/or to otherwise bind the Seller in any manner whatsoever;
- (g) continue to assist the Seller in connection with the sale of the Real Property and seeking Court approval after the execution of a binding agreement of purchase and sale with respect to the same until such sale has been successfully concluded; and
- (h) unless the Seller’s written consent is provided in advance, to act solely for the benefit of the Seller in connection with the marketing and sale of the Real Property and not to have any direct or indirect interest in any entity purchasing or proposing to purchase the Real Property and not to receive any payments or other benefits from said purchasers or potential purchasers.

5. **Commission Payable to the Listing Brokerage.** Subject to Section 11, the Seller shall pay to the Listing Brokerage upon the successful completion of sale of the Real Property, the commission (the “**Listing Fee**”) as set out in Schedule “A”. Any commission or fee payable to a Cooperating Agent shall be paid either by the purchaser or the Listing Brokerage out of the Listing Fee, in accordance with Section 4(b) above. A Cooperating Agent may be employed at the Listing Brokerage so long that they are not a member of the Listing Team. For greater certainty, other than the Listing Team, all other agents shall be treated as third party Cooperating Agents, shall not be provided with any confidential information and shall be compensated pursuant to this Agreement as a Cooperating Agent. The Seller acknowledges that payment of HST applies on all commissions payable. As it relates to the commission payable, a sale constitutes a Court approved sale of the Real Property, share transaction, option or other form of sale or transfer of the rights of the Real Property. The Seller agrees to notify the Listing Brokerage of the successful completion or closing. The Seller hereby instructs its solicitors and agrees to advise the Court to pay the Listing Brokerage in the amount noted above directly out of the proceeds of sale in accordance with an accepted agreement of purchase and sale and to have same addressed as a closing cost to the transaction.

6. **Acknowledgments.** The Listing Brokerage acknowledges and agrees in favour of the Seller that:

- (a) the Real Property is to be marketed and sold on an “as is, where is” basis and, accordingly, any agreement of purchase and sale shall provide for an acknowledgment by such purchaser that the Real Property is being sold by the Seller on an “as is, where is” basis, and that no representations or warranties have been or will be made by the Seller or anyone acting on its behalf, to the Listing Brokerage or such purchaser as to the condition of the Real Property or any buildings located thereon;
- (b) the Seller may annex a schedule to the transfer/deed of land (or other registrable document with respect to the sale) expressly excluding any covenants deemed to be included pursuant to the *Land Registration Reform Act* of Ontario, other than one to the effect that the Seller has the right to convey the Real Property;

- (c) in lieu of a transfer/deed of land for the Real Property, the Seller will vest title to the Real Property by way of a vesting order; and
- (d) the sale of the Real Property requires the prior approval of the Court in said Court's sole and absolute discretion.

7. **Advertisement Expenses & Third-Party Consultants.** All advertising and sales promotion shall be subject to the approval of the Seller and all such advertisement and promotional material shall be prepared, published and distributed by the Listing Brokerage and shall be at the expense of the Listing Brokerage. All third-party reports and legal service fees requested and/or approved by the Seller shall be at the expense of the Seller.

8. **Indemnity.** The Listing Brokerage confirms that it owes an obligation to the Seller and its officers, employees and agents (collectively, the "**Indemnified Parties**") to carry out its activities in a competent and professional manner acting reasonably and in good faith. As such, the Listing Brokerage confirms that it owes an obligation to the Indemnified Parties with respect to claims made by third parties against the Indemnified Parties arising out of any gross negligence, wilful misconduct or fraud of the Listing Brokerage. This indemnity shall survive the expiration or termination of the Agreement.

9. **Confidentiality.** The Listing Brokerage shall treat and shall cause its agents to treat as confidential and shall not disclose, during as well as after the rendering of the service contracted herein, any confidential information, records or documents to which the Listing Brokerage becomes privy as a result of its performance of the Agreement and shall take all necessary steps to ensure the confidentiality of information in the Listing Brokerage's possession or control except for disclosure that may be required for the reasonable performance by the Listing Brokerage of its responsibilities hereunder.

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

11. **Seller's Capacity.** Notwithstanding the foregoing or anything else contained herein or elsewhere, the Listing Brokerage acknowledges and agrees that any transaction or transactions involving a sale of the Real Property requires the prior approval of the Court sole and absolute discretion, and that the Seller's ability to pay the Listing Fee in accordance with the terms of this Agreement is subject to authorization of the Court, which authorization the Seller hereby agrees to diligently seek in connection with seeking Court approval of any sale of the Property.

12. **Warranty.** Subject to Section 11 above and the remainder of this Section 12, the Seller represents and warrants that the Seller has the exclusive authority and power to execute this Agreement and to authorize the Listing Brokerage to offer the Real Property for sale. Notwithstanding the foregoing, the Listing Brokerage acknowledges and agrees that the Seller has only limited knowledge about the Real Property and cannot confirm any third party interests or claims with respect to the Real Property such as rights of first refusal, options, easements, mortgages, encumbrances or otherwise concerning the Real Property, which may affect the sale of the Real Property.

13. **Facsimile & Counterparts.** This Agreement and any other agreement delivered in connection therewith, and any amendments thereto, may be executed by facsimile transmittal facilities, or electronic copy in a portable document format or such similar format and if so executed and transmitted, will be for all purposes as effective as if the parties had delivered an executed original of this Agreement, or such other agreement or amendment, as the case may be, and shall be deemed to be made when the receiving party confirms this Agreement, or such agreement or amendment, as the case may be, to the requesting party by facsimile or by electronic copy in a portable document format or such similar format. This Agreement may be executed in several counterparts, and each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and, notwithstanding their date of execution, shall be deemed to bear date as of the date first written above.

14. **Jurisdiction.** This Agreement shall be governed and construed in accordance with the laws of the Province of Ontario. If any provision hereof is invalid or unenforceable in any jurisdiction where this Agreement is to be performed, such provision shall be deemed to be deleted and the remaining portions of this Agreement shall remain valid and binding on the parties hereto.

15. **Finder's Fees.** The Seller **does not** consent to the Listing Brokerage or any Cooperating Agents (or their respective affiliates) receiving and retaining, in addition to the commission provided for or otherwise contemplated in this Agreement, a finder's fee for any financing of the Real Property.

16. **Verification of Information.** The Seller authorizes the Listing Brokerage to obtain any information from any regulatory authorities, governments, mortgagees or others affecting the Real Property and the Seller agrees to execute and deliver such further authorizations in this regard as may be reasonably required. For greater certainty, none of the Listing Brokerage or the Listing Brokerage's representatives may bind the Seller or execute any documentation on behalf of the Seller. The Seller hereby authorizes, instructs and directs the above noted regulatory authorities, governments, mortgagees or others to release any and all information to the Listing Brokerage.

17. **Listing Period.** The term of this Agreement shall begin upon acceptance of this Agreement (the "Commencement Date") and shall expire one minute before midnight on the three month anniversary following the Commencement Date or upon earlier termination as otherwise prescribed herein (the "Listing Period"). Notwithstanding any other provision in this Agreement, the Listing Brokerage shall not advertise the Real Property on MLS until the Seller provides expressed authority to do so and all marketing materials have been approved. The Listing Brokerage shall have ten (10) days following said approval to post the Real Property on the MLS.

Colliers Macaulay Nicolls Ontario Inc.

Per: *Karl Innanen*
Name: Karl Innanen
Title: Managing Director

**KSV RESTRUCTURING INC. SOLELY IN ITS
CAPACITY AS RECEIVER AND MANAGER OF
THE PROPERTY, AND NOT IN ITS PERSONAL
CAPACITY**

Per: *noah goldstein*
Name: Noah Goldstein
Title: Managing Director

Schedule "A"

The Listing Brokerage will be entitled to a commission of 3.25% if the Property is sold through a Cooperating Agent.

The Listing Brokerage will be entitled to a commission of 2.50% if the Property is not sold through a Cooperating Agent.

However, notwithstanding anything else contained herein, if the Property is sold to the parties listed in Schedule "B" below, or any affiliate of any such parties, the Listing Brokerage will only be entitled to 50% of the commission provided above.

Schedule "B"

P&H Milling Group

Karltta Trading Inc.

Star of The West Milling Company

Nith River Milling

La Milanaise

Hensall District Cooperative Inc.

PHM Brands

Kymar Project Management Ltd.



Crestpoint Real Estate Investments Ltd.

Santokh Mahal and Jesse Mahal

~~Santok and Joey Mahal~~ and/or any related entities

Skymark Finance Corporation and/or any related entities

Appendix “E”

**KSV RESTRUCTURING INC., in its capacities as Court-appointed receiver and manager,
and trustee in bankruptcy of MAHAL VENTURE CAPITAL INC. and GOLDEN MILES FOOD
CORPORATION, and not in its personal or corporate capacity**

- and -

12175622 CANADA LTD.

ASSET PURCHASE AGREEMENT

DATED AS OF March 18, 2022

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement dated as of March 18, 2022 is made by and between:

KSV RESTRUCTURING INC. (“KSV”), in its capacities as Court-appointed receiver and manager and trustee in bankruptcy of MAHAL VENTURE CAPITAL INC. and GOLDEN MILES FOOD CORPORATION, and not in its personal or corporate capacity

(collectively, the “**Vendor**”)

- and -

12175622 Canada Ltd.

(the “**Purchaser**”)

RECITALS:

- A. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated October 1, 2021 (as may be amended from time to time, the “**Appointment Order**”), KSV was appointed as receiver and manager (the “**Receiver**”) of all assets, undertakings and properties of Golden Miles Food Corporation (“**Golden Miles**”) and Mahal Venture Capital Inc. (“**Mahal VC**”, together with Golden Miles, the “**Debtors**”) owned or used in connection with the flour mill located on the property municipally known as 155 Adams Blvd, Brantford, Ontario (the “**Mill**”), including all proceeds thereof, pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) and the *Courts of Justice Act* (Ontario) in proceedings bearing Court File No. CV-17-11710-00CL (the “**Receivership Proceedings**”).
- B. On November 15, 2021, the Receiver filed assignments in bankruptcy on behalf of the Debtors under the BIA (collectively, the “**Bankruptcy Proceedings**”), and was appointed as trustee in bankruptcy of the Debtors (in such capacity, the “**Trustee**”).
- C. The Debtors are “related persons”, as that term is defined in the BIA. Mahal VC owns the land and improvements comprising the Mill, which is substantially constructed but not yet operational. Golden Miles has purchased and is storing or has installed certain milling equipment at the Mill. For the purposes of this Agreement, Mahal VC’s ownership and maintenance of the Mill, and Golden Miles anticipated flour milling business intended to take place at the Mill are referred to collectively as “the **Business**”.
- D. On November 22, 2021, the Court approved a sale process (the “**Sale Procedure**”), pursuant to which the Receiver is authorized to market and sell all of the Property (as defined in the Appointment Order), which comprises the Debtors’ real and personal property located at the Mill and used or intended to be used in connection with the Business.
- E. The Vendor desires to sell, transfer and assign to the Purchaser, and the Purchaser desires to acquire and assume from the Vendor, all of the right, title and interest of the Vendor and the Debtors, if any, in and to the Purchased

Assets, on the terms and subject to the conditions contained in this Agreement.

- F. The transaction contemplated by this Agreement is subject to the approval of the Court and will be consummated only pursuant to the Approval and Vesting Order to be entered by the Court.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each Party, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions. In this Agreement, in addition to the terms defined in the preamble and recitals, the following terms have the following meanings:

“Action” means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, order, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity and by or before a Governmental Authority.

“Affiliate” means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to **“control”** another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term **“controlled”** shall have a similar meaning.

“Agreement” means this Asset Purchase Agreement, including the preamble and the Recitals, and all the Schedules attached hereto, as they may be amended, restated or supplemented from time to time in accordance with the terms hereof.

“Applicable Law” means, with respect to any Person, property, transaction, event or other matter, (i) any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, Order or other requirement having the force of law, (ii) any policy, practice, protocol, standard or guideline of any Governmental Authority which, although not necessarily having the force of law, is regarded by such Governmental Authority as requiring compliance as if it had the force of law (collectively, in the foregoing clauses (i) and (ii), **“Law”**), in each case relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.

“Approval and Vesting Order” means an order of the Court issued in the Receivership Proceedings and the Bankruptcy Proceedings approving the transactions contemplated by this Agreement and vesting in the Purchaser all of the Vendor’s and the Debtors’ right, title and interest, if any, in and to the Purchased Assets free and clear of all Encumbrances (explicitly including the Deleted Encumbrances as a schedule to the order, but not including the Permitted Encumbrances), in form and content acceptable to the Parties, each acting reasonably.

“Assigned Contracts” means, collectively, the Critical Contracts, the Personal Property Leases and the other Contracts listed on Schedule “A”.

“Assignment and Assumption Agreement” means an assignment and assumption agreement, in form and substance satisfactory to the Parties, acting reasonably, evidencing the assignment to the Purchaser of the Vendor’s and the Debtors’ rights, benefits and interests in, to and under the Assigned Contracts and the assumption by the Purchaser of all of the Assumed Liabilities under or in respect of the Assigned Contracts, and the Permitted Encumbrances.

“Assignment Order” means an order of the Court in form and substance satisfactory to the Parties, each acting reasonably, assigning to the Purchaser the Vendor’s and the Debtors’ right, benefit and interest in and to any of the Critical Contracts for which any necessary consent to assign has not been obtained, in form and content acceptable to the Parties, acting reasonably.

“Assumed Liabilities” means the following Liabilities of each of the Debtors:

- (a) all Liabilities under the Assigned Contracts and Permits and Licences (in each case to the extent such Assigned Contract or Permit and Licence is effectively assigned to the Purchaser);
- (b) all Liabilities relating to the Purchased Assets or Related to the Business arising on or after the Closing Date;
- (c) all Liabilities on account of the trade accounts, payables and other current accounts payable, in each case incurred or accrued by any of the Debtors on or after the Closing Date in the ordinary course of business and Related to the Business; and
- (d) all Environmental Claims and all Environmental Liabilities.

“Books and Records” means the books, records, files, papers, books of account and other financial data of the Debtors which are solely Related to the Business or related to the Purchased Assets, including drawings, engineering information, manuals and Data, sales and advertising materials, sales and purchase correspondence, trade association files, research and development records, lists of present and former customers and suppliers, marketing lists and marketing consent records, personnel, employment and other records, and all records, Data and information stored electronically, digitally or on computer-related or any other media.

“Business Day” means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Toronto, Ontario.

“Cash Purchase Price” has the meaning set out in Section 3.1(1).

“Cash Reserve” has the meaning set out in Section 3.3.

“Casualty” has the meaning set out in Section 6.3.

“Closing” means the completion of the purchase and sale of the Vendor’s and the Debtors’ right, title and interest in and to the Purchased Assets and the assignment and

assumption of the Assumed Liabilities by the Purchaser in accordance with the provisions of this Agreement.

“Closing Date” means the date on which Closing occurs, which date shall be the Target Closing Date or such other date as may be agreed to in writing by the Parties.

“Closing Time” means the time of day on the Closing Date when Closing occurs.

“Conditions Certificate” has the meaning set out in Section 8.3.

“Contracts” means all pending and executory contracts, agreements, leases, understandings and arrangements (whether oral or written) to which either of the Vendor or the Debtors are a party or by which any of the Vendor or the Debtors or any of the Purchased Assets are bound or under which the Vendor or the Debtors have rights, including any Personal Property Leases.

“Critical Contracts” means those Contracts that are, in the opinion of the Purchaser, acting reasonably, necessary and critical to the operation of the Business and the Purchased Assets as a going concern after the Closing Date as listed and specified as “Critical Contracts” on Schedule “A”.

“Cure Costs” means (i) with respect to any Assigned Contract for which a required consent to assignment has not been obtained and is to be assigned to the Purchaser in accordance with the terms of the Assignment Order, the amounts, if any, required to be paid to remedy all of the Debtors’ monetary defaults existing as at the Closing Date under the applicable Critical Contract (or such other amounts as may be agreed by the Purchaser and the counterparty to the Critical Contract), and (ii) with respect to any Assigned Contract to be assigned on consent, where consent is required, the amount, if any, required to be paid to a counterparty to secure its consent to the assignment of the applicable Assigned Contract by any of the Debtors to the Purchaser (which amount shall be set out on the form of contractual consent agreed to by the Purchaser and the counterparty to such Assigned Contract).

“Damages” means any loss, cost, Liability, claim, interest, fine, penalty, assessment, Taxes, damages available at Law or in equity (including incidental, consequential, special, aggravated, exemplary or punitive damages unless paid to a third party), expense (including consultant’s and expert’s fees and expenses and reasonable costs, fees and expenses of legal counsel on a full indemnity basis, without reduction for tariff rates or similar reductions and reasonable costs, fees and expenses of investigation, defence or settlement) or diminution in value.

“Data” means any information or data collected or received by, processed by, or output from software (including reports, analytics, and alerts), and any other information or data Related to the Business, including information and data contained in any databases.

“Deposit” has the meaning set forth in Section 3.2(1).

“Deleted Encumbrances” means the Encumbrances listed in Schedule “E” hereof.

“Encumbrances” means all claims, Liabilities (direct, indirect, absolute or contingent), obligations, prior claims, right of retention, liens, security interests, floating charges,

mortgages, pledges, assignments, conditional sales, warrants, adverse claims, charges, hypothecs, trusts, deemed trusts (statutory or otherwise), judgments, writs of seizure or execution, notices of sale, contractual rights (including purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual rights), encumbrances, whether or not they have been registered, published or filed and whether secured, unsecured or otherwise.

“Environmental Claim” means any Action, lien, fine, penalty, or, as to each, any settlement or judgment arising therefrom whether incurred or arising before or after Closing by or from any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of any enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources Damages, property Damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on or resulting from: (i) the presence, Environmental Release of, or exposure to, any Hazardous Materials; or (ii) any actual or alleged non-compliance with any Environmental Law or term or condition of any Environmental Permit.

“Environmental Law” means any Applicable Law or binding agreement with any Governmental Authority: (i) relating to pollution (or the investigation or cleanup thereof), the management or protection of natural resources, endangered or threatened species, human health or safety, or the protection or quality of the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (ii) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials.

“Environmental Liabilities” means all past, present and future obligations and Liabilities of whatsoever nature or kind arising from or relating to, directly or indirectly to any Environmental Claim applicable to or otherwise involving the Purchased Assets or any past, present or future non-compliance with, violation of or Liability under any Environmental Law or any Environmental Permit applicable to or otherwise involving the Purchased Assets, whenever occurring or arising.

“Environmental Permit” means any Permit and Licence, letter, clearance, consent, waiver, exemption, decision or other action required under or issued, granted, given, authorized by or made pursuant to Environmental Law.

“Environmental Release” includes any actual or potential release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the environment (including ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture).

“Excluded Assets” means (i) all Excluded Tax Refunds, and (ii) the Excluded Claims.

“Excluded Claims” means each Debtor’s right, title and interest, if any, in any Legal Proceedings to which either Debtor is a party.

“Excluded Tax Refund” means any and all of either Debtor’s right, title and interest to receive any refund of, and/or credit in respect of, Taxes paid by a Debtor (including

Taxes paid by a Debtor by the Receiver or the Trustee) in respect of a period beginning on or after October 1, 2021.

“Final Order” means, at the relevant time or date, an order of the Court that has not been vacated, stayed, amended, reversed or modified, as to which no appeal or application for leave to appeal therefrom has been filed, or if any appeal(s) or application(s) for leave to appeal therefrom have been filed, any (and all) such appeal(s) or application(s) have been dismissed, quashed, determined, withdrawn or disposed of.

“General Conveyance” means a general conveyance and assumption of Liabilities, in form and substance satisfactory to the Parties, acting reasonably, evidencing the conveyance to the Purchaser of the Vendor’s and the Debtors’ right, title and interest in and to the Purchased Assets and the assumption by the Purchaser of the Assumed Liabilities.

“Governmental Authority” means:

- (a) any domestic or foreign government, whether national, federal, provincial, state, territorial, municipal or local (whether administrative, legislative, executive or otherwise), and includes for the avoidance of doubt the City of Brantford;
- (b) any agency, authority, ministry, department, regulatory body, court, central bank, bureau, board or other instrumentality having legislative, judicial, taxing, regulatory, prosecutorial or administrative powers or functions of, or pertaining to, government;
- (c) any court, tribunal, commission, individual, arbitrator, arbitration panel or other body having adjudicative, regulatory, judicial, quasi-judicial, administrative or similar functions; and
- (d) any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, securities commission or professional association.

“GST/HST” means all goods and services tax and harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada).

“Hardware” has the meaning set forth in Section 6.7.

“Hazardous Materials” means: (i) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral, gas, odour, heat, sound, vibration, radiation or combination of them that may impair the natural environment, injure or damage property or animal life or harm or impair the health of any individual and includes any contaminant, waste or substance or material defined, prohibited, regulated or reportable pursuant to any Applicable Law relating to the environment, pollution or human health and safety, in each case, whether naturally occurring or manmade; and (ii) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation and polychlorinated biphenyls.

“Intellectual Property” means all intellectual property and industrial property, throughout the world, whether or not registerable, patentable or otherwise formally protectable, and whether or not registered, patented, otherwise formally protected or the subject of a pending application for registration, patent or any other formal protection, including all (i) trade-marks, corporate names and business names, (ii) inventions, (iii) works and subject matter in which copyright, neighbouring rights or moral rights subsist, (iv) industrial designs, patents, (v) know-how, trade secrets, proprietary information, confidential information and information of a sensitive nature that have value to the Business or relate to business opportunities for the Business, in whatever form communicated, maintained or stored, (vi) telephone numbers and facsimile numbers, (vii) registered domain names, and (viii) social media usernames and other internet identities and all account information relating thereto.

“Interim Period” means the period from the date that this Agreement is entered into by the Parties to the Closing Time.

“ITA” means the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supplement), and the regulations thereto.

“Law” has the meaning set out in the definition of **“Applicable Law”**.

“Legal Proceeding” means any litigation, Action, application, demand, suit, investigation, hearing, claim, complaint, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any court or other tribunal or Governmental Authority and includes any appeal or review thereof and any application for leave for appeal or review.

“Liability” means, with respect to any Person, any liability, debt, dues, guarantee, surety, indemnity obligation, or other obligation of such Person of any kind, character or description, whether legal, beneficial or equitable, known or unknown, present or future, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due or accruing due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

“Material Casualty” means a Casualty in respect of all or substantially all of the Purchased Assets.

“Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

“Outside Date” means April 29, 2022 or such later date as the Parties may mutually agree.

“Owned Real Property” means the real property listed and specified as “Owned Real Property” on Schedule “B”.

“Party” means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and **“Parties”** means more than one of them.

“Permits and Licences” means any and all licences, permits, approvals, authorizations, certificates, directives, orders, variances, registrations, rights, privileges, concessions, granted, conferred or otherwise created by any Governmental Authority and held by or on behalf of any of the Debtors or other evidence of authority Related to the Business issued to, granted to, conferred upon, or otherwise created for, any of the Debtors which relate to the ownership, maintenance, operation of the Business or the Purchased Assets, including without limitation the permits and licences set out in Schedule “C”.

“Permitted Encumbrances” means, collectively:

- (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 “E” 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.

“**Person**” is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity.

“**Personal Information**” means information about an identifiable individual as defined in Privacy Law.

“**Personal Property**” means any and all vehicles, machinery, equipment, parts, chattels, inventory of spare parts, parts and supplies, furniture and any other tangible personal and movable property in which any of the Vendor or the Debtors have a beneficial right, title or interest (whether owned or leased), in all cases to the extent qualifying as Property, wherever situate (including those in possession of suppliers, customers and other third parties).

“**Personal Property Leases**” means a personal or movable property lease, chattel lease, equipment lease, financing lease, conditional or instalment sales contract and other similar agreement relating to Personal Property to which any of the Vendor or the Debtors are a party or under which they have rights to use Personal Property as listed and specified as “Personal Property Leases” on Schedule “A”.

“**Privacy Law**” means the *Personal Information Protection and Electronic Documents Act* (Canada), the *Personal Information Protection Act* (Ontario) and any Applicable Law of any other Province or territory of Canada.

“**Property**” has the meaning given to it in the Appointment Order.

“**Purchase Price**” has the meaning set out in Section 3.1.

“**Purchased Assets**” means, collectively, those assets of each of the Vendor or the Debtors as set out in Schedule “D”.

“**Purchased Tax Refunds**” means any and all of either Debtor’s right, title and interest to receive any refund of, and/or credit in respect of, Taxes paid by a Debtor (including Taxes paid by a Debtor by the Receiver or the Trustee) in respect of a period ending on or before September 30, 2021, to the extent transferrable by the Vendor.

“**Purchaser**” has the meaning set out in the preamble hereto and includes any successor or permitted assignee thereof in accordance with Section 10.17.

“Receivables” means, in respect of a Person all accounts receivable, bills receivable, trade accounts, holdbacks, retention, book debts and insurance claims due or accruing due to such Person, together with any unpaid interest accrued on such items and any security or collateral for such items, including recoverable deposits.

“Refund” has the meaning set out in Section 3.2(2).

“Related to the Business” means primarily (i) used in, (ii) arising from or (iii) otherwise related to the Business or any part thereof.

“Replacement Permit and Licence” means a new permit, licence, authorization, approval or other similar item providing substantially equivalent rights to the Purchaser as a Debtor is entitled to as of the Closing Date pursuant to the applicable Permit and Licence.

“Representative” when used with respect to a Person means each director, officer, employee, consultant, subcontractor, financial adviser, legal counsel, accountant and other agent, adviser or representative of that Person.

“Target Closing Date” means the first Business Day following the date on which the Approval and Vesting Order becomes a Final Order.

“Taxes” means, with respect to any Person, all supranational, national, federal, provincial, state, local or other taxes, including income taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, *ad valorem* taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, licence taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes (including land transfer taxes and registration fees), withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, government pension plan premiums and contributions, social security premiums, workers’ compensation premiums, employment/unemployment insurance or compensation premiums and contributions, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority and any instalments in respect thereof of another taxpayer or entity, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties, and whether disputed or not, and **“Tax”** means any one of such Taxes.

“Tax Returns” means all returns, reports, declarations, elections, notices, filings, information returns, statements and forms in respect of Taxes that are filed or required to be filed with any applicable Governmental Authority, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form.

“Title Direction” means a written direction from the Purchaser calling for and directing title to the Owned Real Property to be transferred to the Purchaser or one or more designees.

“Transaction Personal Information” means any Personal Information (i) in the possession, custody or control of the Vendor at the Closing Time, including Personal Information about suppliers, customers, directors, officers or shareholders that is

disclosed to the Purchaser or any Representative of the Purchaser prior to the Closing Time by the Vendor or its Representatives, or (ii) collected by the Purchaser or any Representative of the Purchaser prior to the Closing Time from the Vendor or its Representatives, in either case in connection with the transactions contemplated by this Agreement.

“Transfer Taxes” means all applicable Taxes, including any applicable land transfer taxes and/or GST/HST, payable upon or in connection with the transactions contemplated by this Agreement and any filing, registration, recording or transfer fees payable in connection with the instruments of transfer provided for in this Agreement.

“Work Orders” or **“Work Order”** means any work order, deficiency notice, order to comply, inspector’s order, notice of non-compliance or similar written directive, including, without limitation, any outstanding, open, pending or active building permits and/or permit applications or the like, in each case issued by a Governmental Authority having jurisdiction with respect to the Owned Real Property or any part thereof pursuant to Applicable Law.

1.2 Actions on Non-Business Days. If any payment is required to be made or other action (including the giving of notice) is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be considered to have been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day.

1.3 Currency and Payment Obligations. Except as otherwise expressly provided in this Agreement: (i) all dollar amounts referred to in this Agreement are stated in the lawful currency of Canada; and (ii) any payment contemplated by this Agreement shall be made by wire transfer of immediately available funds to an account of the Vendor specified by the Vendor, by cash, by certified cheque or by any other method that provides immediately available funds as agreed to between the Parties.

1.4 Calculation of Time. In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. Eastern time on the last day of the period. If any period of time is to expire hereunder on any day that is not a Business Day, the period shall be deemed to expire at 5:00 p.m. Eastern time on the next succeeding Business Day.

1.5 Tender. Any tender of documents or money hereunder may be made upon the Parties or their respective counsel.

1.6 Additional Rules of Interpretation.

(1) *Gender and Number.* In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.

(2) *Headings and Table of Contents.* The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.

(3) *Section References.* Unless the context requires otherwise, references in this Agreement to Articles, Sections or Schedules are to Articles or Sections of this Agreement, and Schedules to this Agreement.

(4) *Words of Inclusion.* Wherever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation” and the words following “include”, “includes” or “including” shall not be considered to set forth an exhaustive list.

(5) *References to this Agreement.* The words “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.

(6) *Statute References.* Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision and also include, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith.

(7) *Document References.* All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules attached thereto.

1.7 Schedules. The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

SCHEDULES

<u>Schedule “A”</u>	Assigned Contracts
<u>Schedule “B”</u>	Owned Real Property
<u>Schedule “C”</u>	Permits & Licences
<u>Schedule “D”</u>	Purchased Assets
<u>Schedule “E”</u>	Deleted Encumbrances

Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Schedules and the interpretation provisions set out in this Agreement apply to the Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2 PURCHASE OF ASSETS AND ASSUMPTION OF LIABILITIES

2.1 Purchase and Sale of Purchased Assets. At the Closing Time, on and subject to the terms and conditions of this Agreement, the Sale Procedure and the Approval and Vesting Order, the Vendor shall sell to the Purchaser, and the Purchaser shall purchase from the Vendor, all of the Debtors’ and the Vendor’s right, title and interest, if any, in and to the

Purchased Assets, which shall be free and clear of all Encumbrances other than Permitted Encumbrances, to the extent and as provided for in the Approval and Vesting Order.

2.2 Assumption of Assumed Liabilities. At the Closing Time, on and subject to the terms and conditions of this Agreement, the Purchaser shall assume and agree to pay when due and perform and discharge in accordance with their terms, the Assumed Liabilities. Notwithstanding any other provision of this Agreement, the Purchaser shall not assume any Liabilities hereunder other than the Assumed Liabilities, except as required under Applicable Law.

2.3 Assignment of Contracts.

(1) *Obtaining Consents.* Prior to Closing, at the written request of the Purchaser, the Vendor, with the assistance of the Purchaser, shall use commercially reasonable efforts to obtain all consents required to assign the Assigned Contracts to the Purchaser, but only with respect to Assigned Contracts listed in Schedule "A". The Vendor shall have no obligation to seek consent to assign any Contract that is not explicitly listed in Schedule "A".

(2) *Assignment Order.* To the extent that any Assigned Contract is not assignable without the consent of the counterparty or any other Person and such consent has not been obtained prior to the Closing Date, (i) the Vendor's and the Debtors' rights, benefits and interests in, to and under such Assigned Contract may be conveyed to the Purchaser pursuant to an Assignment Order, (ii) the Vendor will use commercially reasonable efforts to obtain an Assignment Order in respect of such Assigned Contract on or prior to the Closing Date in form and substance acceptable to the Purchaser, acting reasonably, (iii) the Purchaser, at its own expense, will promptly provide to the Vendor all such information within its possession or under its control as the Vendor may reasonably request to obtain the Assignment Order, and (iv) if an Assignment Order is obtained in respect of such Assigned Contract in form and substance acceptable to the Purchaser, acting reasonably, the Purchaser shall accept the assignment of such Assigned Contract on such terms.

(3) *Cure Costs.* Unless the Parties otherwise agree, to the extent that any Cure Costs are payable with respect to any Assigned Contract, the Purchaser shall (i) where such Assigned Contract is assigned pursuant to an Assignment Order, pay all such Cure Costs in accordance with the Assignment Order, and (ii) where such Assigned Contract is not assigned pursuant to an Assignment Order, pay all such Cure Costs in the manner set out in the consent of the applicable counterparty or as otherwise may be agreed to by the Purchaser and such counterparty. The Cure Costs as paid by the Purchaser shall be in addition to the Cash Purchase Price for the Purchased Assets.

(4) *Assignment.* At the Closing Time, on and subject to the terms and conditions of this Agreement (including Section 2.3(5) below), the Approval and Vesting Order and the Assignment Order (if applicable), all of the Debtors' rights, benefits and interests in, to and under the Assigned Contracts shall be assigned to the Purchaser, the consideration for which is included in the Purchase Price.

(5) *Where Consent Required.* Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign any Assigned Contract to the extent such Assigned Contract is not assignable under Applicable Law, or the terms of the applicable Assigned Contract provide that it is not assignable without the consent of another

Person, unless such consent has been obtained or the assignment is subject to an Assignment Order.

(6) *No Adjustment.* For greater certainty, in respect of any Assigned Contract other than the Critical Contracts, if the consent of any Person is required to assign such Contract but such consent is not obtained prior to Closing and such Contract is not assigned pursuant to an Assignment Order, such Contract shall not form part of the Purchased Assets and (i) neither Party shall be considered to be in breach of this Agreement, (ii) the failure to assign or otherwise transfer such Assigned Contract shall not be a condition to Closing, (iii) the Purchase Price shall not be subject to any adjustment, and (iv) the Closing shall not be delayed.

2.4 Transfer and Assignment of Permits and Licences.

(1) *Obtaining Consents.* Prior to Closing, to the extent that a Permit and Licence is assignable or otherwise transferable by the Vendor to the Purchaser, the Vendor, with the assistance of the Purchaser, shall use commercially reasonable efforts to obtain all necessary consents or approvals to assign or otherwise transfer such Permits and Licences, but only with respect to Permits and Licences listed in Schedule "C". The Vendor shall have no obligation to seek consent to assign any Permit and Licence that is not explicitly listed in Schedule "C". The Purchaser (i) shall pay all costs required to be paid to third parties and/or Governmental Authorities in connection with obtaining the assignment or transfer of any Permit and Licence to the Purchaser, or reissuance thereof (which costs shall be in addition to the Purchase Price), and (ii) shall reimburse the Vendor to the extent of any third party costs and/or any costs payable to Governmental Authorities that are incurred by the Vendor in connection with obtaining the assignment or transfer of any Permit and Licence to the Purchaser or obtaining any Replacement Permit and Licence (which costs shall be in addition to the Purchase Price), provided, however, that the Vendor provides evidence of such third party costs and/or Governmental Authority costs satisfactory to the Purchaser, acting reasonably, and such third party costs and/or Governmental Authority costs shall exclude all salaries, fees and costs of any and all consultants, employees, counsel or other Representatives of the Vendor related to such assignment and transfer.

(2) *Transfer and Assignment.* At the Closing Time, on and subject to the terms and conditions of this Agreement and the Approval and Vesting Order, all of the Debtors' rights, benefits and interests in, to and under the Permits and Licences, to the extent assignable, shall be assigned to the Purchaser, the consideration for which is included in the Purchase Price.

(3) *Where Consent Required.* Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign or otherwise transfer any Permit and Licence to the extent such Permit and Licence is not assignable or transferable under Applicable Law or the terms of the applicable Permit and Licence provide that it is not assignable without the consent of another Person, unless such consent has been obtained.

(4) *Post-Closing Assignment.* Notwithstanding anything in this Agreement to the contrary, if the consent or approval of any Person is required to assign or otherwise transfer a Permit and Licence that is listed in Schedule "C", but such consent or approval is not obtained prior to Closing, (i) the Vendor and the Purchaser shall use their commercially reasonable efforts to obtain the necessary consents or approvals to the assignment or transfer of such Permit and Licence to the Purchaser or the Purchaser shall use its commercially reasonable efforts to obtain (with commercially reasonable assistance from the Vendor) a Replacement Permit and Licence thereof, in each case, as soon as practicable following Closing, (ii) neither

Party shall be considered to be in breach of this Agreement, (iii) the failure to assign or otherwise transfer such Permit and Licence or obtain any Replacement Permit and Licence, shall not be a condition to Closing, (iv) the Purchase Price shall not be subject to adjustment, and (v) the Closing shall not be delayed.

(5) *Obtaining Replacement Permits and Licenses.* To the extent that a Permit and Licence is not assignable or otherwise transferrable by the Vendor to the Purchaser, the Purchaser, with the assistance of the Vendor, shall use commercially reasonable efforts to obtain a Replacement Permit and Licence in connection with the purchase and sale of the Purchased Assets. The Purchaser shall pay all costs required in connection with obtaining any Replacement Permit and Licence (which shall be in addition to the Purchase Price).

ARTICLE 3 PURCHASE PRICE & TAXES

3.1 Purchase Price. The consideration payable by the Purchaser to the Vendor for the Vendor's and the Debtors' right, title and interest, if any, in and to the Purchased Assets (the "**Purchase Price**") shall be the aggregate of:

- (1) [REDACTED] (the "**Cash Purchase Price**");
- (2) the Cure Costs; and
- (3) the agreed value of the Assumed Liabilities.

3.2 Satisfaction of Purchase Price. The Purchase Price shall be paid and satisfied as follows:

(1) a deposit in the amount of [REDACTED] (the "**Deposit**") which shall be paid by wire transfer by the Purchaser to the Vendor immediately upon the Vendor's execution of this Agreement and shall be applied against the Cash Purchase Price on Closing. The Purchaser agrees that it waives any accrued interest that may be earned on the Deposit;

(2) the balance of the Cash Purchase Price, after crediting the Deposit in Section 3.2(1), shall be paid by the Purchaser to the Vendor at Closing, by wire transfer, subject to a refund by the Vendor to the Purchaser in an amount equal to the amount, if any, that the Court declares in a Final Order, as the resolution of a motion brought by Santokh Mahal pursuant to a Notice of Motion dated November 21, 2021, is indebtedness owing by Golden Miles to Santokh Mahal that is secured by a security interest in any of Golden Miles' personal property ranking in priority to all other encumbrances on such personal property (other than super-priority charges created by Court order in the Receivership Proceedings) (the "**Refund**");

(3) the Cure Costs, shall be paid or otherwise satisfied by the Purchaser on behalf of the Debtors or the Vendor at Closing in accordance with Section 7.3(3); and

(4) an amount equal to the agreed value of the Assumed Liabilities, shall be satisfied at Closing by the assumption by the Purchaser of the Assumed Liabilities by the execution and delivery of the Assignment and Assumption Agreement.

3.3 Cash Reserve. Pending a Final Order determining the quantum of the Refund, if any, the Vendor shall retain in trust from the proceeds of sale of the Purchased Assets, a cash

reserve in the amount of \$2,500,000, which shall stand as security for the Refund and any costs or interests which may be awarded to Santokh Mahal (collectively, the “**Cash Reserve**”).

3.4 Allocation of Purchase Price. The Vendor and the Purchaser agree to allocate from the Purchase Price: (a) [REDACTED] to the personal property of Golden Miles, and (b) [REDACTED] to the Owned Real Property. The Vendor and the Purchaser further agree to allocate the balance of Purchase Price in a manner to be agreed to by the Parties after Closing, each acting reasonably, and to report the sale and purchase of the Purchased Assets for all federal, provincial and local Tax purposes in a manner consistent with such allocation, which shall include, for greater certainty, an allocation by category of Purchased Assets and among the Debtors. If such allocation is disputed by any Governmental Authority with respect to Taxes, the Party receiving notice of such dispute will promptly notify the other Party and the Parties will use their commercially reasonable efforts to sustain the final allocation. The Parties will share information and cooperate to the extent reasonably necessary to permit the transaction contemplated by this Agreement to be properly, timely and consistently reported. For purposes of calculating any Taxes payable by the Purchaser to the Vendor under Section 3.5, if any, the Vendor and Purchaser shall mutually agree no later than thirty days after the Closing Date regarding the allocation, including an allocation to the relevant categories of Purchased Assets and among the Debtors. If an agreement is not reached by the time the Vendor is required by Applicable Law to remit the applicable Taxes, the Vendor shall have the right, acting reasonably and in good faith, to issue a preliminary allocation based on its own calculations and the Purchaser shall pay such amount to the Vendor for remittance of such Taxes on the basis of such preliminary allocation. If the Parties later agree to a different allocation resulting in any additional or lesser Taxes, the Vendor shall have the right to charge the additional Taxes at that time or shall promptly refund to the Purchaser the excess amount, as the case may be.

3.5 Taxes. In addition to the Purchase Price, the Purchaser shall be liable for and shall, at Closing, pay all applicable Transfer Taxes. The Vendor shall collect GST/HST from the Purchaser in connection with the transactions contemplated by this Agreement, except, that the Vendor shall not collect GST/HST on the Owned Real Property if, on the Closing Date, the Purchaser delivers to the Vendor: (i) a certificate of the Purchaser setting out the registration number of the Purchaser for GST/HST purposes; and (ii) an undertaking by the Purchaser to pay all applicable GST/HST in connection with the acquisition of the Owned Real Property and an indemnity by the Purchaser whereby the Purchaser agrees to indemnify and hold the Vendor harmless from and against any and all Damages that may be suffered or incurred, directly or indirectly, by the Vendor or may become payable by the Vendor arising from or in respect of any failure by the Purchaser to register for the purposes of the GST/HST imposed under the *Excise Tax Act (Canada)* or to perform its obligations under such Act in connection with its acquisition of the Owned Real Property.

3.6 GST/HST Gross Up. All payments required to be made by the Purchaser under this Agreement shall be made by the Purchaser free and clear of, and without deduction for, any Taxes. If the Purchaser is required by Applicable Law to deduct or withhold any amount from the Purchase Price payable hereunder, then the Purchase Price shall be increased by an additional amount such that the amount received by the Vendor after such deduction or withholding (including deduction or withholding from such additional amount) is equal to the amount that the Vendor would have received absent any such deduction or withholding. In the event that any payment or forfeiture under this Agreement is deemed by the *Excise Tax Act (Canada)* to include GST/HST or is deemed by any applicable provincial or territorial legislation

to include a similar value added or multi-staged tax, the amount of such payment or forfeiture shall be increased accordingly.

3.7 Tax Elections.

(1) *Section 22 Tax Election.* If available and requested by the Vendor, the Purchaser and the Vendor shall elect jointly in the prescribed form under section 22 of the *ITA* and the corresponding provisions of any other applicable Tax statute as to the sale of the Receivables and designate in such election an amount equal to the portion of the Purchase Price allocated to the Receivables pursuant to Section 3.4. This election, or these elections, shall be made within the time prescribed for such elections.

(2) *Subsection 20(24) Tax Election.* The Purchaser, and the Vendor shall, if applicable, jointly execute and file an election under subsection 20(24) of the *ITA* in the manner required by subsection 20(25) of the *ITA* and under the equivalent or corresponding provisions of any other applicable provincial or territorial statute, in the prescribed forms and within the time period permitted under the *ITA* and under any other applicable provincial or territorial statute, as to such amount paid by the applicable Debtors to the Purchaser for assuming future obligations. In this regard, the Purchaser and Vendor acknowledge that a portion of the Purchased Assets transferred by the Vendor pursuant to this Agreement and having a value equal to the amount elected under subsection 20(24) of the *ITA* and the equivalent provisions of any applicable provincial or territorial statute, is being transferred by the Vendor as a payment for the assumption of such future obligations by the Purchaser.

(3) *Section 56.4 Tax Election.* At the request of the Vendor and to the extent permitted by the *ITA*, the Parties shall make, and the Vendor shall file, any election or amended election in prescribed form (or such other form as the Purchaser or the Vendor may reasonably request) and within the prescribed time limits pursuant to subsection 56.4(7) of the *ITA* proposed by the Minister of Finance (Canada) as it reads on the date of this Agreement or any amended or successor provision thereto, and any analogous provision of provincial or territorial Tax legislation.

ARTICLE 4 PROCEDURES

4.1 Approval and Vesting Order. The Parties acknowledge and agree that:

(1) *Court Approval.* This Agreement is subject the issuance of the Approval and Vesting Order.

(2) *Motion for Approval and Vesting Order.* Upon the Vendor's execution of this Agreement, and the Vendor's receipt of the Deposit, the Vendor shall file with the Court, as soon as reasonably practicable thereafter, a motion seeking the Court's issuance of the Approval and Vesting Order. The Purchaser shall cooperate with the Vendor in its efforts to obtain the issuance and entry of the Approval and Vesting Order. The Purchaser, at its own expense, will promptly provide to the Vendor all such information within its possession or under its control as the Vendor may reasonably request to obtain the Approval and Vesting Order.

4.2 Title Direction. The Purchaser shall deliver, on or before March 30, 2022 (being the day prior to the day that the Vendor anticipates filing with the Court the motion seeking the Court's issuance of the Approval and Vesting Order), the Title Direction which direction shall

call for and direct title to the Owned Real Property to be transferred to the Purchaser or one or more designees, and the Vendor shall transfer title on Closing in accordance with the Title Direction.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Purchaser. As a material inducement to the Vendor entering into this Agreement and completing the transactions contemplated by this Agreement and acknowledging that the Vendor is entering into this Agreement in reliance upon the representations and warranties of the Purchaser set out in this Section 5.1, the Purchaser represents and warrants to the Vendor as follows:

(1) *Incorporation and Corporate Power.* The Purchaser is a corporation incorporated, organized and subsisting under the Laws of the jurisdiction of its incorporation. The Purchaser has the corporate power, authority and capacity to execute and deliver this Agreement and all other agreements and instruments to be executed by it as contemplated herein and to perform its obligations under this Agreement and under all such other agreements and instruments.

(2) *Authorization by Purchaser.* The execution and delivery of this Agreement and all other agreements and instruments to be executed by it as contemplated herein and the completion of the transactions contemplated by this Agreement and all such other agreements and instruments have been duly authorized by all necessary corporate action on the part of the Purchaser.

(3) *Approvals.* No consent, waiver, authorization or approval of any Person and no notice or declaration to or filing or registration with any Governmental Authority is required in connection with the execution and delivery by the Purchaser of this Agreement or all other agreements and instruments to be executed by the Purchaser or the performance by the Purchaser of its obligations hereunder or thereunder.

(4) *Enforceability of Obligations.* This Agreement constitutes a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms. There is no Legal Proceeding in progress, pending against or threatened against or affecting the Purchaser, and there are no grounds on which any such Legal Proceeding might be commenced and there is no Order outstanding against or affecting the Purchaser which, in any such case, affects adversely or might affect adversely the ability of the Purchaser to enter into this Agreement or to perform its obligations hereunder.

(5) *ICA.* The Purchaser is not a “non-Canadian” within the meaning of the *ICA*, or, if the Purchaser is a “non-Canadian”, the Purchaser is a “WTO investor” within the meaning of the *ICA*.

(6) *Excise Tax Act.* The Purchaser is, or upon Closing shall be, registered for GST/HST purposes under Part IX of the *Excise Tax Act* (Canada), and shall provide its registration number to the Vendor at or prior to Closing.

(7) *Commissions.* The Vendor will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the transactions contemplated by this Agreement because of any action taken by, or agreement or understanding reached by, the Purchaser.

(8) *Sufficient Funds.* The Purchaser has sufficient financial resources or has arranged sufficient financing for it, on Closing (which financing is not subject to any conditions other than the conditions to Closing set out herein), to pay the Cash Purchase Price, the Cure Costs and the Transfer Taxes payable on Closing and any and all other amounts payable by the Purchaser, if any, pursuant to this Agreement.

5.2 Representations and Warranties of the Vendor. As a material inducement to the Purchaser entering into this Agreement and completing the transactions contemplated by this Agreement and acknowledging that the Purchaser is entering into this Agreement in reliance upon the representations and warranties of the Vendor set out in this Section 5.2, the Vendor represents and warrants to the Purchaser as follows:

(1) *Enforceability of Obligations.* Subject to the Approval and Vesting Order having been granted and being a Final Order, this Agreement constitutes a valid and binding obligation of the Vendor, enforceable against the Vendor in accordance with its terms.

(2) *ITA.* Each of the Debtors is not a non-resident of Canada for purposes of the *ITA*.

(3) *Excise Tax Act.* The Debtors are registered for GST/HST purposes under Part IX of the *Excise Tax Act* (Canada) and their GST/HST numbers are:

Golden Miles Food Corporation:	817317464
Mahal Venture Capital Inc.:	83941593

(4) *Commissions.* The Purchaser will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the transactions contemplated by this Agreement because of any action taken by, or agreement or understanding reached by, the Vendor.

5.3 As is, Where is. Notwithstanding any other provision of this Agreement, the Purchaser acknowledges, agrees and confirms that:

(1) except for the representations and warranties of the Vendor set forth in Section 5.2, it is entering into this Agreement, acquiring the Purchased Assets and assuming the Assumed Liabilities on an "as is, where is" basis as they exist as of the Closing Time and will accept the Purchased Assets in their state, condition and location (and in respect of the Owned Real Property, subject to any Work Orders that may exist) as of the Closing Time except as expressly set forth in this Agreement and the sale of the Purchased Assets is made without legal warranty and at the risk of the Purchaser;

(2) it has conducted to its satisfaction such independent searches, investigations and inspections of the Purchased Assets, the Business and the Assumed Liabilities as it deemed appropriate, and based solely thereon, has determined to proceed with the transactions contemplated by this Agreement;

(3) except as expressly stated in Section 5.2, neither the Debtors nor the Vendor, nor their Representatives, have made or are making, and the Purchaser is not relying on, any representations, warranties, statements or promises, express or implied, statutory or otherwise, concerning the Purchased Assets, the Vendor's and the Debtors' right, title or interest in or to the Purchased Assets, the Business or the Assumed Liabilities, including with respect to merchantability, physical or financial condition, description, fitness for a particular purpose, suitability for development, title, description, use or zoning, environmental condition, existence of any parts/and/or components, latent defects, quality, quantity or any other thing affecting any of the Purchased Assets or the Assumed Liabilities, or normal operation thereof, or in respect of any other matter or thing whatsoever, including any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Agreement and are hereby waived in their entirety by the Purchaser;

(4) without limiting the generality of the foregoing, no representation, warranty or covenant is given by the Vendor that any of the Purchased Assets are or can be made operational within a specified time frame or will achieve any particular result, level of service, use, production capacity or actual production if made operational;

(5) without limiting the generality of the foregoing, except as expressly stated in Section 5.2, the Vendor has not made any representation or warranty as to any regulatory approvals, licenses, permits, consents or authorizations, including the Permits and Licences, that may be needed to complete the transactions contemplated by this Agreement or to operate or carry on the Business or any portion thereof, and the Purchaser is relying entirely on its own investigation, due diligence and inquiries in connection with such matters;

(6) the Vendor will convey all of the Books and Records of the Debtors that have been provided to it by principals of the Debtors or obtained by it through its investigations, however the Vendor makes no representation or warranty as to the completeness, accuracy or currency of any Books and Records;

(7) all written and oral information obtained from the Vendor or its Representatives, including in any teaser letter, asset listing, confidential information memorandum or other document made available to the Purchaser (including in certain "data rooms", management presentations, site visits and diligence meetings or telephone calls), with respect to the Purchased Assets, the Business, and the Assumed Liabilities has been obtained for the convenience of the Purchaser only, and neither the Vendor or its Representatives have made any representation or warranty, express or implied, statutory or otherwise as to the accuracy or completeness of any such information;

(8) any information regarding or describing the Purchased Assets, the Business or the Assumed Liabilities in this Agreement (including the Schedules hereto), or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the Vendor or its Representatives, or any other Person concerning the completeness or accuracy of such information or descriptions;

(9) except as otherwise expressly provided in this Agreement, the Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights or claims the Purchaser might have against the Vendor, the Debtors or any of their Representatives pursuant to any warranty, express or implied, legal or conventional, of any kind or type, other than those

representations and warranties of the Vendor expressly set forth in Section 5.2. Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights;

(10) none of the representations and warranties of the Vendor contained in this Agreement shall survive Closing and, subject to Section 9.3(2), the Purchaser's sole recourse for any breach of representation or warranty of the Vendor in Section 5.2 shall be for the Purchaser not to complete the transactions as contemplated by this Agreement and the Purchaser shall have no recourse or claim of any kind against the Vendor, or the proceeds of the transactions contemplated by this Agreement following Closing; and

(11) Sections 5.3, 3.2 and 3.3 shall not merge on Closing and are deemed incorporated by reference in all closing documents and deliveries.

ARTICLE 6 COVENANTS

6.1 Access During Interim Period. During the Interim Period, the Vendor shall, subject to any confidentiality, privacy, regulatory or safety restrictions, give, or cause to be given, to the Purchaser and its Representatives reasonable access during normal business hours to the Purchased Assets (where situated), including the Books and Records, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Business and the Purchased Assets as the Purchaser deems reasonably necessary or desirable to further familiarize itself with the Business and the Purchased Assets and plan for the operation of the Business following Closing, provided however that (a) the number of attendances at the Mill by the Purchaser or its representatives shall not exceed 5 attendances, and (b) any test runs or operation of any equipment or machinery that forms the Purchased Assets shall require the prior written consent of the Vendor, which consent may not be unreasonably withheld, and if granted such test runs shall only be conducted pursuant to such safety, supervisory or other conditions as the Vendor may specify. Without limiting the generality of the foregoing, the Purchaser shall be permitted reasonable access during normal business hours to all Books and Records relating to information scheduled or required to be disclosed under this Agreement. Such investigations, inspections, surveys and tests shall be carried out at the Purchaser's sole and exclusive risk and peril, during normal business hours, and the Vendor shall co-operate reasonably in facilitating such investigations, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser. For the avoidance of doubt, the Parties hereby agree and acknowledge that for health and safety reasons, this Section 6.1 is a fundamental part of this Agreement, and that any access to the Purchased Assets by the Purchaser or its agents or representatives that is not consented to in advance by the Vendor shall constitute a material, uncurable breach of this Agreement, entitling the Vendor to terminate this Agreement pursuant to Section 9.1(4).

6.2 Transaction Personal Information. Each Party shall comply with Privacy Law in the course of collecting, using and disclosing Transaction Personal Information. The Purchaser shall cause its Representatives to observe the terms of this Section 6.2 and to protect and safeguard Transaction Personal Information in their possession in accordance with Privacy

Law. The Purchaser shall collect Transaction Personal Information prior to Closing only for purposes related to the transactions contemplated by this Agreement. The Purchaser shall not, without the consent of the individuals to whom such Personal Information relates or as permitted or required by Applicable Law, use or disclose Transaction Personal Information (i) for purposes other than those for which such Transaction Personal Information was collected by any of the Debtors prior to the Closing and (ii) for a purpose which does not relate directly to the carrying on of the Business or to the carrying out of the purposes for which the transactions contemplated by this Agreement were implemented.

6.3 Risk of Loss. The Purchased Assets shall be at the risk of the Debtors until Closing. If, between the date hereof and Closing, any of the Purchased Assets are destroyed, lost or damaged (each a "**Casualty**"), the Purchaser shall still complete the purchase of the Purchased Assets on an "as is, where is" basis without any adjustment to the Cash Purchase Price payable hereunder and take an assignment from the Vendor of all insurance proceeds payable to the Debtors or Vendor in respect of the Casualty, provided that, in the event of a Material Casualty, the Purchaser shall have the option, in its discretion, to terminate this Agreement. For greater certainty, in no event shall the aggregate total of the insurance proceeds assigned to the Purchaser in accordance with this Section 6.3 and the fair market value of Purchased Assets exceed the Purchase Price.

6.4 Indemnity. The Purchaser hereby indemnifies the Debtors, the Vendor and their respective Representatives, and saves them fully harmless against, and will reimburse or compensate them for, any Damages arising from, in connection with or related in any manner whatsoever to:

- (1) any Transfer Taxes (including penalties and interest) which may be assessed against either of the Debtors or Vendor with respect to the transactions under this Agreement including, without limiting the foregoing, any Taxes which may be assessed in the event that any election made pursuant to Section 3.7 is challenged by the relevant Tax authority as being inapplicable to the transactions under this Agreement, or as a result of the Purchaser's failure to file such elections within the prescribed time;
- (2) the Purchaser's access in accordance with Section 6.1;
- (3) the collection, use or disclosure of Transaction Personal Information by the Purchaser and its Representatives; and
- (4) the Purchaser's failure to pay when due and perform and discharge the Assumed Liabilities in accordance with their terms.

6.5 Environmental Liabilities. The Purchaser acknowledges and agrees that upon Closing, the Purchaser shall become responsible for the payment, performance and discharge of all Environmental Liabilities related to the Purchased Assets including, as applicable, all obligations of any kind whatsoever under Environmental Laws relating to the Purchased Assets.

6.6 Books and Records. The Purchaser shall preserve and keep the Books and Records acquired by it pursuant to this Agreement for a period of six (6) years after Closing, or for any longer periods as may be required by any Laws applicable to such Books and Records. The Purchaser shall make such Books and Records, as well as electronic copies of such Books

and Records (to the extent reasonably feasible), available to the Vendor, and its Representatives and successors, and shall permit any of the foregoing persons to take copies of such Books and Records as they may require.

6.7 Certain Information Technology Assets. With respect to any information technology assets primarily Related to the Business to be acquired by the Purchaser hereunder (such as desktops, laptops, mobile phones, servers and related hardware) (collectively, “**Hardware**”), the Purchaser will co-operate with the Vendor, at the Purchaser’s cost and expense, in causing data contained or stored in such Hardware not relating primarily to the Business, the Purchased Assets or the Assumed Liabilities to be removed from such Hardware in a manner reasonably satisfactory to the Vendor prior to the Closing Date or within a reasonable period of time thereafter, provided that such removal shall be carried out in a manner that does not damage or otherwise interfere with any data contained or stored in such Hardware primarily Related to the Business or the Purchased Assets. Any third party provider selected by the Purchaser and Vendor to provide such services shall be agreed upon by the Purchaser and the Vendor, acting reasonably.

6.8 Regulatory Approvals. The Purchaser, with the assistance of the Vendor shall, as promptly as possible, (i) make, or cause or be made, all filings and submissions, as applicable, required under any Law applicable to such Party or any of its Affiliates; and (ii) use commercially reasonable efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all Governmental Authorities that may be or become necessary for its execution and delivery of this Agreement and the performance of its obligations pursuant to this Agreement. The Vendor shall cooperate reasonably with the Purchaser and its Affiliates in promptly seeking to obtain all such consents, authorizations, orders, approvals and clearance certificates. The Parties shall not willfully take any action that will have the effect of delaying, impairing or impeding the receipt of any required consents, authorizations, orders and approvals.

6.9 Cooperation and Consultation with Governmental Authorities. All meetings, submissions, filings, and proposals made by or on behalf of either Party before any Governmental Authority or the staff or regulators of any Governmental Authority, in connection with the consummation of the transactions contemplated hereunder (but, for the avoidance of doubt, not including any interactions between the Vendor or the Purchaser with Governmental Authorities in the ordinary course of business, any disclosure which is not permitted by Law or any disclosure containing confidential information) shall be disclosed to the other Party hereunder in advance of any filing, submission or attendance, it being the intent that the Parties will consult and cooperate with one another, and consider in good faith the views of one another, in connection with any such filings, meetings, submissions and proposals. Each Party shall give notice to the other Party with respect to any meeting, submission, discussion, appearance or contact with any Governmental Authority or the staff or regulators of any Governmental Authority, with such notice being sufficient to provide the other Party with the opportunity to attend and participate in such meeting, discussion, appearance or contact (except where such Governmental Authority expressly requests that such Party not attend or participate in such meeting, discussion, appearance or contact). Notwithstanding any requirement under this Section 6.9, a Party shall not be required to provide the other Party with any information required to be provided under this Section 6.9 where the information is confidential and competitively sensitive, in which case the supplying Party shall provide a redacted version to the requesting Party and shall provide the information on a non-redacted basis to the receiving Party’s external counsel, and the receiving Party agrees that it shall neither request nor receive such non-redacted information from its external counsel.

6.10 Waiver of Claim for Costs. Effective upon Closing, the Trustee shall release any and all claims for costs of the motion by Santokh Mahal for a declaration of his interest in, to and under the agreement to purchase a condominium unit in the Aquabella Condominium described as Suite GPHI, 118 Merchant's Wharf, Toronto (the "**Condo Motion**"). The Trustee shall forebear from taking any steps to obtain a costs order against Santokh Mahal in respect of the Condo Motion for so long as this Agreement remains in force and not terminated in accordance with Article 9. For the avoidance of doubt, the Trustee's release of its claim for costs in the Condo Motion shall not be effective if this Agreement does not Close, for any reason.

ARTICLE 7 CLOSING ARRANGEMENTS

7.1 Closing. The Closing will take place virtually, whereby required executed closing deliverables are circulated by electronic mail in pdf and released at such time and pursuant to such protocols and confirmations as the Parties may agree.

7.2 Vendor's Closing Deliveries. At the Closing, the Vendor shall deliver or cause to be delivered to the Purchaser the following:

- (1) a statement of adjustments reflecting customary adjustments for a transaction similar to the transaction contemplated by this Agreement (a "**Statement of Adjustments**");
- (2) an undertaking by the Vendor to readjust all items on the Statement of Adjustments within 45 days from the Closing Date, upon written request by the Purchaser;
- (3) the Purchased Assets, with delivery to occur *in situ* wherever such Purchased Assets are located at the Closing Time;
- (4) a copy of the Approval and Vesting Order, which shall be a Final Order;
- (5) a copy of any Assignment Order, if applicable, in respect of any Critical Contracts for which consents to assignment were required which have not been obtained, which Assignment Order shall be a Final Order;
- (6) the General Conveyance, duly executed by the Vendor ;
- (7) all consents to the assignment of the Assigned Contracts and Permits and Licences, to the extent obtained by the Vendor prior to Closing;
- (8) the Assignment and Assumption Agreement, duly executed by the Vendor;
- (9) a bring-down certificate executed by the Vendor dated as of the Closing Date, in form and substance satisfactory to the Purchaser, acting reasonably, certifying that (i) all of the representations and warranties of the Vendor hereunder remain true and correct in all material respects as of the Closing Date as if made on and as of such date or, if made as of a date specified therein, as of such date, and (ii) all of the terms and conditions set out in this Agreement to be complied with or

performed by the Vendor or prior to Closing have been complied with or performed by the Vendor in all material respects; and

- (10) such other agreements, documents and instruments as may be required and that the Purchaser has reasonably requested on or before the Closing Date to complete the transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably, provided that none of the Vendor's closing deliveries shall contain covenants, representations or warranties which are in addition to or more onerous upon the Vendor than those expressly set out in this Agreement.

7.3 Purchaser's Closing Deliveries. At the Closing, the Purchaser shall deliver or cause to be delivered to the Vendor (or as otherwise indicated below), the following:

- (1) the payment referred to in Section 3.2(2);
- (2) the payment of all Transfer Taxes to the applicable Governmental Authority required to be paid on Closing;
- (3) to the extent payable on Closing, evidence that Cure Costs (if any) in respect of each Assigned Contract have been paid in accordance with (i) the Assignment Order where such Assigned Contract is assigned pursuant to an Assignment Order, and (ii) the consent of the applicable counterparty or as otherwise agreed upon by the Purchaser and such counterparty, where such Assigned Contract is not assigned pursuant to an Assignment Order;
- (4) an undertaking by the Purchaser to readjust all items on the Statement of Adjustments within 45 days from the Closing Date, upon written request by the Vendor;
- (5) the General Conveyance, duly executed by the Purchaser;
- (6) the Assignment and Assumption Agreement, duly executed by the Purchaser;
- (7) a bring-down certificate executed by the Purchaser or a senior officer of the Purchaser, if applicable, dated as of the Closing Date, in form and substance satisfactory to the Vendor, acting reasonably, certifying that (i) all of the representations and warranties of the Purchaser hereunder remain true and correct in all material respects as of the Closing Date as if made on and as of such date or, if made as of a date specified therein, as of such date, and (ii) all of the terms and conditions set out in this Agreement to be complied with or performed by the Purchaser at or prior to Closing have been complied with or performed by the Purchaser in all material respects;
- (8) the Title Direction (which shall have been delivered on or prior to March 30, 2022, pursuant to Section 4.2); and
- (9) such other agreements, documents and instruments as may be required and that the Vendor has reasonably requested on or before the Closing Date to complete the transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably, provided that none of the

Purchaser's closing deliveries shall contain covenants, representations or warranties which are in addition to or more onerous upon the Purchaser than those expressly set out in this Agreement.

ARTICLE 8 CONDITIONS OF CLOSING

8.1 Purchaser's Conditions. The Purchaser shall not be obligated to complete the transactions contemplated by this Agreement unless, at or before the Outside Date, each of the conditions listed below in this Section 8.1 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Purchaser, and may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall only be binding on the Purchaser if made in writing:

- (1) *Court Approval.* The Approval and Vesting Order and, if applicable, the Assignment Order, shall each have been issued and entered by the Court and be a Final Order.
- (2) *Vendor's Deliveries.* The Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 7.2.
- (3) *No Violation of Orders or Law.* During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any Final Order or Law which has the effect of (i) making any of the transactions contemplated by this Agreement illegal, or (ii) otherwise prohibiting, preventing or restraining the consummation of any of the transactions contemplated by this Agreement.
- (4) *No Breach of Representations and Warranties.* Each of the representations and warranties contained in Section 5.2 shall be materially true and correct (i) as of the Closing Date as if made on and as of such date or (ii) if made as of a date specified therein, as of such date.
- (5) *No Breach of Covenants.* The Vendor shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Vendor on or before the Closing.

8.2 Vendor's Conditions. The Vendor shall not be obligated to complete the transactions contemplated by this Agreement unless, at or before the Closing Time, each of the conditions listed below in this Section 8.2 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Vendor and may be waived by the Vendor in whole or in part, without prejudice to their rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall only be binding on the Vendor if made in writing.

- (1) *Court Approval.* The Approval and Vesting Order and, if applicable, the Assignment Order shall each have been issued and entered by the Court and be a Final Order.

- (2) *Purchaser's Deliverables.* The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at the Closing all the documents and payments contemplated in Section 7.3.
- (3) *No Violation of Orders or Law.* During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any Final Order or Law which has the effect of (i) making any of the transactions contemplated by this Agreement illegal, or (ii) otherwise prohibiting, preventing or restraining the consummation of any of the transactions contemplated by this Agreement.
- (4) *No Breach of Representations and Warranties.* Each of the representations and warranties contained in Section 5.1 shall be materially true and correct (i) as of the Closing Date as if made on and as of such date or (ii) if made as of a date specified therein, as of such date.
- (5) *No Breach of Covenants.* The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser, on or before the Closing.

8.3 Vendor's Certificate. When the conditions to Closing set out in Section 8.1, have been satisfied and/or waived by the Purchaser, the Purchaser will deliver to the Vendor written confirmation (i) that such conditions of Closing, as applicable, have been satisfied and/or waived; and (ii) of the amounts of Transfer Taxes required to be paid at Closing (if any is payable) and the Cure Costs payable by the Purchaser on Closing (the "**Conditions Certificate**"). Upon (a) receipt of payment in full of the Cash Purchase Price, Transfer Taxes required to be paid at Closing (if any is payable) and of the Cure Costs payable by the Purchaser on Closing, (b) receipt of the Conditions Certificate and (c) being satisfied that the conditions of Closing set out in Section 8.2 have been satisfied and/or waived by the Vendor the Vendor shall (i) issue forthwith its Certificate to the Purchaser, at which time the Closing will be deemed to have occurred; and (ii) file as soon as practicable a copy of the Vendor's Certificate with the Court (and shall provide a true copy of such filed certificate to the Purchaser). In the case of clauses (i) and (ii), above, the Vendor will be relying exclusively on the basis of the Conditions Certificate and without any obligation whatsoever to verify the satisfaction or waiver of the applicable conditions.

ARTICLE 9 TERMINATION

9.1 Grounds for Termination. This Agreement may be terminated prior to the Closing Time:

- (1) by the mutual written agreement of the Vendor and the Purchaser;
- (2) by written notice from the Purchaser to the Vendor in accordance with Section 6.3;
- (3) by written notice from the Purchaser to the Vendor if there has been a material breach by the Vendor of any representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, such breach is not curable and has rendered the satisfaction of any condition in Section 8.1 impossible by the Outside Date, provided that at the time of providing

such notice of termination, the Purchaser is not in breach of any of its obligations under this Agreement;

- (4) by written notice from the Vendor to the Purchaser if there has been a material breach by the Purchaser of any representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendor, such breach is not curable and, in the case of a breach other than a breach of Section 6.1 by the Purchaser, such breach has rendered the satisfaction of any condition in Section 8.2 impossible by the Outside Date, provided that at the time of providing such notice of termination, the Vendor is not in breach of any of its obligations under this Agreement; and
- (5) by the Purchaser, on the one hand, or by the Vendor, on the other hand, upon written notice to the other Party if the Closing has not occurred by the Outside Date, provided, however, that the right to terminate this Agreement pursuant to this Section 9.1(5) shall not be available to any Party whose breach hereof has been the principal cause of, or has directly resulted in the Closing not occurring by the Outside Date.

9.2 Effect of Termination. If this Agreement is terminated pursuant to Section 9.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder, except as contemplated in Sections 6.2 (*Transaction Personal Information*), 6.4 (Indemnity), 9.2 (*Effect of Termination*), 9.3 (*Treatment of Deposit*), 10.2 (*Expenses*), 10.3 (*Public Announcements*), 10.4 (*Notices*), 10.7 (*Entire Agreement*), 10.9 (*Amendment*), 10.11 (*Severability*), 10.13 (*Governing Law*), 10.14 (*Dispute Resolution*), 10.15 (*Attornment*), 10.16 (*Successors and Assigns*), 10.17 (*Assignment*), 10.18 (*Vendor's Capacity*) and 10.19 (*Third Party Beneficiaries*), which shall survive such termination.

9.3 Treatment of Deposit.

(1) *Retention of Deposit.* In the event that this Agreement is terminated (i) by the Vendor pursuant to Section 9.1(4), or (ii) by the Vendor or the Purchaser pursuant to Section 9.1(5) and the reason that Closing did not occur by the Outside Date was the result of a breach by the Purchaser of any representation, warranty or covenant contained in this Agreement, the Deposit shall be forfeited by the Purchaser and retained by the Vendor as a genuine estimate of liquidated damages, and not as a penalty to compensate the Vendor for the expenses incurred and opportunities foregone as a result of the failure to Close.

(2) *Return of Deposit.* In the event that this Agreement is terminated pursuant to any Section of this Agreement other than (i) Section 9.1(4) or (ii) 9.1(5) and the reason that Closing did not occur by the Outside Date was the result of a breach by the Purchaser of any representation, warranty or covenant contained in this Agreement, the Deposit shall be promptly returned to the Purchaser by the Vendor and the return of the Deposit shall be the Purchaser's sole and exclusive remedy for any termination of this Agreement.

ARTICLE 10 GENERAL

10.1 Survival. All representations, warranties, covenants and agreements of the Vendor or the Purchaser made in this Agreement or any other agreement, certificate or instrument delivered pursuant to this Agreement shall merge and shall not survive the Closing except

where, and only to the extent that, the terms of any such covenant or agreement expressly provide for rights, duties or obligations extending after the Closing, or as otherwise expressly provided in this Agreement. For greater certainty, the following sections shall survive Closing: 2.2 (*Assumed Liabilities*), 2.4(4) (*Post-Closing Assignment*), 3.3 (*Cash Reserve*), 3.4 (*Allocation of Purchase Price*), 3.5 (*Taxes*), 3.6 (*GST/HST Gross Up*), 3.7 (*Tax Elections*), 5.2(4) (*Commissions*), 5.3 (*As is, Where is*), 6.2 (*Transaction Personal Information*); 6.4 (*Indemnity*), 6.5 (*Environmental Liabilities*), 6.6 (*Books and Record*), 8.3 (*Vendor's Certificate*), 9.3 (*Treatment of Deposit*), 10.1 (*Survival*), 10.2 (*Expenses*), 10.3 (*Public Announcements*), 10.4 (*Notices*), 10.5 (*Time of Essence*), 10.6 (*Further Assurances*), 10.7 (*Post-Closing Wind-Up of Proceedings*), 10.8 (*Entire Agreement*), 10.9 (*Amendment*), 10.10 (*Waiver*), 10.11 (*Severability*), 10.12 (*Remedies*), 10.13 (*Governing Law*), 10.14 (*Dispute Resolution*), 10.15 (*Attornment*), 10.16 (*Successors and Assigns*), 10.17 (*Assignment*), 10.18 (*Vendor's Capacity*) and 10.19 (*Third Party Beneficiaries*).

10.2 Expenses. Except as otherwise expressly provided herein, each Party shall be responsible for all costs and expenses (including any Taxes imposed on such expenses) incurred by it in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the transactions contemplated by this Agreement (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisers). Notwithstanding the forgoing, the cost of retaining a notary and a land surveyor, if necessary, in connection with the preparation of the legal descriptions of the Owned Real Property shall be borne by the Purchaser.

10.3 Public Announcements. The Vendor shall be entitled to disclose this Agreement (on an unredacted basis) and all information provided by the Purchaser in connection herewith to the Court and parties of interest in the Receivership Proceedings, or Bankruptcy Proceedings and a copy of this Agreement may be posted on KSV's website maintained in connection with the Receivership Proceedings and Bankruptcy Proceedings. Notwithstanding any other provision of this Agreement, unless such information is otherwise publicly disclosed or, upon the advice of counsel, required by Applicable Law or by any Governmental Authority to be disclosed (including in any Tax Returns), the Purchaser shall not disclose the quantum of the Purchase Price, Cash Purchase Price, Deposit, Assumed Liabilities or allocation of Purchase Price without the prior written consent of the Vendor.

10.4 Notices.

(1) *Mode of Giving Notice.* Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if (i) delivered personally, (ii) sent by prepaid courier service, or (iii) sent by e-mail or other similar means of electronic communication, in each case to the applicable address set out below:

(2) if to the Vendor to:

KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, ON, Canada M5H 1J9

Attention: Mitch Vininsky
Email: mvininsky@ksvadvisory.com

with a copy (which shall not constitute notice) to:

Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000
Toronto, ON, Canada M5L 1A9

Attention: Chris Burr
Email: chris.burr@blakes.com

(3) if to the Purchaser, to:

12175622 Canada Ltd.
800 Swinbourne Drive,
Mississauga, Ontario
L5V 1J6

Attention: Santokh Mahal
Email: smahal@rogers.com

with a copy (which shall not constitute notice) to:

Dickinson Wright LLP
199 Bay Street, Suite 2200
Toronto, Ontario
M5L 1G4

Attention: David Preger
Email: Dpreger@dickinsonwright.com

Attention: Lisa Corne
Email: Lcorne@dickinsonwright.com

Attention: David Seifer
Email: Dseifer@dickinsonwright.com

(4) *Deemed Delivery of Notice.* Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of e-mailing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, e-mailed or sent before 5:00 p.m. Eastern time on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

(5) *Change of Address.* Any Party may from time to time change its address under this Section 10.4 by notice to the other Party given in the manner provided by this Section 10.4.

10.5 Time of Essence. Time shall be of the essence of this Agreement in all respects.

10.6 Further Assurances. The Vendor and the Purchaser shall, at the sole expense of the requesting Party, from time to time promptly execute and deliver or cause to be executed and delivered all such further documents and instruments and shall do or cause to be done all such further acts and things in connection with this Agreement that the other Party may reasonably

require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or any provision hereof.

10.7 Post-Closing Wind-Up of Receivership and Bankruptcy Proceedings. Notwithstanding any other provision of this Agreement, but subject to the Vendor's obligations in relation to the Cash Reserve and Refund as provided for under Section 3.3, nothing in this Agreement shall operate to restrict in any way the rights of the Vendor to distribute any of the Debtors' assets or otherwise wind up the Receivership Proceedings or Bankruptcy Proceedings as they may determine in their sole discretion after the Closing, even if doing so may impair the Vendor's ability to provide or perform any further cooperation, assistance or further assurances as may otherwise be provided under this Agreement.

10.8 Entire Agreement. Other than any confidentiality agreement, non-disclosure agreement or similar undertaking or agreement signed by the Purchaser in favour of the Vendor, which remain in full force and effect, except as amended by this Agreement, this Agreement and the agreements contemplated hereby constitute the entire agreement between the Parties or any of them pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written (including any letter of intent or expression of interest submitted by the Purchaser). There are no conditions, representations, warranties, obligations or other agreements between the Parties in connection with the subject matter of this Agreement (whether oral or written, express or implied, statutory or otherwise) except as explicitly set out in this Agreement.

10.9 Amendment. No amendment of this Agreement shall be effective unless made in writing and signed by the Parties.

10.10 Waiver. A waiver of any default, breach or non-compliance under this Agreement shall not be effective unless in writing and signed by the Party to be bound by the waiver and then only in the specific instance and for the specific purpose for which it has been given. No waiver shall be inferred from or implied by any failure to act or delay in acting by a Party in respect of any default, breach or non-observance or by anything done or omitted to be done by the other Party. The waiver by a Party of any default, breach or non-compliance under this Agreement will not operate as a waiver of that Party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).

10.11 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

10.12 Remedies Cumulative. The rights, remedies, powers and privileges herein provided to a Party are cumulative and in addition to and not exclusive of or in substitution for any rights, remedies, powers and privileges otherwise available to that Party.

10.13 Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the Province of Ontario and the Laws of Canada applicable therein.

10.14 Dispute Resolution. If any dispute arises with respect to the interpretation or enforcement of this Agreement, including as to what constitutes a breach or material breach of

this Agreement for the purposes of Article 9, such dispute shall be determined by the Court within the Receivership Proceedings, Bankruptcy Proceedings or by such other Person or in such other manner as the Court may direct. Without prejudice to the ability of the Vendor or the Purchaser to enforce this Agreement in any other proper jurisdiction, the Purchaser and the Vendor irrevocably submit and attorn to the non-exclusive jurisdiction of the Court.

10.15 Attornment. Each Party agrees (i) that any Legal Proceeding relating to this Agreement must be brought in the Court, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of the Court; (ii) that it irrevocably waives any right to, and shall not, oppose any such Legal Proceeding in the Province of Ontario on any jurisdictional basis, including *forum non conveniens*; and (iii) not to oppose the enforcement against it in any other jurisdiction of any Order duly obtained from the Court as contemplated by this Section 10.15. Each Party agrees that service of process on such Party as provided in Section 10.4 shall be deemed effective service of process on such Party.

10.16 Successors and Assigns. This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns.

10.17 Assignment. Prior to the issuance of the Approval and Vesting Order, the Purchaser may assign all of its rights and obligations under this Agreement to an Affiliate, provided that (i) the Purchaser shall remain liable to perform all of its obligations hereunder, and (ii) the Purchaser and its assignee execute and deliver to the Vendor an assignment and assumption agreement, in form and substance satisfactory to the Vendor, evidencing such assignment. Other than in accordance with the preceding sentence, the Purchaser may not assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its rights or obligations under this Agreement.

10.18 Vendor's Capacity. The Purchaser acknowledges and agrees that KSV, acting in its capacity as the Receiver in the Receivership Proceedings, and as Trustee in the Bankruptcy Proceedings will have no Liability in connection with this Agreement whatsoever in its personal or corporate capacity, and shall have Liability in connection with this Agreement in its capacity as Receiver or Trustee only to the extent explicitly provided for herein, and subject in all cases to the applicable limitations of liability set out herein.

10.19 Third Party Beneficiaries. Except as set forth in Section 6.4, this Agreement is for the sole benefit of the Parties, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

10.20 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Party by e-mail in pdf format or by other electronic transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving Party.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

KSV RESTRUCTURING INC., in its capacities as Court-appointed receiver and manager, and trustee in bankruptcy of MAHAL VENTURE CAPITAL INC and GOLDEN MILES FOOD CORPORATION, and not in its personal or corporate capacity

By: noah goldstein
Name: Noah Goldstein
Title: Managing Director

12175622 CANADA LTD.

Name:

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

KSV RESTRUCTURING INC., in its capacities as Court-appointed receiver and manager, and trustee in bankruptcy of MAHAL VENTURE CAPITAL INC and GOLDEN MILES FOOD CORPORATION, and not in its personal or corporate capacity

By: _____
Name:
Title:

12175622 CANADA LTD.

By:  _____
Name: Santokh Mahal

Title: Director

(I have authority to bind the corporation)

SCHEDULE "A"

Assigned Contracts

Assigned Contracts

All contracts and agreements of the Debtors, including without limitation:

Nil.

Critical Contracts

The following Assigned Contracts are Critical Contracts:

Nil.

Personal Property Leases

The following Assigned Contracts are Personal Property Leases:

Nil.

SCHEDULE "B"

Owned Real Property

The buildings and land known municipally as 155 Adams Blvd, Brantford, Ontario, legally referred to as:

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

SCHEDULE "C"

Permits & Licences

All Permits and Licences of the Debtors, including without limitation:

- Building Permit No. 16 005638

SCHEDULE "D"**Purchased Assets**

All assets, undertakings and properties of the Debtors other than the Excluded Assets, including, without limitation, either Debtors' right, title and interest, if any, in the following assets:

- i. The Assigned Contracts;
- ii. All tangible Personal Property located at the Mill, including, without limitation, all property, equipment, parts, furniture, fixtures, machinery, three flour tankers with VIN numbers 2TLHB5042JB000342, 2TLHB4945JB000350, and 3H4JS4424J309886, 2008 Genie Z-135 (Serial Number Z13508-860), Toyota Forklift Model 8FGCU25 (Serial Number 11582), Toyota Forklift Model 42-6FGCU15 (Serial number 68631), Toyota Forklift Model 8FBE18U (Serial Number 19694);
- iii. All Owned Real Property;
- iv. All Permits and Licences, including without limitation all building permits issued to either of the Debtors in respect of the Owned Real Property, to the extent such building permits are transferrable and subject to Section 2.4.
- v. All Data;
- vi. All Receivables including, without limitation all Purchased Tax Refunds and all deposits paid to the City of Brantford, but not including the Excluded Tax Refunds or the Excluded Claims;
- vii. All Books and Records;
- viii. All Intellectual Property;
- ix. All goodwill of the Debtors;
- x. All proceeds of any or all of the foregoing.

SCHEDULE "E"**Deleted Encumbrances**

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		SKYMARK FINANCE	KLN HOLDINGS INC.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO
		CHARGE		CORPORATION	
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	THOMSON, ANDREW 2620509 ONTARIO INC. 2580165

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO
				CORPORATION	ONTARIO INC. JANODEE INVESTMENTS LTD. 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

Appendix “F”

Receivership of Mahal Venture Capital Inc. and Golden Miles Food Corporation
Interim Statement of Receipts and Disbursements
 For the Period October 1, 2021 to March 31, 2022
 (\$; unaudited)

Description	Note	Amount
<i>Receipts</i>		
Interim funding		1,189,491
Utilities prepayment refund		105,041
Return of funds from Santokh Mahal		29,500
Interest		190
		1,324,222
<i>Disbursements</i>		
Receiver's fees		319,085
Operating and maintenance costs		281,641
Legal fees and disbursements	1	247,123
Insurance		153,675
HST		122,881
Fees paid to KSV for pre-filing mandate		78,809
Funds transferred to fund the Companies' bankruptcy estates		39,783
PST		10,562
Other professional fees		4,638
Software and license		275
Bank charges		235
Filing fees		73
		1,258,779
Balance in Receiver's account, before accrued liabilities and deposit from Purchaser re: Transaction		65,443

Notes

1. Includes payments of \$70,258 for invoices related to pre-recievership work performed by Blake, Cassels & Graydon LLP.

Appendix “G”

COURT FILE NO.: CV-21-00664778-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

SKYMARK FINANCE CORPORATION

APPLICANT

- AND -

MAHAL VENTURE CAPITAL INC. AND
GOLDEN MILES FOOD CORPORATION

RESPONDENTS

AFFIDAVIT OF NOAH GOLDSTEIN
(Sworn April 4, 2022)

I, Noah Goldstein, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Managing Director of KSV Restructuring Inc. ("KSV").
2. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) ("Court") made on October 1, 2021 ("Order"), KSV was appointed as receiver and manager (the "Receiver") 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.
3. I have been involved in the management of this mandate since the proceedings commenced. As such, I have knowledge of the matters to which I hereinafter depose.
4. On April 4, 2022, the Receiver issued its Third Report to Court in which it outlined its activities with respect to the Companies and provided information with respect to its fees.

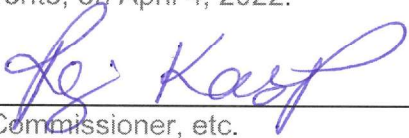
5. I hereby confirm that attached as Exhibit "A" hereto are true copies of the accounts of KSV for the periods indicated and confirm that these accounts accurately reflect the services provided by KSV in this matter and the fees and disbursements claimed by it.

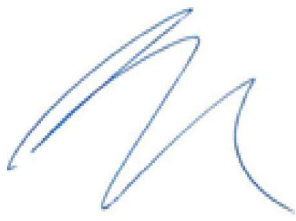
6. Additionally, attached hereto as Exhibit "B" is a summary of additional information with respect to all members of KSV who have worked on this matter, including their roles, hours and rates, and I hereby confirm that the list represents an accurate account of such information.

7. I consider the accounts to be fair and reasonable considering the circumstances connected with this administration.

8. I also confirm that the Receiver has not received, nor expects to receive, nor has the Receiver been promised any remuneration or consideration other than the amount claimed in the accounts.

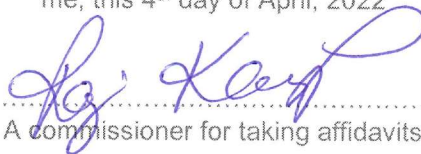
SWORN BEFORE ME at the City of
Toronto, on April 4, 2022.


A Commissioner, etc.


Noah Goldstein

Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Restructuring Inc
Expires January 27, 2024.

This is Exhibit "A" referred to in the
Affidavit of Noah Goldstein sworn before
me, this 4th day of April, 2022.



.....

A commissioner for taking affidavits

**Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Restructuring Inc.
Expires January 27, 2024.**



INVOICE

Mahal Venture Capital Inc. and Golden Miles Food Corporation
c/o KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

December 8, 2021

Invoice No: 2418
HST #: 818808768RT0001

**Re: Mahal Venture Capital Inc. (“Mahal VC”) and Golden Miles Food Corporation (“GM”
and together with Mahal, the “Companies”)**

For professional services rendered by KSV Restructuring Inc. during October, 2021 in its capacity as receiver and manager (the “Receiver”) of all assets, undertakings and properties of the Companies owned or used in connection with the flour mill (“Flour Mill”) located on the property municipally known as 155 Adams Blvd., Brantford, Ontario (the “Real Property” and together with the Flour Mill, the “Property”) appointed pursuant to an order of the Ontario Superior Court of Justice issued on October 1, 2021 (“Receivership Order”), including;

General

- Corresponding with Skymark Finance Corporation (“Skymark”) and Chaitons LLP (“Chaitons”), Skymark’s counsel, regarding all aspects of this mandate;
- Preparing for the Companies’ receivership, including drafting letters and a checklist of matters to be addressed;
- Corresponding daily during the period with Blake, Cassels & Graydon LLP (“Blakes”), the Receiver’s counsel, regarding all aspects of this mandate;
- Corresponding with Jesse Mahal (“Jesse”), sole officer, director and shareholder of Mahal VC, Santokh Mahal (“Santokh” and together with Jesse, the “Mahals”), the sole officer, director and shareholder of Golden Miles, regarding the Flour Mill and the Companies’ business and operations;
- Corresponding with Kirwin Partners LLP (“Kirwin”), counsel to the Companies, and Dickinson Wright LLP (“DW”), counsel to the Mahals, regarding the Companies’ affairs and these proceedings;

Court and Legal Matters

- Attending at Court, virtually, on October 1, 2021 for the hearing of the receivership application;
- Reviewing correspondence from Kirwin regarding the receivership application, including a request for an adjournment;
- Corresponding with Skymark, Blakes and Kirwin regarding proposed changes to the Receivership Order;
- Reviewing and commenting on the Receiver's Notice of Motion and draft Order dated October 21, 2021 in connection with the Receiver's motion seeking direction regarding certain missing Property and books and records of the Companies (the "Property and Records Motion");
- Preparing the Receiver's First Report to Court dated October 20, 2021 in connection with the Property and Records Motion, and discussing the same with Blakes;
- Attending at Court, virtually, on October 26, 2021 in connection with the Property and Records Motion;
- Reviewing and commenting on revisions to the draft Order following the Court hearing;
- Reviewing correspondence between Blakes and DW regarding the Property and Records Motion and the draft Order;
- Reviewing correspondence with certain judgment creditors or counterparties to litigation against the Companies, including Garage Living Inc. and Vivian Group Inc.;

Property and Records

- Attending at the Flour Mill on October 1, 2021 to take possession of and secure the Property pursuant to the Receivership Order;
- Meeting on October 1, 2021 with the Mahals at the Flour Mill;
- Reviewing correspondence between Blakes and Kirwin on October 1, 2021 regarding missing Property and books and records of the Companies;
- Preparing letters dated October 5, 2021 to Royal Bank of Canada ("RBC") and TD Canada Trust ("TD") regarding the Companies' bank accounts held at their respective institutions (the "Bank Letters");
- Corresponding with representatives of TD and RBC regarding the Bank Letters;
- Reviewing bank statements and other information provided by TD and RBC;
- Preparing an information request list for the Mahals dated October 4, 2021 (the "Information Request"), including a request for the Mahals to provide to the Receiver their computers and other electronic devices (the "Devices");

- Corresponding extensively with the Mahals regarding the Information Request and the Devices;
- Reviewing and discussing numerous letters and emails between Blakes and either Kirwin or DW regarding the Information Request and follow-up requests, including on October 1, 4, 5, 6, 7, 12, 13 and 21, 2021;
- Attending a phone call with Blakes, Jesse and DW on October 7, 2021 regarding the Information Request;
- Creating a virtual data room (the “VDR”) for Jesse to upload the information requested per the Information Request;
- Indexing, organizing and reviewing the information provided in the VDR;
- Corresponding extensively with Jesse and DW regarding access to the Devices and the privacy protocols for the same;
- Coordinating with Kroll, a forensic investigations firm, to arrange imaging of the Devices on October 25, 2021;
- Corresponding with Gill & Co., the Companies’ external accountant, regarding the Companies’ accounting records, including on October 14, 15, 18, 19, 20 and 21, 2021;
- Corresponding with Jesse and DW regarding the location of the programmable logic controller (the “PLC”), an industrial computer, which contains the essential software and source code required to operate the Flour Mill;
- Corresponding with Imas Inc. (“IMAS”), a Turkish company that Jesse advised is in possession of the PLC, including on October 22, 23, 25 and 26, 2021;

Operation of the Flour Mill

- Attending periodically at the Flour Mill at various intervals during the period, including on October 4, 7, 8, 12, 15, 18 and 20, 2021, to deal with various operating matters including to arrange for the maintenance and general upkeep of the Property;
- Opening receivership estate bank accounts for the Companies;
- Corresponding and coordinating with various vendors to provide services at the Flour Mill, including with:
 - Bell Canada Inc., with respect to telephone and internet services;
 - Enbridge Gas inc. (“Enbridge”) and Brantford Power, with respect to the transfer of the Companies’ existing utilities accounts;
 - Millennium Alarm Responses, to arrange mobile security patrols at the Real Property;
 - Abell Pest Control, to schedule pest control service;

- Convergint Technologies Ltd. (“Convergint”), to activate burglar and fire alarm monitoring services;
- Birdseye Security Inc., regarding security and monitoring equipment installed at the Flour Mill;
- Lumar Fire Protection Inc., to conduct an annual inspection and servicing of the sprinklers and fire protections systems at the Flour Mill; and
- GTA Compressor Services, to arrange for warranty servicing of the air compressors located at the Flour Mill;
- Reviewing purchase orders, invoices and proposals submitted by the vendors;
- Corresponding with Tert & Ross Ltd., a party engaged by the Receiver for certain on-site activities, on an almost daily basis during the period, including to:
 - photograph and video record the Property;
 - arrange for the installation of security cameras at the Flour Mill;
 - attend at the Flour Mill to coordinate on-site activities;
 - provide for general maintenance at the Property;
 - dispose of the large bags and boxes of raw tobacco located inside and outside the Flour Mill; and
 - other tasks, as requested by the Receiver;
- Corresponding with Enbridge regarding the refund of a security deposit paid by the Companies;
- Corresponding with the Mahals regarding their requests for access to the Flour Mill to deal with the cookie distribution business of Golden Miles;
- Corresponding extensively with Platform Insurance (“Platform”), the Companies’ insurance broker, regarding insurance coverage for the Companies’ business and property;
- Dealing with Platform regarding the renewal of the Companies insurance policies;
- Attending calls with Platform and Royal & Sun Alliance, one of the Companies’ insurers, regarding safety and security protocols;
- Corresponding and attending calls with Aon Reed Stenhouse Inc. (“Aon”), an insurance broker, to obtain another proposal to insure the Property;
- Responding to numerous information requests from Platform and Aon;
- Corresponding with various parties currently or previously involved in the construction or operation of the Flour Mill, including;

- Richard Rossetti, an engineer involved in the construction and design of the Flour Mill;
- Buhler Inc. (“Buhler”), an industrial manufacturer of flour milling equipment;
- Fluid Construction Inc., the most recent general contractor of the Flour Mill;
- Vicano Construction, the former general contractor of the Flour Mill;
- Callidus Engineering, a building and mechanical engineering firm; and
- Pelican Woodcliff Inc., a cost consultant engaged by Golden Miles to review its construction budget;
- Attending site tours on October 12, 2021 with Buhler, Mr. Rossetti and a representative of Skymark;
- Reviewing and sorting through information regarding the Companies provided by Mr. Rossetti, which included more than 20,000 individual data files on a hard drive;
- Corresponding extensively and attending calls with representatives of Buhler, including with respect to:
 - their status as a creditor of Golden Miles;
 - equipment that they supplied to the Flour Mill which has not been installed;
 - their involvement with the construction and design of the Flour Mill; and
 - a proposal for cleaning and sanitizing the machinery and equipment at the Flour Mill (the “Facility Cleanup Proposal”);
- Coordinating with various industrial cleaning vendors to arrange for assistance with the Facility Cleanup Proposal;
- Corresponding with Canada Revenue Agency (“CRA”) regarding the Companies’ payroll and HST accounts;
- Corresponding with CRA regarding source deduction amounts owing by Golden Miles;
- Corresponding with representatives of the City of Brantford regarding the status of the outstanding inspections and permits related to the Flour Mill;
- Corresponding with P&H Milling Group and Enviro-Cor Enterprises Ltd., vendors with expertise in the flour milling industry, regarding a proposal to empty the grain silos and flour bins located at the Flour Mill;

Other

- Drafting and sending to all creditors of Mahal VC and Golden Miles the Notice of Receiver and Statement of the Receiver (“Notice”) pursuant to sections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*;

- Compiling and attaching to the Notice a list of the Companies' known creditors;
- Reviewing registrations against the Companies pursuant to the *Personal Property Security Act*;
- Corresponding with Liftow Limited ("Liftow") and Toyota Industries Commercial Finance Canada, Inc. regarding a forklift located at the Flour Mill that allegedly is owned by Liftow;
- Corresponding with parties interested in purchasing the Property regarding a sale process to be launched by the Receiver in the coming months;
- Meeting on October 14, 2021 at the Flour Mill with representatives of a prospective purchaser (the "Prospective Purchaser") and Skymark;
- Corresponding with the Prospective Purchaser regarding diligence requests, including calls and email on October 15, 20, 22 and 28, 2021;
- Updating Skymark and Chaitons regularly regarding the status of the receivership proceedings;
- Responding to inquiries from various creditors and vendors regarding these proceedings;
- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

Total fees	\$ 137,613.75
HST	17,889.79
Total due	<u>\$ 155,503.54</u>

KSV Restructuring Inc.
 Mahal Venture Capital Inc. and Golden Miles Food Corporation

Time Summary

For the period ending October 31, 2021

Personnel	Rate (\$)	Hours	Amount (\$)
Noah Goldstein	650	37.00	24,050.00
Mitch Vininsky	650	88.00	57,200.00
Murtaza Tallat	475	111.90	53,152.50
Other Staff and administration			3,211.25
Total fees		<u>236.90</u>	<u>137,613.75</u>
Out-of-pocket disbursements			-
Total fees and disbursements			<u><u>137,613.75</u></u>

**kvs advisory inc.**

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INVOICE

Mahal Venture Capital Inc. and Golden Miles Food Corporation
c/o KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

December 14, 2021

Invoice No: 2437
HST #: 818808768RT0001

**Re: Mahal Venture Capital Inc. (“Mahal VC”) and Golden Miles Food Corporation (“GM”
and together with Mahal, the “Companies”)**

For professional services rendered by KSV Restructuring Inc. during November 2021 in its capacity as receiver and manager (the “Receiver”) of all assets, undertakings and properties of the Companies owned or used in connection with the flour mill (“Flour Mill”) located on the property municipally known as 155 Adams Blvd., Brantford, Ontario (the “Real Property” and together with the Flour Mill, the “Property”) appointed pursuant to an order of the Ontario Superior Court of Justice issued on October 1, 2021 (“Receivership Order”), including;

General

- Corresponding with Skymark Finance Corporation. (“Skymark”) and Chaitons LLP (“Chaitons”), Skymark’s counsel, regarding all aspects of this mandate;
- Corresponding on an almost daily basis during the period with Blake, Cassels & Graydon LLP (“Blakes”), the Receiver’s counsel, regarding all aspects of this mandate;
- Corresponding with Jesse Mahal (“Jesse”), sole officer, director and shareholder of Mahal VC, Santokh Mahal (“Santokh” and together with Jesse, the “Mahals”), the sole officer, director and shareholder of Golden Miles, regarding the Flour Mill and the Companies’ business and operations;
- Corresponding with Dickinson Wright LLP (“DW”), counsel to the Mahals, regarding the Companies’ affairs and these proceedings;

Court and Legal Matters

- Reviewing an email prepared by Blakes dated November 11, 2021 to the service list in these proceedings, concerning the Receiver's motion seeking approval of a sale process (the "Sale Process") for the Property and certain other ancillary matters, including increasing the Receiver's borrowing limit from \$500,000 to \$2 million (the "Sale Process and Ancillary Motion");
- Reviewing correspondence dated November 16, 2021 from DW regarding the Sale Process and Ancillary Motion and discussing the same with Blakes;
- Reviewing a responding letter to DW prepared by Blakes dated November 17, 2021 (the "November 17th Letter"), and discussing the same with Blakes;
- Reviewing and discussing with Blakes a further response from DW to the November 17th Letter dated November 18, 2021;
- Preparing the Receiver's Second Report to Court dated November 15, 2021 (the "Second Report") in connection with the Sale Process and Ancillary Motion, and discussing the same with Blakes;
- Preparing the Confidential Appendix to the Second Report;
- Preparing a Supplement to the Second Report to Court dated November 19, 2021;
- Reviewing and commenting on the Receiver's Notice of Motion and draft Order dated November 22, 2021 in connection with Sale Process and Ancillary Motion;
- Reviewing a Cross-motion of Record dated November 22, 2021 filed by Santokh in connection with the Receiver's Sale Process and Ancillary Motion and discussing the same with Blakes;
- Attending at Court, virtually, on November 22, 2021 for the hearing of the Sale Process and Ancillary Motion;
- Reviewing correspondence with certain judgment creditors or counterparties to litigation against the Companies, including Garage Living Inc. and Vivian Group Inc.;

Operation of the Flour Mill

- Attending periodically at the Flour Mill, including on November 2, 4 and 24, 2021, to deal with operating matters including to arrange for the maintenance and general upkeep of the Property;
- Corresponding and coordinating with vendors to provide services at the Flour Mill, including with;
 - Bell Canada Inc., with respect to telephone and internet services;
 - Enbridge Gas inc. ("Enbridge") and Brantford Power, with respect the Companies' existing utilities accounts;
 - Millennium Alarm Responses, in respect of regular mobile security patrols at the Real Property;

- Abell Pest Control, to schedule on-going pest control service;
- Convergint Technologies Ltd. (“Convergint”), including responding to notifications from the burglar and fire alarm monitoring services; and
- GTA Compressor Services, to arrange for warranty servicing of the air compressors located at the Flour Mill;
- Reviewing purchase orders, invoices and proposals submitted by the vendors;
- Corresponding with Tert & Ross Ltd., a party engaged by the Receiver for certain on-site activities, on an almost daily basis during the period, including to:
 - monitor security cameras at the Flour Mill;
 - attend at the Flour Mill to coordinate on-site activities;
 - provide for general maintenance at the Property;
 - other tasks, as requested by the Receiver;
- Corresponding with the Mahals regarding their requests for access to the Flour Mill to deal with the cookie distribution business of Golden Miles, including the release of cookie inventory on November 2, 2021;
- Corresponding with Platform Insurance (“Platform”), the Companies’ insurance broker, regarding its safety and security protocols in connection with the renewals of the Companies’ insurance policies;
- Corresponding with various parties currently or previously involved in the construction or operation of the Flour Mill, including:
 - Buhler Inc. (“Buhler”), an industrial manufacturer of flour milling equipment;
 - Fluid Construction Inc., the most recent general contractor of the Flour Mill;
 - Imas Inc. (“IMAS”), a Turkish company that Jesse advised is in possession of the programmable logic controller, including on November 9, 2021;
 - Jensen Hughes, a safety, security and risk-based engineering firm; and
 - Callidus Engineering (“Callidus”), a building and mechanical engineering firm;
- Corresponding with representatives of the City of Brantford regarding the status of the outstanding inspections and permits related to the Flour Mill;
- Attending a call with Callidus on November 16, 2021 in connection with a proposal to assist the Companies to address deficiencies identified by the City of Brantford;
- Attending a call on November 4, 2021 with Osler, Hoskin & Harcourt LLP, counsel to Buhler, regarding the status of its claim against the Companies;

- Corresponding extensively and attending calls with representatives of Buhler, including with respect to a proposal for cleaning and sanitizing the machinery and equipment at the Flour Mill;
- Facilitating the Flour Mill facility cleanup during the week of November 15, 2021 and arranging for cleaning crews to assist Buhler;
- Corresponding with Canada Revenue Agency regarding the Companies' payroll and HST accounts;
- Corresponding with P&H Milling Group and Enviro-Cor Enterprises Ltd., vendors with expertise in the flour milling industry, regarding their respective proposals to empty the grain silos and flour bins located at the Flour Mill;

Sale Process

- Drafting marketing materials for the Sale Process, including a "Teaser";
- Reviewing and providing comments on a draft confidentiality agreement prepared by Blakes (the "NDA");
- Creating a buyers list of more than 90 parties ("Buyers List"), including prospective strategic and financial buyers;
- Preparing a virtual data room ("VDR") with financial, operational and other information regarding the Flour Mill and the Companies;
- Circulating the Teaser and NDA to each party on the Buyers List;
- Following up with parties on the Buyers List by way of phone calls and email correspondence;
- Providing interested parties that executed the NDA with access to the VDR; and
- Attending calls, emails and diligence requests from interested parties, including to facilitate site tours;

Other

- Corresponding with Liftow Limited ("Liftow") and Toyota Industries Commercial Finance Canada, Inc. regarding a forklift located at the Flour Mill that Liftow alleges it owns;
- Corresponding with prospective lenders regarding an interim loan facility for the Companies;
- Reviewing and assessing draft term sheets submitted by three prospective lenders on November 3, 2021, the term sheet deadline, and preparing summaries of the same;
- Corresponding with the prospective lenders regarding the draft term sheets;
- Discussing the prospective term sheets with Blakes;

- Corresponding with RCM Capital Management, (the “Lender”) regarding its term sheet dated November 3, 2021;
- Corresponding with the Lender to facilitate a funding request dated November 9, 2021;
- Corresponding with Royal Bank of Canada and TD Canada Trust regarding the Companies’ bank accounts held at their respective institutions;
- Considering the Receiver’s powers to assign the Companies into bankruptcy and the rationale for doing so;
- Preparing statutory documents to assign the Companies into bankruptcy;
- Updating Skymark and Chaitons regularly regarding the status of the receivership proceedings;
- Responding to inquiries from creditors and vendors regarding these proceedings;
- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

Total fees	\$ 79,203.44
HST	<u>10,296.45</u>
Total due	<u>\$ 89,499.89</u>

KSV Restructuring Inc.
Mahal Venture Capital Inc. and Golden Miles Food Corporation

Time Summary

For the period ending November 30, 2021

Personnel	Rate (\$)	Hours	Amount (\$)
Noah Goldstein	650	21.00	13,650.00
Mitch Vininsky	650	55.30	35,945.00
Murtaza Tallat	475	50.95	24,201.25
Other Staff and administration			3,896.25
Total fees		<u>127.25</u>	<u>77,692.50</u>
Out-of-pocket disbursements			1,510.94
Total fees and disbursements			<u><u>79,203.44</u></u>



INVOICE

Mahal Venture Capital Inc. and Golden Miles Food Corporation
c/o KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

January 12, 2022

Invoice No: 2477
HST #: 818808768RT0001

**Re: Mahal Venture Capital Inc. (“Mahal VC”) and Golden Miles Food Corporation (“GM”
and together with Mahal, the “Companies”)**

For professional services rendered by KSV Restructuring Inc. during December 2021 in its capacity as receiver and manager (the “Receiver”) of all assets, undertakings and properties of the Companies owned or used in connection with the flour mill (“Flour Mill”) located on the property municipally known as 155 Adams Blvd., Brantford, Ontario (the “Real Property” and together with the Flour Mill, the “Property”) appointed pursuant to an order of the Ontario Superior Court of Justice issued on October 1, 2021 (“Receivership Order”), including;

General

- Corresponding with Skymark Finance Corporation (“Skymark”) and Chaitons LLP (“Chaitons”), Skymark’s counsel, regarding this mandate;
- Corresponding regularly with Blake, Cassels & Graydon LLP (“Blakes”), the Receiver’s counsel, regarding all aspects of this mandate;
- Corresponding with Jesse Mahal (“Jesse”), sole officer, director and shareholder of Mahal VC, Santokh Mahal (“Santokh” and together with Jesse, the “Mahals”), the sole officer, director and shareholder of Golden Miles, regarding the Flour Mill and the Companies’ business and operations;
- Corresponding with Dickinson Wright LLP (“DW”), counsel to the Mahals, regarding the Companies’ affairs and these proceedings;
- Corresponding with Blakes regarding the Receiver’s motion seeking, among other things, approval of a sale process (the “Sale Process”) for the Property (the “Sale Process Motion”);
- Corresponding with DW regarding a cross-motion filed by Santokh in connection with the Sale Process Motion;

Operation of the Flour Mill

- Corresponding and coordinating with vendors to provide services at the Flour Mill, including with;
 - Bell Canada Inc., with respect to telephone and internet services;
 - Enbridge Gas Inc. (“Enbridge”) and Brantford Power, with respect to the Companies’ existing utilities accounts;
 - Millennium Alarm Responses, in respect of regular mobile security patrols at the Real Property;
 - Abell Pest Control, to schedule on-going pest control service; and
 - Convergint Technologies Ltd. (“Convergint”), including responding to notifications from the burglar and fire alarm monitoring services;
- Responding to numerous alarm notification calls from Convergint during the period;
- Reviewing purchase orders, invoices and proposals submitted by the vendors, and preparing disbursements in connection with the same;
- Corresponding with Tert & Ross Ltd. (“T&R”), a party engaged by the Receiver for certain on-site activities, including to:
 - monitor security cameras at the Flour Mill;
 - attend at the Flour Mill to coordinate on-site activities;
 - provide for general maintenance at the Property;
 - other tasks, as requested by the Receiver;
- Corresponding with various parties currently or previously involved in the construction or operation of the Flour Mill, including;
 - Buhler Inc. (“Buhler”), an industrial manufacturer of flour milling equipment;
 - Callidus Engineering (“Callidus”), a building and mechanical engineering firm; and
 - Richard Rossetti, an engineer formerly involved in the construction of the Flour Mill;
- Attending a call with Buhler on December 8, 2021;
- Corresponding with representatives of the City of Brantford (the “City”) regarding the status of the outstanding inspections and permits related to the Flour Mill;
- Corresponding with Callidus, regarding its mandate to assist the Receiver to address deficiencies identified by the City;

- Reviewing a letter dated December 9, 2021 from the City's counsel to Blakes regarding the outstanding permits;
- Corresponding with Canada Revenue Agency regarding the Companies' payroll and HST accounts;
- Corresponding with P&H Milling Group ("P&H") and Enviro-Cor Enterprises Ltd., vendors with expertise in the flour milling industry, regarding their respective proposals to empty the grain silos and flour bins located at the Flour Mill;
- Coordinating activities related to the flour bins in the weeks of December 6 and 13, 2021, and corresponding on a daily basis with P&H and T&R regarding the same;

Sale Process

- Following up with parties on the Sale Process buyers list ("Buyers List"), including prospective strategic buyers, financial buyers and liquidators, by way of phone calls and email correspondence;
- Managing and updating a virtual data room ("VDR") with financial, operational and other information regarding the Flour Mill and the Companies;
- Corresponding with the Mahals regarding their request for access to conduct a site-tour of the Flour Mill on December 30, 2021;
- Providing interested parties that executed a confidentiality agreement with access to the VDR; and
- Attending calls, emails and diligence requests from interested parties, including to facilitate site tours;

Other

- Reviewing and providing comments on a letter prepared by Blakes to Liftow Limited ("Liftow") and Toyota Industries Commercial Finance Canada, Inc. dated December 16, 2021, regarding a forklift located at the Flour Mill that Liftow alleges it owns;
- Corresponding with RCM Capital Management, the interim lender (the "Lender"), and preparing a funding request dated December 13, 2021;
- Corresponding with the Lender to provide general updates regarding these proceedings;
- Corresponding with Chaitons regarding the equipment that is subject to Skymark's security;
- Responding to inquiries from creditors and vendors regarding these proceedings;
- Convening internal meetings; and

- Dealing with all other matters not otherwise referred to herein.

Total fees	\$	33,255.79
HST		<u>4,323.25</u>
Total due	\$	<u>37,579.04</u>

KSV Restructuring Inc.
 Mahal Venture Capital Inc. and Golden Miles Food Corporation

Time Summary

For the period ending December 31, 2021

Personnel	Rate (\$)	Hours	Amount (\$)
Noah Goldstein	650	12.75	8,287.50
Mitch Vininsky	650	19.50	12,675.00
Murtaza Tallat	475	20.90	9,927.50
Other Staff and administration			2,232.50
Total fees		53.15	33,122.50
Out-of-pocket disbursements			133.29
Total fees and disbursements			33,255.79



INVOICE

Mahal Venture Capital Inc. and Golden Miles Food Corporation
c/o KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

March 14, 2022

Invoice No: 2546
HST #: 818808768RT0001

**Re: Mahal Venture Capital Inc. (“Mahal VC”) and Golden Miles Food Corporation (“GM”
and together with Mahal, the “Companies”)**

For professional services rendered by KSV Restructuring Inc. from January 1, 2022 to February 28, 2022 in its capacity as receiver and manager (the “Receiver”) of all assets, undertakings and properties of the Companies owned or used in connection with the flour mill (“Flour Mill”) located on the property municipally known as 155 Adams Blvd., Brantford, Ontario (the “Real Property” and together with the Flour Mill, the “Property”) appointed pursuant to an order of the Ontario Superior Court of Justice issued on October 1, 2021 (“Receivership Order”), including;

General

- Corresponding with Skymark Finance Corporation (“Skymark”) and Chaitons LLP (“Chaitons”), Skymark’s counsel, regarding the receivership proceedings;
- Corresponding regularly with Blake, Cassels & Graydon LLP (“Blakes”), the Receiver’s counsel, regarding the receivership proceedings, as further outlined below;
- Corresponding with Jesse Mahal (“Jesse”), sole officer, director and shareholder of Mahal VC, Santokh Mahal (“Santokh” and together with Jesse, the “Mahals”), the sole officer, director and shareholder of Golden Miles, regarding the Flour Mill and the Companies’ business and operations;
- Corresponding with Dickinson Wright LLP (“DW”), counsel to the Mahals, regarding the Companies’ affairs and these proceedings;
- Corresponding with Blakes regarding the Court-approved sale process (the “Sale Process”) for the Property being conducted by the Receiver;
- Corresponding with DW regarding a cross-motion filed by Santokh on November 22, 2021, in response to the Sale Process;

- Attending virtually in Court on January 4, 2022 for a scheduling hearing in connection with Santokh's cross-motion;

Operation of the Flour Mill

- Corresponding and coordinating with vendors to provide services at the Flour Mill, including with;
 - Bell Canada Inc., with respect to telephone and internet services;
 - Enbridge Gas Inc. ("Enbridge") and Brantford Power, with respect to the Companies' existing utilities accounts;
 - Millennium Alarm Responses, in respect of regular mobile security patrols at the Real Property;
 - Abell Pest Control, to schedule on-going pest control service; and
 - Convergint Technologies Ltd. ("Convergint"), including responding to notifications from the burglar and fire alarm monitoring services;
- Reviewing purchase orders, invoices and proposals submitted by the vendors, and preparing disbursements in connection with the same;
- Corresponding with Tert & Ross Ltd. ("T&R"), a party engaged by the Receiver for certain on-site activities, including to:
 - monitor security cameras at the Flour Mill;
 - attend at the Flour Mill to coordinate on-site activities;
 - provide for general maintenance at the Property;
 - other tasks, as requested by the Receiver;
- Corresponding with various parties currently or previously involved in the construction or operation of the Flour Mill, including;
 - Buhler Inc. ("Buhler"), an industrial manufacturer of flour milling equipment;
 - Callidus Engineering ("Callidus"), a building and mechanical engineering firm; and
 - Vicano Construction Limited, a former general contractor of the Flour Mill;
- Attending a call with Buhler on January 11, 2022;
- Corresponding with representatives of the City of Brantford (the "City") regarding the status of the outstanding inspections and permits related to the Flour Mill;
- Corresponding with Callidus, regarding its mandate to assist the Receiver to address deficiencies identified by the City, including attending calls with Callidus on January 10, 12, 2022, and February 9, 2022;

- Reviewing a letter dated January 13, 2022 from Callidus to the City regarding the outstanding permits (the “Callidus Information Request”);
- Reviewing a letter dated January 17, 2022 from the City, in response to the Callidus Information Request;
- Corresponding with Canada Revenue Agency regarding the Companies’ payroll and HST accounts;
- Corresponding with P&H Milling Group (“P&H”) and Enviro-Cor Enterprises Ltd., vendors with expertise in the flour milling industry, regarding their respective proposals to empty the grain silos located at the Flour Mill;

Sale Process

- Following up with parties on the Sale Process buyers list (“Buyers List”), including prospective strategic buyers, financial buyers and liquidators, by way of phone calls and email correspondence;
- Managing and updating a virtual data room (“VDR”) with financial, operational and other information regarding the Flour Mill and the Companies;
- Providing interested parties that executed a confidentiality agreement with access to the VDR;
- Attending calls, emails and diligence requests from interested parties, including to facilitate site tours;
- Facilitating group calls with interested parties and Callidus, including on January 12, 2022;
- Reviewing and providing comments on a draft form Asset Purchase Agreement (“Form APA”);
- Discussing the Form APA with Blakes;
- Advising interested parties of the addition of the Form APA to the VDR;
- Reviewing brokerage proposals from [REDACTED] and Colliers Macaulay Nicolls Ontario Inc. (“Colliers”) to list the Real Property for sale;
- Corresponding with [REDACTED] and Colliers in respect of their proposals;
- Reviewing and providing comments on a Listing Agreement dated February 3, 2022 (the “Listing Agreement”) between the Receiver and Colliers;
- Attending a call on January 25, 2022 with Colliers and Skymark;
- Corresponding with Colliers on an almost daily basis during February 2022,
- Reviewing and providing multiple rounds of comments on marketing documents prepared by Colliers;
- Providing Colliers with access and instructions regarding the Real Property;

- Reviewing and providing comments on a form Asset Purchase Agreement for the Real Property (the “Real Property Form APA”);
- Discussing the Real Property Form APA with Blakes and Colliers;
- Reviewing a preliminary offer for the Property from a numbered company affiliated with Santokh (the “Santokh Offer”);
- Discussing the Santokh Offer with Blakes;
- Reviewing correspondence between Blakes and DW regarding the Santokh Offer;
- Dealing with several diligence requests by prospective purchasers throughout January and February;

Other

- Corresponding regularly with RCM Capital Management, the interim lender (the “Lender”) regarding the status of the receivership proceeding;
- Preparing a funding request on January 25, 2022 for the Lender;
- Corresponding with Platform Insurance (“Platform”), the Companies’ insurance broker, regarding an extension of the Companies’ insurance policies;
- Corresponding with Aon Reed Stenhouse Inc. (“Aon”), an insurance broker, regarding a new insurance policy for the Companies;
- Attending a call with Aon on January 25, 2022;
- Corresponding with Chaitons regarding the equipment that is subject to Skymark’s security;
- Responding to inquiries from creditors and vendors regarding these proceedings;
- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

Total fees	\$ 70,887.97
HST	<u>9,215.44</u>
Total due	<u><u>\$ 80,103.41</u></u>

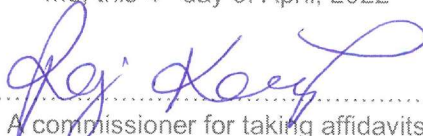
KSV Restructuring Inc.
 Mahal Venture Capital Inc. and Golden Miles Food Corporation

Time Summary

For the period ending February 28, 2022

Personnel	Rate (\$)	Hours	Amount (\$)
Noah Goldstein	675	43.50	29,362.50
Mitch Vininsky	675	15.80	10,665.00
Murtaza Tallat	495	58.70	29,056.50
Other Staff and administration			1,571.75
Total fees		118.00	70,655.75
Out-of-pocket disbursements			232.22
Total fees and disbursements			70,887.97

This is Exhibit "B" referred to in the
Affidavit of Noah Goldstein sworn before
me, this 4th day of April, 2022



.....

A commissioner for taking affidavits

**Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Restructuring Inc.
Expires January 27, 2024.**

Mahal Venture Capital Inc. and Golden Miles Food Corporation
Schedule of Professionals' Time and Rates
For the Period of October 1, 2021 to February 28, 2022

<u>Name</u>	<u>Role</u>	<u>Hours</u>	<u>Billing Rate</u> <u>(Per Hour)</u>	<u>Total Fees by</u> <u>Professional</u> <u>(\$)</u>
Noah Goldstein	All aspects of mandate	114	\$ 650 - 675	75,350
Mitch Vininsky	All aspects of mandate	179	\$ 650 - 675	116,485
Murtaza Tallat	Mandate assistance	242	\$ 475 - 495	116,338
Other staff and administrative		55	\$ 150 - 500	10,912
Total hours				591
Total fees				\$ 319,085
Average hourly rate				\$ 540

Appendix “H”

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

Respondents

**AFFIDAVIT OF CHRIS BURR
(sworn April 1, 2022)**

I, CHRIS BURR, of the City of Toronto in the Province of Ontario, MAKE OATH

AND SAY:

1. I am a Partner at the law firm of Blake, Cassels & Graydon LLP (“**Blakes**”), counsel to KSV Restructuring Inc. (“**KSV**”) in its capacity as receiver and manager (the “**Receiver**”) of the assets, undertakings and properties of Mahal Venture Capital Inc. and Golden Miles Food Corporation (together, the “**Companies**”) owned or used in connection with the flour mill located on the property municipally known as 155 Adams Blvd., Brantford, Ontario and, as such, I have knowledge of the matters to which I hereinafter depose.
2. KSV was appointed Receiver of the Companies pursuant to an order of the Ontario Superior Court of Justice (Commercial List) made October 1, 2021 (the “**Receivership Order**”).

3. Pursuant to the terms of the Receivership Order, the Receiver retained Blakes to advise it with regards to matters related to its appointment and the performance of its duties and powers.

4. Blakes' fees and disbursements for the period from the commencement of the receivership proceeding (October 1, 2021) and ending February 28, 2022 (the "**Period**") are summarized in the invoices (the "**Invoices**") rendered to the Receiver, true copies of which are attached hereto and marked as **Exhibit "A"**. The Invoices are a fair and accurate description of the services provided, the disbursements incurred and the amounts charged by Blakes and are calculated based on Blakes' standard rates and charges.

5. As set out in the summary included at Exhibit "A", Blakes expended a total of 270.8 hours at an average hourly rate of \$680.31 during the Period.

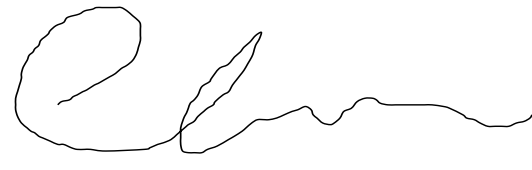
6. Attached hereto and marked as **Exhibit "B"** is a summary of the lawyers whose services are reflected on the Invoices, including year of call, hourly rate, and the total fees and hours billed.

7. The total amount being claimed for the work performed by Blakes during the Period is \$210,151.20, including \$184,228.50 for fees, \$1,869.34 for disbursements and \$24,053.36 for HST.

8. This affidavit is sworn in support of the motion for, among other things, approval of the fees and disbursements of the Receiver and those of its legal representatives and for no other purpose.

Sworn before me by video conference by)
Chris Burr of the City of Toronto in the)
Province of Ontario, this 1st day of April,)
2022, before me at the City of Burlington,)
in the Regional Municipality of Halton in)
accordance with O.Reg.431/20, Administering)
Oath or Declaration Remotely)


A Commissioner for Taking Affidavits, etc.


CHRIS BURR

Caitlin McIntyre, LSO #72306R

This is **Exhibit "A"** referred to in the

Affidavit of Chris Burr

sworn before me
this 1st day of April, 2022

A handwritten signature in black ink, appearing to be "C. M. H.", written over a horizontal line.

A Commissioner, etc.

SUMMARY OF INVOICES OF BLAKE, CASSELS & GRAYDON
(Period ended February 28, 2022)

Period Ending	Fees	Disb. Subject to HST	Disb. Not Subject to HST	Subtotal	HST	Total	Hours
October 31, 2021	\$90,440.50	\$568.61	\$643.01	\$91,652.12	\$11,831.19	\$103,483.31	140.5
November 30, 2021	\$54,393.00	\$53.90	\$328.00	\$54,774.90	\$7,078.10	\$61,853.00	79.8
December 31, 2021	\$12,260.00	\$70.87	\$60.00	\$12,390.87	\$1,603.02	\$13,993.89	15.4
January 31, 2022	\$17,961.00	\$65.50	\$21.00	\$18,047.50	\$2,343.45	\$20,390.95	22.9
February 28, 2022	\$9,174.00	\$38.30	\$20.15	\$9,232.45	\$1,197.60	\$10,430.05	12.2
Totals:	\$184,228.50	\$797.18	\$1,072.16	\$186,097.84	\$24,053.36	\$210,151.20	270.8

Average Hourly Rate:

\$680.31



Blake, Cassels & Graydon LLP
 Barristers & Solicitors
 Patent & Trademark Agents
 199 Bay Street
 Suite 4000, Commerce Court West
 Toronto ON M5L 1A9 Canada
 Tel: 416-863-2400 Fax: 416-863-2653

INVOICE

Please write invoice
 number(s) on cheque

November 18, 2021

KSV Restructuring Inc.
 150 King Street West
 Suite 2308, Box 42
 Toronto, ON M5H 1J9
 Canada

Invoice: 2278624
 Billing Lawyer Burr, Chris
 HST/GST No.: R119396778
 Client: 00025198
 Matter: 000002

Attention: Noah Goldstein
 Managing Director

Re: Golden Miles/Mahal Venture Capital Debt Review

FOR PROFESSIONAL SERVICES RENDERED
 as set out in the attached printout:

BALANCE DUE IN CANADIAN CURRENCY

\$ 103,483.31 CAD *mk*

Note - Our Banking Instructions have changed

***** Terms: Due and Payable Upon Receipt *****

If paying by cheque, please make cheque payable to **Blake, Cassels & Graydon LLP**. Please remit this page with payment.
 If wiring funds, please refer to the appropriate section below for instructions:

Canadian Funds Payment Instructions:

Canadian Imperial Bank of Commerce
 Main Branch, Commerce Court West
 Toronto, ON CA
 Institution No.: 0010
 Transit No.: 00002

Swiftcode: CIBCCATT
 Beneficiary: Blake Cassels & Graydon LLP
 Account No.: 1602012
 Reference: Invoice No. 2278624

For further instructions please email Accounts Receivable at AccountsReceivable@blakes.com or telephone 416-863-3865

Interest at the rate of 4.5% per annum will be charged on all amounts not paid within one month of delivery of this invoice.

REMITTANCE PAGE



Blake, Cassels & Graydon LLP
 Barristers & Solicitors
 Patent & Trademark Agents
 199 Bay Street
 Suite 4000, Commerce Court West
 Toronto ON M5L 1A9 Canada
 Tel: 416-863-2400 Fax: 416-863-2653

INVOICE

Please write invoice
 number(s) on cheque

November 18, 2021

KSV Restructuring Inc.
 150 King Street West
 Suite 2308, Box 42
 Toronto, ON M5H 1J9
 Canada

Invoice:
 Billing Lawyer
 HST/GST No.:
 Client:
 Matter:

2278624
 Burr, Chris
 R119396778
 00025198
 000002

Attention: Noah Goldstein
 Managing Director

Re: Golden Miles/Mahal Venture Capital Debt Review

FOR PROFESSIONAL SERVICES RENDERED
 during the period ended October 31, 2021, as follows:

	Total Fees	\$ 90,440.50
<u>Taxable Disbursement(s)</u>		
Business Names List - Online	\$ 12.90	
Business Names Report	25.80	
Corporate-EP	28.25	
Courier	10.56	
OnCorp PPSA (electronic)	160.90	
PPSA-EP	28.25	
Profile Report - Online	38.70	
Search Fees	165.70	
Sheriff's Certificate	97.55	
		\$ 568.61
<u>Non-taxable Disbursement(s)</u>		
Court Fees	\$ 320.00	
Government Fees	323.01	
		\$ 643.01
	Harmonized Sales Tax (13.0%)	11,831.19
	TOTAL DUE IN CANADIAN CURRENCY	\$ 103,483.31 CAD <i>mk</i>



Invoice: 2278624
 Date: November 18, 2021
 Page: 2

Re: Golden Miles/Mahal Venture Capital Debt Review (000002)

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
10/01/21	Burr, Chris	Preparing for and attending appointment hearing; coordinating access for KSV team to Mill; exchanging email messages with R. Godard regarding scope of disclosure required by Receiver and missing assets; corresponding with KSV team regarding missing records, assets and other issues at Mill; discussions with M. Jorgensen regarding first-day issues; exchanging email messages with M. Tallat regarding access refusals; coordinating with KSV team regarding access to books and records and insurance issues.	4.3	860.00	3,698.00
10/01/21	Jorgensen, Maia	Attending hearing to appoint KSV as receiver with C. Burr; strategizing next steps for receivership with C. Burr.	1.3	565.00	734.50
10/03/21	Burr, Chris	Exchanging email messages with KSV team regarding coordinating demands for books and records.	0.2	860.00	172.00
10/04/21	Burr, Chris	Drafting letter to R. Godard demanding missing books and records and other property; exchanging email messages with KSV team regarding same; call with KSV team and M. Jorgensen to discuss open issues at Mill, including gate tampering; reviewing one page disclosure provided by S. Mahal; engaged regarding tobacco found on site at Mill; coordinating research by M. Jorgensen regarding tobacco; discussions with N. Goldstein regarding outstanding issues at Mill.	5.3	860.00	4,558.00
10/04/21	Jorgensen, Maia	Preparing for and attending status call with client and C. Burr.	2.7	565.00	1,525.50
10/05/21	Burr, Chris	Reviewing email from R. Godard regarding demands for disclosure and return of property; exchanging email messages with KSV team regarding same; discussions with C. Nyberg regarding regulatory issues related to tobacco; engaged regarding request to deliver equipment to Mill; call with KSV team to discuss open issues; exchanging messages with I. Steele at Buhler; drafting letter to R. Godard regarding missing books and records and other assets; coordinating PPSA and real property searches regarding	6.2	860.00	5,332.00



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 Date: November 18, 2021
 Page: 3

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		Mill and related property; coordinating corporate searches of business names used by S. Mahal; call with R. Godard regarding outstanding requests from Receiver; summary email to KSV team regarding call with R. Godard; exchanging email messages with J. Mahal regarding access requests.			
10/05/21	Jorgensen, Maia	Preparing for and attending status call with C. Burr and KSV team; researching appropriate regulatory contacts regarding tobacco on site; calling and leaving a message with Federal Tobacco Control Programme regarding appropriate next steps for tobacco.	2.0	565.00	1,130.00
10/05/21	Komis, Lori	Arranging for Ontario and Saskatchewan Personal Property Security Act searches.	0.3	485.00	145.50
10/05/21	Nyberg, Christopher	Reviewing and responding to tobacco regulatory enquiry from C. Burr related to disposal of bulk tobacco.	0.3	600.00	180.00
10/05/21	Thompson, Nancy	Receiving instructions from C. Burr; conducting searches for Golden Mile/Golden Miles; arranging for business names report for Golden Mile Food; e-mail message to C. Burr forwarding corporation profile report for Golden Miles Food Corporation; making various inquiries and arranging for Saskatchewan corporate search of Golden Mile Foods Ltd.; reviewing e-mail messages from C. Burr regarding search results and PPSA searches; e-mail message to L. Komis forwarding corporate information.	1.0	450.00	450.00
10/06/21	Burr, Chris	Engaged regarding change of solicitor notice from Dickinson Wright; engaged regarding delivery of Buhler equipment to Mill; engaged with M. Vininsky regarding maintaining insurance coverage; drafting email to D. Preger regarding outstanding requests and demands for books and records; call with Dickinson Wright to discuss status of proceedings and outstanding requests for disclosure; drafting email to KSV team regarding Dickinson Wright call; delivering court documents to Dickinson Wright; coordinating security review with M. Jorgensen and N. Thompson.	3.8	860.00	3,268.00
10/06/21	Jorgensen, Maia	Assisting C. Burr with documentary requests from Debtors counsel.	0.2	565.00	113.00



Invoice: 2278624
 Date: November 18, 2021
 Page: 4

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
10/06/21	Komis, Lori	Reviewing searches and providing overview of results.	0.4	485.00	194.00
10/06/21	Thompson, Nancy	Reviewing business names report and Saskatchewan corporate profile report; conducting follow up searches against 2581150 Ontario Inc.; reporting e-mail message to C. Burr forwarding reports and summarizing the information; reviewing e-mail message from C. Burr; reviewing all search results and preparing a summary; e-mail message to C. Burr forwarding the search summary; assisting M. Jorgensen with setting up a link to the background materials.	3.1	450.00	1,395.00
10/07/21	Burr, Chris	Preparing for and participating on call with Buhler team regarding status of Mill and Buhler equipment; call with Dickinson Wright team and M. Vininsky; reporting to KSV on results of corporate searches; coordinating request by J. Mahal for access for environmental report; drafting email to L. Corne regarding same and deficient disclosure.	3.8	860.00	3,268.00
10/07/21	Jorgensen, Maia	Preparing summary chart of related Mahal/Golden Miles entities for C. Burr; attending status call with C. Burr and client team.	2.1	565.00	1,186.50
10/07/21	Thompson, Nancy	Reviewing e-mail message from M. Jorgensen; e-mail message to M. Jorgensen forwarding the search summary and copies of search results and providing a brief summary of the corporate entities; discussion with M. Jorgensen.	0.7	450.00	315.00
10/08/21	Burr, Chris	Status call with KSV team regarding outstanding requests for disclosure; coordinating canvassing of Court for available motion dates.	0.5	860.00	430.00
10/08/21	Jorgensen, Maia	Providing M. Tallat with necessary debtor information for creditors list; following up with Health Canada Tobacco Control Programme.	0.4	565.00	226.00
10/08/21	Thompson, Nancy	Receiving instructions from C. Burr; e-mail message to the Commercial List office requesting available dates; reviewing response; drafting request form and e-mail message to C. Burr forwarding same for comment; reviewing endorsement of	1.0	450.00	450.00



Invoice: 2278624
 Date: November 18, 2021
 Page: 5

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		McEwen, J. dated October 1 and preparing an unofficial transcript of same.			
10/12/21	Burr, Chris	Reviewing statutory notices and filings prepared by M. Tallat and commenting on same; reviewing document request email prepared by M. Tallat and commenting on same; drafting non-disclosure agreement for [REDACTED] and circulating same to N. Goldstein; coordinating update to service list with N. Thompson.	1.9	860.00	1,634.00
10/12/21	Thompson, Nancy	E-mail messages to and from C. Burr regarding response to the Commercial List office; e-mail message to the Commercial List office; reviewing e-mail message from C. Burr and materials for preparation of the current service list; drafting and updating the service list to include style of cause, current contact information, e-mail distribution list, etc; e-mail messages to and from R. Jaipargas confirming information; finalizing updated service list and e-mail message to M. Tallat forwarding service list for posting to the case website.	1.0	450.00	450.00
10/13/21	Burr, Chris	Exchanging email messages with J. Freeman regarding Garage Living claim; exchanging email messages with L. Corne regarding security, surveillance and insurance issues; exchanging email messages with KSV team regarding strategic considerations and deficiencies in disclosure; reviewing S. Mahal debt and security package.	1.2	860.00	1,032.00
10/13/21	Jorgensen, Maia	Attending call with Health Canada regarding tobacco; updating C. Burr regarding tobacco call.	0.3	565.00	169.50
10/13/21	Thompson, Nancy	Reviewing e-mail message from C. Burr; updating service list to reflect recent request and e-mail message to M. Tallat forwarding same for posting.	0.4	450.00	180.00
10/14/21	Burr, Chris	Preparing for and participating on status call with KSV team; engaged regarding payments to Gill & Co.; engaged regarding security review.	2.5	860.00	2,150.00
10/14/21	Jorgensen, Maia	Requesting IP search for debtor entities from IP group; attending call with Blakes team regarding securities review; preparing internal	1.5	565.00	847.50



Invoice: 2278624
 Date: November 18, 2021
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Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		shared file for security review.			
10/14/21	Lehman, Rachel	Call regarding review of real property security; high level review of titles.	0.7	670.00	469.00
10/14/21	Thompson, Nancy	E-mail messages to and from M. Jorgensen regarding IP searches; reviewing e-mail message from C. Burr; e-mail messages to and from the Commercial List regarding available dates for Justice McEwen; attending meeting with C. Burr, M. Jorgensen, R. Lehman and N. Treffry; reviewing PPSA search results and preparing one-page summary; e-mail message to C. Burr forwarding same.	1.8	450.00	810.00
10/14/21	Treffry, Ngina	Participating in conference call regarding the transaction and the real estate searches required; reviewing the parcel abstracts for the property; reviewing the property boundaries on a reference plan and in VuMap.	0.9	285.00	256.50
10/15/21	Bhatt, Shaivi	Completing IP Ownership searches and preparing memo reporting the same.	3.5	200.00	700.00
10/15/21	Budgell, Melinda	Conducting province-wide execution and litigation searches against Golden Miles Food Corporation and Mahal Venture Capital Inc.; obtaining and providing searches to N. Thompson.	0.5	170.00	85.00
10/15/21	Burr, Chris	Coordinating court time with Justice McEwen for production order; coordinating research [REDACTED] with S. Cotton and M. Jorgensen; drafting update email to KSV; considering bankruptcy assignment; coordinating requests for access from J. Mahal; drafting funding request email for Skymark; exchanging email messages with KSV team regarding Enbridge deposit; exchanging email messages with J. Freeman regarding nature of Garage Living claim.	3.6	860.00	3,096.00
10/15/21	Cotton, Sam	Researching case law [REDACTED].	4.0	335.00	1,340.00
10/15/21	Hunter, Christopher	Finalizing and assessing intellectual property search results and associated memorandum relating thereto; and attending to related correspondence.	0.4	825.00	330.00



Invoice: 2278624
 Date: November 18, 2021
 Page: 7

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
10/15/21	Jorgensen, Maia	Corresponding with Health Canada and City of Brantford regarding tobacco disposal; conducting research on precedent language for document/electronics production Order for C. Burr; sending same to C. Burr for review.	1.2	565.00	678.00
10/15/21	Riviglia, Anna	Conducted a litigation search.			25.00
10/15/21	Thompson, Nancy	Receiving instructions from C. Burr; arranging for execution searches for Golden Miles and Mahal; conducting litigation search; reviewing search results and preparing a summary; e-mail message to C. Burr and M. Jorgensen forwarding search results and the summary; reviewing e-mail message from C. Burr; creating Zoom appointment for hearing on October 21 and circulating same.	2.8	450.00	1,260.00
10/15/21	Treffry, Ngina	Reviewing the parcel abstracts for 155 Adams Boulevard; researching the issue of the Tim Horton's registered against title to part of the property; preparing summary of instruments on title.	3.9	285.00	1,111.50
10/18/21	Burr, Chris	Reviewing and editing draft First Report; reviewing comments from KSV team on same and incorporating; exchanging email messages with KSV team regarding relief to be requested; exchanging email messages with M. Jorgensen regarding Health Canada correspondence; reviewing research into ██████████ prepared by M. Jorgensen.	3.3	860.00	2,838.00
10/18/21	Jorgensen, Maia	Providing client with advice on disposal of tobacco in light of responses from Health Canada and City of Brantford; finalizing ██████████ research and sending same to C. Burr for review in advance of client call; attending call with C. Burr and client team; preparing first draft of Document Production Order and sending same to N. Thompson for comment; sending revised draft, incorporating N. Thompson comment, to C. Burr for final review.	4.6	565.00	2,599.00
10/18/21	Thompson, Nancy	Reviewing e-mail message from M. Jorgensen; reviewing and revising draft order; e-mail message to M. Jorgensen forwarding revised draft order and noting additional comments; further revisions to the draft order to incorporate all comments and e-mail	0.6	450.00	270.00



Invoice: 2278624
 Date: November 18, 2021
 Page: 8

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		message to M. Jorgensen forwarding same.			
10/18/21	Treffry, Ngina	Reviewing instruments registered against title to the property and preparing the summary of the instruments.	1.8	285.00	513.00
10/19/21	Burr, Chris	Reviewing and revising draft First Report; exchanging email messages with KSV team regarding draft First Report; reviewing and revising draft order for disclosure and production of documents; reviewing correspondence to form exhibits to First Report; coordinating preparation of Notice of Motion by M. Jorgensen; engaged regarding pick-up of cookies and release of other assets to J. Mahal.	2.6	860.00	2,236.00
10/19/21	Jorgensen, Maia	Reviewing draft of Receiver's first report and sending comments on same to C. Burr; preparing appendices to Receiver's First Report; working with N. Thompson to prepare first draft of Notice of Motion and sending same to C. Burr for review.	1.4	565.00	791.00
10/19/21	Jorgensen, Maia	Preparing appendices to Receiver's First Report; working with N. Thompson to prepare first draft of Notice of Motion and sending same to C. Burr for review.	3.2	565.00	1,808.00
10/19/21	Thompson, Nancy	E-mail messages from and to M. Jorgensen regarding preparation of motion materials for the hearing on October 21; drafting the notice of motion; reviewing current draft of the report and preparing the cover pages and index for the motion record; e-mail messages to and from M. Jorgensen regarding draft notice of motion, cover pages and index.	1.3	450.00	585.00
10/20/21	Amoroso, Carlo	Submitting motion record of the receiver returnable October 21, 2021 with affidavit of service.			25.00
10/20/21	Burr, Chris	Coordinating booking Court time for sale process approval; exchanging email messages with P. Gill regarding disclosure of financial information; coordinating with M. Tallat regarding proof of ownership of trailer and cookies; reviewing and revising First Report; coordinating revisions to First Report with M. Jorgensen; coordinating with M. Jorgensen regarding draft order and notice of motion; drafting email to Dickinson Wright	4.1	860.00	3,526.00



Invoice: 2278624
 Date: November 18, 2021
 Page: 9

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		advising of hearing to obtain disclosure order; sending same; finalizing motion record and coordinating service of same; call with R. Godard regarding access to cookies.			
10/20/21	Jorgensen, Maia	Attending strategy call with C. Burr and KSV team; corresponding with N. Goldstein regarding missed report appendix; sending motion materials to client for final sign off; working with C. Burr and N. Thompson to finalize and serve Motion Record; commissioning N. Thompson affidavit of service in preparation for filing tomorrow morning.	2.5	565.00	1,412.50
10/20/21	Roininen, Marti	Conducting a rush PPSA search and circulating same.	0.2	485.00	97.00
10/20/21	Thompson, Nancy	E-mail messages from and to M. Jorgensen regarding the first report and appendices; e-mail messages to and from the Commercial List office regarding available dates for the sales process approval hearing; drafting request form and e-mail message to C. Burr forwarding same; making inquiries regarding ownership of a trailer and ordering the used vehicle information package; reviewing final notice of motion and draft order and assembling in pdf format for inclusion in the motion record; reviewing final report; compiling motion record and preparing for service including bookmarks, page number, hyperlinks, etc., as required by the Commercial List; circulating same for review; making final revisions to same; e-mail message to the service list serving the motion record; preparing the affidavit of service and swearing same; arranging for the motion record to be filed; drafting the participant information form and circulating same for review; updating the service list and e-mail message to M. Tallat forwarding same for posting.	4.2	450.00	1,890.00
10/21/21	Burr, Chris	Exchanging email messages with KSV team regarding disclosure motion and correspondence from Dickinson Wright; call with KSV team regarding same; exchanging email messages with L. Corne regarding adjournment request; call with H. Chaiton regarding adjournment request; exchanging	5.0	860.00	4,300.00



Invoice: 2278624
 Date: November 18, 2021
 Page: 10

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		email messages with P. Gill regarding disclosure of financial information; futher exchange of correspondence with L. Corne; attending hearing for disclosure order; coordinating revisions to order; exchanging email messages with L. Corne regarding same; coordinating issuance and entry of revised order; exchanging email messages with KSV team regarding scope of review of cellular phone data.			
10/21/21	Jorgensen, Maia	Working with N. Thompson to revise hearing participant information form; preparing email to Justice McEwen was revised draft Order; attending document production hearing with C. Burr; revising draft Document Production Order in light of hearing and sending same to C. Burr for review.	1.4	565.00	791.00
10/21/21	Thompson, Nancy	Reviewing e-mail message from M. Jorgensen; updating the participant information form and uploading to CaseLines; reviewing e-mail message from C. Burr; preparing compendium; e-mail messages to and from C. Burr regarding same; opening Zoom hearing and attending and providing support; noting come-back hearing date and circulating appointment for same.	1.6	450.00	720.00
10/22/21	Burr, Chris	Call with R. Winterstein regarding claims of various mortgage funders; reviewing email exchanges regarding scope and quality of disclosure by J. Mahal.	1.0	860.00	860.00
10/22/21	Jorgensen, Maia	Circulating to Service List Justice McEwen's endorsement and order with respect to yesterday's hearing.	0.3	565.00	169.50
10/22/21	Thompson, Nancy	Reviewing e-mail message from M. Jorgensen and attached endorsement.	0.2	450.00	90.00
10/23/21	Burr, Chris	Exchanging email messages with KSV team regarding disclosure by J. Mahal and coordinating response.	0.2	860.00	172.00
10/23/21	Thompson, Nancy	Reviewing notice received from the Commercial List Office and drafting response; e-mail message to C. Burr and M. Jorgensen forwarding same for review and comment.	0.3	450.00	135.00
10/25/21	Burr, Chris	Exchanging email messages with KSV team regarding disclosure provided by J. Mahal; coordinating device imaging and reviewing	2.6	860.00	2,236.00



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Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		results of same; reviewing motion materials delivered by Dickinson Wright; discussions with N. Goldstein regarding same.			
10/25/21	Jorgensen, Maia	Attending check-in and strategy call with C. Burr and KSV team; virtually commissioning N. Thompson affidavit of service.	0.8	565.00	452.00
10/25/21	Riviglia, Anna	Submitted Motion Record to be filed.			25.00
10/25/21	Thompson, Nancy	Finalizing e-mail message to the Commercial List Office regarding the issue with filing the Motion Record; reviewing response; reviewing and revising the Notice of Motion and Affidavit of Service; e-mail messages and finalizing same; swearing the revised Affidavit of Service and arranging for the Motion Record to be filed with the court; e-mail message to the Commercial List intake office regarding same.	1.0	450.00	450.00
10/25/21	Treffry, Ngina	Reviewing the parcel abstracts for 800 Swinbourne Drive, Mississauga, and 6845 Second Line West, Mississauga, and reporting to C. Burr on the registered owners and registered charges.	0.3	285.00	85.50
10/26/21	Burr, Chris	Call with KSV team regarding Mahal responding materials; coordinating litigation searches on J.T. International; call with H. Chaiton and S. Tanvir regarding pending motion; call with L. Corne regarding consent order; updating draft consent order; preparing for Receiver's motion; attending Receiver's motion and attending to having order entered and issued; exchanging email messages with KSV team regarding sale process.	4.6	860.00	3,956.00
10/26/21	Huff, Pamela	Discussion with C. Burr and M. Jorgensen regarding potential bankruptcy process.	0.5	1,200.00	600.00
10/26/21	Jorgensen, Maia	Attending strategy call with C. Burr and KSV team; attending strategy call with Blakes team regarding potential debtor bankruptcy; preparing for and attending come back hearing before Justice McEwen with C. Burr; preparing participant information form and sending same to C. Burr.	1.7	565.00	960.50
10/26/21	Thompson, Nancy	Receiving instructions from C. Burr; conducting PPSA and litigation searches against J.T. International Inc.; e-mail message to C. Burr forwarding search results	1.2	450.00	540.00



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Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		and providing a summary; opening the Zoom hearing and providing support; confirming list of attendees; reviewing and revising participant information form; e-mail message to the Commercial List office regarding available dates for the sale process approval hearing.			
10/26/21	Treffry, Ngina	Reviewing the charge in favour of Computershare Trust Company of Canada registered against title to 6845 Second Line West, Mississauga, Ontario and reporting to C. Burr on same.	0.1	285.00	28.50
10/27/21	Burr, Chris	Engaged regarding court time for sale process approval; engaged regarding priority analysis for forklift; exchanging email messages with KSV team regarding same, and other outstanding issues.	1.4	860.00	1,204.00
10/27/21	Mitchell, Sam	Reviewing case law on title transfer in sale of goods context.	1.2	335.00	402.00
10/27/21	Thompson, Nancy	Updating request form and e-mail messages to and from C. Burr; e-mail messages to and from the Commercial List office regarding alternative dates; receiving instructions from C. Burr; conducting corporate searches for JT International Trading and JT International Trade and e-mail message to C. Burr forwarding profile reports.	0.7	450.00	315.00
10/27/21	Treffry, Ngina	Conducting search of Aquabella Bayside condominium to determine ownership; reporting to C. Burr on the search results for Aquabella Bayside condominium.	0.8	285.00	228.00
10/28/21	Burr, Chris	Status call with KSV team regarding insurance, funding and other outstanding issues; drafting non-disclosure agreement for financing dataroom; drafting interim financing term sheet; engaged regarding release of trailers; exchanging email messages with City of Brantford regarding permitting issues; email to R. Winterstein regarding interim financing; revising interim financing term sheet to reflect KSV comments.	4.4	860.00	3,784.00
10/28/21	Jorgensen, Maia	Attending update and strategy call with C. Burr and KSV Team; working with C. Burr on interim financing non-disclosure agreement and sending same to client for comment;	1.6	565.00	904.00



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Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		reviewing interim financial Term Sheet and providing comments on same to C. Burr.			
10/28/21	Thompson, Nancy	Reviewing used vehicle information package; e-mail message to C. Burr forwarding same and noting current and prior owners.	0.3	450.00	135.00
10/29/21	Burr, Chris	Finalizing term sheet to reflect KSV comments; exchanging email messages [REDACTED]; exchanging email messages with KSV team regarding interim financing.	1.2	860.00	1,032.00
10/29/21	Jorgensen, Maia	Working with C. Burr to finalized interim financing term sheet and sending same to KSV Team.	0.3	565.00	169.50
10/29/21	Thompson, Nancy	Updating request form and e-mail messages to and from C. Burr regarding same; finalizing form and e-mail message to the Commercial List office submitting same.	0.5	450.00	225.00
10/29/21	Treffry, Ngina	Creating a summary of the mortgages registered against title to 155 Adams Boulevard Brantford to show the various transfers of charges; calculating the percentage ownership in the mortgage registered on title in favour of Andrew Thomson, 2620509 Ontario Inc., 2580165 Ontario Inc., Janodee Investments Ltd., Raymond Renaud, Cameron Renaud, 1061307 Ontario Inc., KLN Holdings Inc., Seagrave Building Systems Ltd. and 1061307 Ontario Inc.; revising the summary of the instruments registered against title to the property; preparing a list of the encumbrances registered against title to the property in order of priority based on a review of title only.	3.1	285.00	883.50
10/30/21	Burr, Chris	Engaged regarding reviewing of litigation claims by and against Mahal/Golden Miles.	0.3	860.00	258.00
10/31/21	Burr, Chris	Discussions with R. Jaipargas regarding sale process and interim financing opportunity; exchanging email messages with KSV team regarding same.	0.4	860.00	344.00
Total Fees for this Matter					\$ 90,440.50



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 Date: November 18, 2021
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Matter Timekeeper Summary	ID	Hours	Rate (\$)	Amount (\$)
Amoroso, Carlo	CAMO	0.0	0.00	25.00
Bhatt, Shaivi	SBH	3.5	200.00	700.00
Budgell, Melinda	MELD	0.5	170.00	85.00
Burr, Chris	BUR	64.4	860.00	55,384.00
Cotton, Sam	SJC	4.0	335.00	1,340.00
Huff, Pamela	PLJH	0.5	1,200.00	600.00
Hunter, Christopher	CNH	0.4	825.00	330.00
Jorgensen, Maia	MHJ	29.5	565.00	16,667.50
Komis, Lori	LLB	0.7	485.00	339.50
Lehman, Rachel	RGSL	0.7	670.00	469.00
Mitchell, Sam	ZSM	1.2	335.00	402.00
Nyberg, Christopher	CHNG	0.3	600.00	180.00
Riviglia, Anna	ANR	0.0	0.00	50.00
Roininen, Marti	MRO	0.2	485.00	97.00
Thompson, Nancy	NAB	23.7	450.00	10,665.00
Treffry, Ngina	NGI	10.9	285.00	3,106.50
Total		140.5		\$ 90,440.50

Taxable Disbursement(s)

Business Names List - Online	\$ 12.90
Business Names Report	25.80
Corporate-EP	28.25
Courier	10.56
OnCorp PPSA (electronic)	160.90
PPSA-EP	28.25
Profile Report - Online	38.70
Search Fees	165.70
Sheriff's Certificate	97.55

\$ 568.61

Non-taxable Disbursement(s)

Court Fees	\$ 320.00
Government Fees	323.01

\$ 643.01

Harmonized Sales Tax (13.0%)

11,831.19

Total Due for this Matter in Canadian Currency

\$ 103,483.31 CAD

Blakes

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Date: November 18, 2021
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Blake, Cassels & Graydon LLP
 Barristers & Solicitors
 Patent & Trademark Agents
 199 Bay Street
 Suite 4000, Commerce Court West
 Toronto ON M5L 1A9 Canada
 Tel: 416-863-2400 Fax: 416-863-2653

INVOICE

Please write invoice
 number(s) on cheque

December 8, 2021

KSV Restructuring Inc.
 150 King Street West
 Suite 2308, Box 42
 Toronto, ON M5H 1J9
 Canada

Invoice: 2282326
 Billing Lawyer Burr, Chris
 HST/GST No.: R119396778
 Client: 00025198
 Matter: 000002

Attention: Noah Goldstein
 Managing Director

Re: Golden Miles/Mahal Venture Capital Debt Review

FOR PROFESSIONAL SERVICES RENDERED
 as set out in the attached printout:

BALANCE DUE IN CANADIAN CURRENCY

\$ 61,853.00 CAD

Note - Our Banking Instructions have changed

***** Terms: Due and Payable Upon Receipt *****

If paying by cheque, please make cheque payable to **Blake, Cassels & Graydon LLP**. Please remit this page with payment.
 If wiring funds, please refer to the appropriate section below for instructions:

Canadian Funds Payment Instructions:

Canadian Imperial Bank of Commerce
 Main Branch, Commerce Court West
 Toronto, ON CA
 Institution No.: 0010
 Transit No.: 00002

Swiftcode: CIBCCATT
 Beneficiary: Blake Cassels & Graydon LLP
 Account No.: 1602012
 Reference: Invoice No. 2282326

For further instructions please email Accounts Receivable at AccountsReceivable@blakes.com or telephone 416-863-3865

Interest at the rate of 4.5% per annum will be charged on all amounts not paid within one month of delivery of this invoice.

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Blake, Cassels & Graydon LLP
 Barristers & Solicitors
 Patent & Trademark Agents
 199 Bay Street
 Suite 4000, Commerce Court West
 Toronto ON M5L 1A9 Canada
 Tel: 416-863-2400 Fax: 416-863-2653

INVOICE

Please write invoice
 number(s) on cheque

December 8, 2021

KSV Restructuring Inc.
 150 King Street West
 Suite 2308, Box 42
 Toronto, ON M5H 1J9
 Canada

Invoice:
 Billing Lawyer
 HST/GST No.:
 Client:
 Matter:

2282326
 Burr, Chris
 R119396778
 00025198
 000002

Attention: Noah Goldstein
 Managing Director

Re: Golden Miles/Mahal Venture Capital Debt Review

FOR PROFESSIONAL SERVICES RENDERED
 during the period ended November 30, 2021, as follows:

	Total Fees	\$ 54,393.00
<u>Taxable Disbursement(s)</u>		
Courier	\$ 39.20	
Duplicating	0.50	
OnCorp PPSA (electronic)	14.20	
		\$ 53.90
<u>Non-taxable Disbursement(s)</u>		
Court Fees	\$ 320.00	
Government Fees	8.00	
		\$ 328.00
	Harmonized Sales Tax (13.0%)	7,078.10
	TOTAL DUE IN CANADIAN CURRENCY	\$ 61,853.00 CAD



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 Date: December 8, 2021
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Re: Golden Miles/Mahal Venture Capital Debt Review (000002)

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
11/01/21	Burr, Chris	Coordinating court time for sale process approval motion; exchanging email messages with KSV team regarding various outstanding matters, including correspondence from Brantford; coordinating additional PIN searches with N. Treffry.	0.9	860.00	774.00
11/01/21	Mitchell, Sam	Analyzing issue of title transfer in forklift transaction and drafting memorandum regarding same.	3.6	335.00	1,206.00
11/01/21	Thompson, Nancy	Reviewing e-mail message from the Commercial List office confirming the November 30 hearing date; creating Zoom meeting and circulating invite.	0.2	450.00	90.00
11/02/21	Burr, Chris	Coordinating call with Brantford representatives; engaged regarding soliciting offers for interim financing; circulating term sheet to counsel for potential interim financiers.	0.7	860.00	602.00
11/03/21	Burr, Chris	Call with Brantford and M. Vininsky regarding status of approvals for mill; exchanging email messages with R. Jaipargas regarding interim financing; coordinating with S. Mitchell regarding Liftow claim for forklifts; considering offers for interim financing.	3.5	860.00	3,010.00
11/03/21	Thompson, Nancy	Reviewing e-mail message from A. Driedger; updating service list and e-mail message to M. Tallat forwarding same for posting.	0.2	450.00	90.00
11/03/21	Treffry, Ngina	Searching the land registry offices [REDACTED] and reporting to C. Burr.	0.4	285.00	114.00
11/04/21	Burr, Chris	Exchanging email messages with KSV team regarding offers for interim financing; coordinating Court time for sale process approval motion.	1.0	860.00	860.00
11/05/21	Burr, Chris	Exchanging email messages with N. Goldstein regarding interim financing options and expenses.	0.2	860.00	172.00
11/05/21	Mitchell, Sam	Drafting letter regarding title to forklifts.	2.5	335.00	837.50
11/08/21	Burr, Chris	Exchanging email messages with S. Mitchell regarding forklift claims; coordinating court	0.3	860.00	258.00



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Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		time for sale process approval motion.			
11/09/21	Burr, Chris	Coordinating court time for sale process approval motion with N. Thompson.	0.1	860.00	86.00
11/09/21	Thompson, Nancy	Updating request form to reflect the new hearing date of November 22; finalizing same and e-mail message to the Commercial List office forwarding the revised request form; updating Zoom meeting and appointment accordingly.	0.3	450.00	135.00
11/10/21	Burr, Chris	Coordinating court time for sale process approval motion; discussions with L. Corne regarding data maintenance; coordinating preparation of sale process approval court materials with M. Jorgensen.	0.7	860.00	602.00
11/10/21	Jorgensen, Maia	Preparing draft Order approving sale process and ancillary matters and sending same to N. Thompson for review; working with N. Thompson to prepare first draft of Notice of Motion for November 22, 2021 hearing.	2.4	565.00	1,356.00
11/10/21	Thompson, Nancy	E-mail messages from and to M. Jorgensen; drafting shell of notice of motion for approval of sale process, etc.; e-mail message to M. Jorgensen forwarding draft notice of motion; reviewing and revising the draft order; e-mail message to M. Jorgensen forwarding a blackline of the draft order; drafting the cover pages for the motion record.	1.0	450.00	450.00
11/11/21	Burr, Chris	Status call with KSV team regarding bankruptcy filing; drafting Receiver's Certificate for first interim borrowing; drafting notice to service list regarding sale process approval; drafting protocol for managing data on personal devices; reviewing and commenting on Second Report; coordinating service on registered secured creditors with N. Thompson.	6.2	860.00	5,332.00
11/11/21	Jorgensen, Maia	Attending call with C. Burr and client to discuss logistics for bankruptcy and serving/filing motion record.	0.7	565.00	395.50
11/11/21	Thompson, Nancy	Reviewing e-mail messages from M. Jorgensen and C. Burr regarding preparing and delivery of motion materials; preparing list of certain secured parties, including addresses included in the PPSA registrations, and making inquiries to determine current	1.2	450.00	540.00



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Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		addresses for service and possible e-mail addresses; e-mail message to and from M. Jorgensen regarding same; e-mail message to C. Burr forwarding available information.			
11/12/21	Burr, Chris	Circulating data protocol to KSV team for comment; circulating same to L. Corne.	0.8	860.00	688.00
11/12/21	Thompson, Nancy	Reviewing e-mail message from C. Burr and attached proof of claim of Bank of Nova Scotia; updating address information and e-mail message to C. Burr regarding same.	0.2	450.00	90.00
11/13/21	Burr, Chris	Reviewing comments on updated Second Report provided by KSV team; revising Second Report and re-circulating to team with comments.	0.9	860.00	774.00
11/13/21	Jorgensen, Maia	Reviewing further draft of Second Report of the Receiver and sending comments on same to C. Burr for sign off.	0.9	565.00	508.50
11/15/21	Burr, Chris	Coordinating updates to notice of motion and draft order to track changes to Second Report; call with L. Corne regarding bankruptcy filing; exchanging email messages with KSV team regarding sale process approval motion; circulating draft order and notice of motion to KSV team; coordinating with K. Jackson regarding form of order amending appointment order; finalizing motion record and preparing for service; exchanging email messages with H. Chaiton regarding sale process approval.	2.0	860.00	1,720.00
11/15/21	Jorgensen, Maia	Working with client and Blakes team to finalize Second Report and Motion Record; serving and filing same.	3.8	565.00	2,147.00
11/15/21	Thompson, Nancy	E-mail messages from and to M. Jorgensen regarding finalizing materials for service; reviewing and revising the draft notice of motion, order, second report, and cover pages and updating same; drafting cover e-mail message; e-mail message to M. Jorgensen forwarding revised materials for review; preparing cover pages for the confidential appendix; compiling and assembling the motion record; e-mail messages to and from M. Jorgensen and C. Burr forwarding same for review and comment; reviewing e-mail message from C.	3.5	450.00	1,575.00



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Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		Burr and incorporating requested changes; circulating updated Motion Record and cover e-mail message for review; finalizing same and e-mail message to the service list and certain additional parties serving the Motion Record.			
11/16/21	Burr, Chris	Reviewing and commenting on service letter to registered secured creditors; reviewing and considering comments on draft order requested by K. Jackson; exchanging email messages with KSV team regarding various outstanding matters.	2.2	860.00	1,892.00
11/16/21	Jorgensen, Maia	Reviewing draft letter to certain secured creditors; providing N. Thompson with draft of factum for November 22, hearing; corresponding with N. Thompson regarding status of Motion Record posting.	0.3	565.00	169.50
11/16/21	Thompson, Nancy	Reviewing e-mail messages from C. Burr and sending updated hearing appointments to the requested parties; reviewing undeliverable notification and various e-mail messages to resolve same; drafting letter to certain PPSA creditors and e-mail message to C. Burr and M. Jorgensen forwarding same for review; finalizing same and arranging for delivery; reviewing draft factum and e-mail messages to and from M. Jorgensen regarding same; drafting affidavit of service.	2.0	450.00	900.00
11/17/21	Amoroso, Carlo	Submitting motion record of the receiver returnable November 22, 2021 with affidavit of service for filing.			25.00
11/17/21	Burr, Chris	Status call with KSV team regarding sale process approval motion and other outstanding matters; coordinating factum with M. Jorgensen; drafting letter to L. Corne regarding debtor's obligations to make disclosure under Appointment Order and Mahal request for adjournment; exchanging email messages with H. Chaiton regarding request for adjournment; reviewing and commenting on factum drafted by M. Jorgensen; circulating factum to KSV team with comments.	5.6	860.00	4,816.00
11/17/21	Jorgensen, Maia	Finalizing first draft of factum for November 22, 2021 hearing; sending same to C. Burr to review; virtually commissioning affidavit of	2.4	565.00	1,356.00



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Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		service for N. Thompson.			
11/17/21	Thompson, Nancy	E-mail messages from and to M. Jorgensen; setting up share folder and uploading unreported cases for use in the factum; e-mail message to M. Jorgensen regarding same; e-mail messages from and to P. Confalone at D. Winters' office forwarding a copy of the motion record in multiple parts; reviewing, revising, and finalizing the affidavit of service and swearing same; arranging for the Motion Record to be filed with the court; e-mail message to the Commercial List office requiring the updated CaseLines bundle.	1.0	450.00	450.00
11/18/21	Burr, Chris	Call with H. Chaiton regarding request for adjournment and Receiver's position on same; exchanging email messages with L. Corne regarding adjournment request; preparing supplement to Second Report, dealing with adjournment request; exchanging email messages with KSV team regarding outstanding issues related to adjournment request and Santosh Mahal security claim.	3.4	860.00	2,924.00
11/18/21	Jorgensen, Maia	Revising factum in light of comments from C. Burr; sending same to C. Burr for review.	1.1	565.00	621.50
11/18/21	Thompson, Nancy	E-mail messages from and to M. Jorgensen regarding factum; reviewing and revising draft factum; reviewing comments received from KSV and reviewing and revising the draft factum to incorporate same; e-mail messages to and from M. Jorgensen and C. Burr forwarding revised draft factum and blackline for review; follow-up message to the Commercial List office regarding the Caselines bundle.	1.0	450.00	450.00
11/19/21	Burr, Chris	Finalizing supplement to report and factum; exchanging email messages and discussions with Fasken regarding RCM position on sale process adjournment; coordinating service of supplementary motion materials.	2.8	860.00	2,408.00
11/19/21	Jorgensen, Maia	Working with N. Thompson to finalize, serve and file Supplementary Motion Record and Factum.	0.8	565.00	452.00
11/19/21	Riviglia, Anna	Filed Supplementary Motion Record and Factum.			25.00



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 Date: December 8, 2021
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Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
11/19/21	Thompson, Nancy	E-mail messages from and to C. Burr regarding issues with CaseLines and follow-up e-mail message to the Commercial List office regarding same; reviewing Supplement to the Second Report; preparing supplementary motion record; e-mail messages to and from C. Burr and M. Jorgensen regarding finalizing same; reviewing final comments on the draft factum and revising and finalizing same; drafting cover e-mail message to the service list for service of the supplementary motion record and factum; finalizing the supplementary motion record and factum, including bookmarks, hyperlinks, etc. required by the Commercial List, and e-mail message to the service list serving same; preparing, finalizing and swearing the affidavit of service; arranging for the supplementary motion record and factum to be filed with the court; reviewing e-mail message from the Commercial List office regarding the CaseLines bundle; uploading the motion materials to CaseLines; reviewing and updating the participant information form; preparing the confidential appendix together with the applicable cover page; e-mail message to McEwen, J. forwarding same.	4.3	450.00	1,935.00
11/21/21	Burr, Chris	Exchanging email messages with L. Corne regarding adjournment request and terms of sale process; reviewing Dickinson Wright motion record; exchanging email messages with KSV regarding same; corresponding with H. Chaiton regarding adjournment request; drafting NDA for sale process dataroom.	1.9	860.00	1,634.00
11/22/21	Burr, Chris	Preparing for and attending motion for sale process approval and amendment to appointment order; drafting endorsement in respect of same; exchanging email messages with L. Corne and H. Chaiton regarding terms of endorsement; drafting form of purchase agreement for sale process; reviewing and commenting on teaser document prepared by KSV; discussions with H. Chaiton regarding terms of endorsement; exchanging email messages with KSV team regarding same.	5.1	860.00	4,386.00
11/22/21	Burr, Chris	Exchanging email messages with H. Chaiton regarding endorsement; exchanging email	0.3	860.00	258.00



Invoice: 2282326
 Date: December 8, 2021
 Page: 8

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		messages with L. Corne regarding outstanding issues.			
11/22/21	Jorgensen, Maia	Preparing for and attending hearing before McEwen J.	0.9	565.00	508.50
11/22/21	Thompson, Nancy	Reviewing and revising Participant Information Form and uploading to CaseLines; opening Zoom hearing, admitting participants and providing support; e-mail messages from and to M. Jorgensen confirming names of participants and forwarding sample endorsements.	1.3	450.00	585.00
11/23/21	Burr, Chris	Exchanging email messages with Justice McEwen regarding form of sale process approval order; call with N. Goldstein regarding outstanding issues; drafting litigation timeline for Santosh Mahal security motion; engaged regarding having order issued; discussions with R. Jaipargas regarding bidding procedure and sale process.	2.0	860.00	1,720.00
11/23/21	Thompson, Nancy	Reviewing e-mail message from C. Burr and attached endorsement of McEwen, J.; e-mail message to the Service List forwarding a copy of the endorsement and signed order; arranging for the signed order to be entered by the Court; preparing an unofficial transcript of the endorsement; e-mail message to C. Burr and M. Jorgensen forwarding same.	0.6	450.00	270.00
11/24/21	Thompson, Nancy	Reviewing order as issued and entered and e-mail message to the Service List circulating same.	0.1	450.00	45.00
11/26/21	Burr, Chris	Engaged regarding timeline for Santosh Mahal security motion; call with N. Goldstein regarding outstanding issues; engaged regarding Liftow forklift claim; discussions with H. Chaiton regarding litigation timeline; exchanging email messages with KSV team regarding Santosh Mahal security motion.	1.5	860.00	1,290.00
11/29/21	Burr, Chris	Preparing for and participating on call with N. Goldstein, T. Sandler and J. Kanji regarding Buhler claims.	1.0	860.00	860.00
Total Fees for this Matter					\$ 54,393.00



Invoice: 2282326
 Date: December 8, 2021
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Matter Timekeeper Summary	ID	Hours	Rate (\$)	Amount (\$)
Amoroso, Carlo	CAMO	0.0	0.00	25.00
Burr, Chris	BUR	43.1	860.00	37,066.00
Jorgensen, Maia	MHJ	13.3	565.00	7,514.50
Mitchell, Sam	ZSM	6.1	335.00	2,043.50
Riviglia, Anna	ANR	0.0	0.00	25.00
Thompson, Nancy	NAB	16.9	450.00	7,605.00
Treffry, Ngina	NGI	0.4	285.00	114.00
Total		79.8		\$ 54,393.00

Taxable Disbursement(s)

Courier	\$ 39.20	
Duplicating	0.50	
OnCorp PPSA (electronic)	14.20	
		\$ 53.90

Non-taxable Disbursement(s)

Court Fees	\$ 320.00	
Government Fees	8.00	
		\$ 328.00

Harmonized Sales Tax (13.0%) 7,078.10

Total Due for this Matter in Canadian Currency **\$ 61,853.00 CAD**



Blake, Cassels & Graydon LLP
 Barristers & Solicitors
 Patent & Trademark Agents
 199 Bay Street
 Suite 4000, Commerce Court West
 Toronto ON M5L 1A9 Canada
 Tel: 416-863-2400 Fax: 416-863-2653

INVOICE

Please write invoice
 number(s) on cheque

December 31, 2021

KSV Restructuring Inc.
 150 King Street West
 Suite 2308, Box 42
 Toronto, ON M5H 1J9
 Canada

Invoice: 2292527
 Billing Lawyer Burr, Chris
 HST/GST No.: R119396778
 Client: 00025198
 Matter: 000002

Attention: Noah Goldstein
 Managing Director

Re: Golden Miles/Mahal Venture Capital Debt Review

FOR PROFESSIONAL SERVICES RENDERED
 as set out in the attached printout:

BALANCE DUE IN CANADIAN CURRENCY

\$ 13,993.89 CAD *mk*

Note - Our Banking Instructions have changed

***** Terms: Due and Payable Upon Receipt *****

If paying by cheque, please make cheque payable to **Blake, Cassels & Graydon LLP**. Please remit this page with payment.
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Canadian Funds Payment Instructions:

Canadian Imperial Bank of Commerce
 Main Branch, Commerce Court West
 Toronto, ON CA
 Institution No.: 0010
 Transit No.: 00002

Swiftcode: CIBCCATT
 Beneficiary: Blake Cassels & Graydon LLP
 Account No.: 1602012
 Reference: Invoice No. 2292527

For further instructions please email Accounts Receivable at AccountsReceivable@blakes.com or telephone 416-863-3865

Interest at the rate of 4.5% per annum will be charged on all amounts not paid within one month of delivery of this invoice.

REMITTANCE PAGE



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Invoice:
 Billing Lawyer
 HST/GST No.:
 Client:
 Matter:

2292527
 Burr, Chris
 R119396778
 00025198
 000002

Attention: Noah Goldstein
 Managing Director

Re: Golden Miles/Mahal Venture Capital Debt Review

FOR PROFESSIONAL SERVICES RENDERED
 during the period ended December 31, 2021, as follows:

	Total Fees	\$ 12,260.00
<u>Taxable Disbursement(s)</u>		
OnCorp PPSA (electronic)	\$ 14.20	
Postage	11.67	
Third Party Fees	45.00	
		\$ 70.87
<u>Non-taxable Disbursement(s)</u>		
Government Fees	\$ 8.00	
Third Party Fee - Non Taxable	52.00	
		\$ 60.00
	Harmonized Sales Tax (13.0%)	1,603.02
	TOTAL DUE IN CANADIAN CURRENCY	\$ 13,993.89 CAD <i>mk</i>



Invoice:	2292527
Date:	December 31, 2021
Page:	2

Re: Golden Miles/Mahal Venture Capital Debt Review (000002)

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
12/01/21	Burr, Chris	Exchanging emails messages with N. Goldstein regarding Mahal security and Buhler claims; call with T. Sandler and N. Goldstein regarding Buhler claims; call with N. Goldstein regarding same; reviewing PPSA regarding Buhler claims.	1.3	860.00	1,118.00
12/02/21	Burr, Chris	Exchanging email messages with team regarding data review protocol.	0.2	860.00	172.00
12/04/21	Thompson, Nancy	Reviewing e-mail message from C. Burr; conducting PPSA search against vehicle VIN; making inquiries for obtaining used vehicle information package; e-mail message to C. Burr regarding same.	0.4	450.00	180.00
12/06/21	Burr, Chris	Drafting letter to Chubb insurance regarding stolen F150; drafting letter to Scotiabank regarding same.	1.2	860.00	1,032.00
12/06/21	Thompson, Nancy	E-mail message to C. Burr forwarding PPSA search results; making inquiries regarding vehicle ownership information.	0.3	450.00	135.00
12/07/21	Burr, Chris	Drafting letter to Dickinson Wright responding to November 30 letter; exchanging email messages with KSV team regarding same.	2.3	860.00	1,978.00
12/07/21	Thompson, Nancy	Discussion with C. Burr; arranging for motor vehicle search; e-mail messages to and from agent regarding search results; e-mail message to C. Burr forwarding search results and noting issues.	0.4	450.00	180.00
12/08/21	Burr, Chris	Revising letter to Dickinson Wright regarding responses to November letter.	0.5	860.00	430.00
12/09/21	Burr, Chris	Exchanging email messages with KSV team regarding inquiries from Grant Hall about property engineering.	0.3	860.00	258.00
12/10/21	Burr, Chris	Exchanging messages with KSV team and City of Brantford regarding Grant Hall inquiries.	0.2	860.00	172.00
12/14/21	Burr, Chris	Exchanging email messages with L. Corne regarding outstanding issues.	0.2	860.00	172.00
12/15/21	Burr, Chris	Coordinating Court time for Mahal Security motion; drafting letter to Liftow; reviewing research regarding Sale of Goods Act	2.1	860.00	1,806.00



Invoice: 2292527
 Date: December 31, 2021
 Page: 3

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		prepared by S. Mitchell in connection with same; circulating letter to Liftow to KSV team for comment.			
12/15/21	Thompson, Nancy	E-mail messages to and from the Commercial List office regarding available dates; e-mail messages to and from C. Burr regarding requirement for a scheduling hearing and available dates for same.	0.3	450.00	135.00
12/16/21	Burr, Chris	Exchanging email messages with KSV team regarding outstanding issues; finalizing letter to Liftow regarding forklift claim; preparing form of asset purchase agreement for dataroom; exchanging email messages with K. MacDonald regarding competition law issues in same.	3.9	860.00	3,354.00
12/17/21	Burr, Chris	Reviewing supplementary motion materials for Mahal security motion.	0.6	860.00	516.00
12/17/21	Thompson, Nancy	Follow-up messages with the Commercial List office regarding available dates for the scheduling hearing; drafting request form and e-mail message to C. Burr forwarding same for review.	0.5	450.00	225.00
12/20/21	Burr, Chris	Coordinating court time for January 4th scheduling hearing.	0.2	860.00	172.00
12/20/21	Thompson, Nancy	Finalizing the request form for the scheduling hearing and e-mail message to the Commercial List office forwarding same.	0.3	450.00	135.00
12/22/21	Thompson, Nancy	Reviewing e-mail message from the Commercial List office confirming the hearing date; creating Zoom meeting and circulating the appointment.	0.2	450.00	90.00
Total Fees for this Matter					\$ 12,260.00

Matter Timekeeper Summary	ID	Hours	Rate (\$)	Amount (\$)
Burr, Chris	BUR	13.0	860.00	11,180.00
Thompson, Nancy	NAB	2.4	450.00	1,080.00
Total		15.4		\$ 12,260.00

Taxable Disbursement(s)



Invoice:	2292527
Date:	December 31, 2021
Page:	4

OnCorp PPSA (electronic)	\$ 14.20
Postage	11.67
Third Party Fees	45.00

\$ 70.87

Non-taxable Disbursement(s)

Government Fees	\$ 8.00
Third Party Fee - Non Taxable	52.00

\$ 60.00

Harmonized Sales Tax (13.0%)

1,603.02

Total Due for this Matter in Canadian Currency

\$ 13,993.89 CAD



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 Patent & Trademark Agents
 199 Bay Street
 Suite 4000, Commerce Court West
 Toronto ON M5L 1A9 Canada
 Tel: 416-863-2400 Fax: 416-863-2653

INVOICE

Please write invoice
 number(s) on cheque

February 15, 2022

KSV Restructuring Inc.
 150 King Street West
 Suite 2308, Box 42
 Toronto, ON M5H 1J9
 Canada

Invoice: 2295140
 Billing Lawyer Burr, Chris
 HST/GST No.: R119396778
 Client: 00025198
 Matter: 000002

Attention: Noah Goldstein
 Managing Director

Re: Golden Miles/Mahal Venture Capital Debt Review

FOR PROFESSIONAL SERVICES RENDERED
 as set out in the attached printout:

BALANCE DUE IN CANADIAN CURRENCY

\$ 20,390.95 CAD *mk*

Note - Our Banking Instructions have changed

***** Terms: Due and Payable Upon Receipt *****

If paying by cheque, please make cheque payable to **Blake, Cassels & Graydon LLP**. Please remit this page with payment.
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Canadian Imperial Bank of Commerce
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 Transit No.: 00002

Swiftcode: CIBCCATT
 Beneficiary: Blake Cassels & Graydon LLP
 Account No.: 1602012
 Reference: Invoice No. 2295140

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Interest at the rate of 4.5% per annum will be charged on all amounts not paid within one month of delivery of this invoice.

REMITTANCE PAGE



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February 15, 2022

KSV Restructuring Inc.
 150 King Street West
 Suite 2308, Box 42
 Toronto, ON M5H 1J9
 Canada

Invoice: 2295140
 Billing Lawyer Burr, Chris
 HST/GST No.: R119396778
 Client: 00025198
 Matter: 000002

Attention: Noah Goldstein
 Managing Director

Re: Golden Miles/Mahal Venture Capital Debt Review

FOR PROFESSIONAL SERVICES RENDERED
 during the period ended January 31, 2022, as follows:

	Total Fees	\$ 17,961.00
<u>Taxable Disbursement(s)</u>		
Search Fees	\$ 65.50	_____
		\$ 65.50
<u>Non-taxable Disbursement(s)</u>		
Government Fees	\$ 21.00	_____
		\$ 21.00
	Harmonized Sales Tax (13.0%)	2,343.45
	TOTAL DUE IN CANADIAN CURRENCY	\$ 20,390.95 CAD <i>mk</i>



Invoice: 2295140
 Date: February 15, 2022
 Page: 2

Re: Golden Miles/Mahal Venture Capital Debt Review (000002)

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
01/03/22	Burr, Chris	Exchanging email messages with D. Seifer regarding outstanding security and condominium matters; reviewing comments on draft asset purchase agreement from M. Vininsky; exchanging email messages with KSV team regarding same; call with H. Chaiton regarding Mahal security motion and timetable for response to same; call with N. Goldstein regarding status of open issues, and strategy for scheduling hearing.	2.1	895.00	1,879.50
01/04/22	Burr, Chris	Exchanging email messages with Dickinson Wright team regarding issues to be raised at scheduling hearing; preparing for scheduling hearing; call with L. Corne regarding Mahal security motion and timetable for resolution; exchanging email messages with KSV team regarding same; exchanging email messages with H. Chaiton regarding same; attending scheduling hearing; engaged regarding finalizing endorsement and serving same.	2.4	895.00	2,148.00
01/04/22	Thompson, Nancy	Opening Zoom call, providing support and attending the scheduling hearing; e-mail messages from and to C. Burr regarding hearing dates; reviewing endorsement of McEwen, J. and e-mail message to the Service List forwarding same; creating Zoom meetings for the hearings scheduled for March 9 and March 24 and circulating appointments for same.	1.5	475.00	712.50
01/06/22	Burr, Chris	Revising form of APA for dataroom; circulating same to KSV group with comments.	0.6	895.00	537.00
01/07/22	Burr, Chris	Exchanging email messages with L. Corne regarding set-off and credit bidding	0.2	895.00	179.00
01/10/22	Burr, Chris	Exchanging email messages with M. Vininsky regarding comments on form of APA; reviewing changes to same.	0.3	895.00	268.50
01/11/22	Burr, Chris	Exchanging email messages with KSV team regarding Mahal security motion claims.	0.1	895.00	89.50
01/12/22	Burr, Chris	Engaged regarding claim for municipal tax debt; discussions with C. McIntyre regarding background on file and pending motions, etc.	0.5	895.00	447.50



Invoice: 2295140
 Date: February 15, 2022
 Page: 3

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
01/12/22	McIntyre, Caitlin	Reviewing background material on receivership proceedings; call with C. Burr.	1.4	730.00	1,022.00
01/13/22	Burr, Chris	Drafting letter to City of Brantford regarding tax claim; exchanging email messages with L. Corne regarding sale process and Mahal bid.	1.4	895.00	1,253.00
01/14/22	Burr, Chris	Reviewing and engaged regarding questions from engineer regarding City code approval.	0.3	895.00	268.50
01/18/22	Burr, Chris	General status call with N. Greenspoon; exchanging email messages with KSV team regarding claims by City.	0.5	895.00	447.50
01/19/22	Burr, Chris	Exchanging email messages with KSV team regarding sale process and marketing land; call with KSV team regarding same.	0.8	895.00	716.00
01/20/22	Burr, Chris	Call with N. Goldstein regarding extending sale process.	0.3	895.00	268.50
01/21/22	Burr, Chris	Exchanging email messages with L. Corne regarding credit bidding and sale process generally.	0.2	895.00	179.00
01/21/22	Thompson, Nancy	Reviewing certificate and attached results of VIN search; e-mail message to C. Burr forwarding same.	0.3	475.00	142.50
01/24/22	McIntyre, Caitlin	Reviewing background material in relation to receivership proceeding.	0.9	730.00	657.00
01/25/22	Burr, Chris	Call with C. McIntyre and A. Parente regarding status of proceedings and pending motions; call with KSV team regarding extension of sale process bid deadline.	0.9	895.00	805.50
01/25/22	McIntyre, Caitlin	Call with C. Burr and A. Parente; call with A. Parente to discuss research.	1.0	730.00	730.00
01/26/22	Burr, Chris	Exchanging email messages with KSV team regarding extension of sale process; reviewing draft communication to bidders of same; exchanging email messages with L. Corne regarding sale process, acquisition of litigation claims and extension.	0.7	895.00	626.50
01/27/22	Lehman, Rachel	Reviewing real property documents and preparing summary of same.	1.3	740.00	962.00
01/28/22	Lehman, Rachel	Finalizing review of real property security.	1.5	740.00	1,110.00
01/28/22	Treffry, Ngina	Revising the flow chart of the mortgages on title; pulling and reviewing the postponements registered on title and updated parcel	1.0	305.00	305.00



Invoice: 2295140
 Date: February 15, 2022
 Page: 4

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		abstracts; reviewing the site plan agreement; communicating with R. Lehman regarding the postponements, updated parcel abstracts and security under the site plan agreements; speaking with G. Swinkin regarding the Planning Act requirements for construction liens and notices of security interest.			
01/29/22	Burr, Chris	Reviewing broker listing agreement; exchanging email messages with N. Goldstein regarding same.	1.1	895.00	984.50
01/31/22	Burr, Chris	Drafting and sending notice to service list regarding extension of bid deadline; call with D. Touesnard regarding status of Vicano claim and deadline to set down lien action for trail; reviewing correspondence from D. Touesnard regarding same; exchanging email messages with T. McGurrian regarding Vivian Group claim.	1.1	895.00	984.50
01/31/22	Thompson, Nancy	Receiving instructions from C. Burr; updating the service list and circulating same for posting to the case website.	0.5	475.00	237.50
Total Fees for this Matter					\$ 17,961.00

Matter Timekeeper Summary	ID	Hours	Rate (\$)	Amount (\$)
Burr, Chris	BUR	13.5	895.00	12,082.50
Lehman, Rachel	RGSL	2.8	740.00	2,072.00
McIntyre, Caitlin	CAI	3.3	730.00	2,409.00
Thompson, Nancy	NAB	2.3	475.00	1,092.50
Treffry, Ngina	NGI	1.0	305.00	305.00
Total		22.9		\$ 17,961.00

Taxable Disbursement(s)

Search Fees \$ 65.50

\$ 65.50

Non-taxable Disbursement(s)

Government Fees \$ 21.00

\$ 21.00



Invoice: 2295140
Date: February 15, 2022
Page: 5

Harmonized Sales Tax (13.0%)
Total Due for this Matter in Canadian Currency

2,343.45

\$ 20,390.95 CAD



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INVOICE

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March 30, 2022

KSV Restructuring Inc.
 150 King Street West
 Suite 2308, Box 42
 Toronto, ON M5H 1J9
 Canada

Invoice: 2303227
 Billing Lawyer Burr, Chris
 HST/GST No.: R119396778
 Client: 00025198
 Matter: 000002

Attention: Noah Goldstein
 Managing Director

Re: Golden Miles/Mahal Venture Capital Debt Review

FOR PROFESSIONAL SERVICES RENDERED
 as set out in the attached printout:

BALANCE DUE IN CANADIAN CURRENCY

\$ 10,430.05 CAD *mk*

Note - Our Banking Instructions have changed

***** Terms: Due and Payable Upon Receipt *****

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March 30, 2022

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Invoice:
 Billing Lawyer
 HST/GST No.:
 Client:
 Matter:

2303227
 Burr, Chris
 R119396778
 00025198
 000002

Attention: Noah Goldstein
 Managing Director

Re: Golden Miles/Mahal Venture Capital Debt Review

FOR PROFESSIONAL SERVICES RENDERED
 during the period ended February 28, 2022, as follows:

	Total Fees	\$ 9,174.00
<u>Taxable Disbursement(s)</u>		
Point in Time Report	\$ 12.90	
Search Fees	25.40	
		\$ 38.30
<u>Non-taxable Disbursement(s)</u>		
Government Fees	\$ 20.15	
		\$ 20.15
	Harmonized Sales Tax (13.0%)	1,197.60
	TOTAL DUE IN CANADIAN CURRENCY	\$ 10,430.05 CAD <i>mk</i>



Invoice: 2303227
 Date: March 30, 2022
 Page: 2

Re: Golden Miles/Mahal Venture Capital Debt Review (000002)

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
02/01/22	Burr, Chris	Preparing for and participating on call with counsel to Vivian Group regarding status of litigation and sale process.	1.1	895.00	984.50
02/02/22	Burr, Chris	Call with N. Goldstein regarding status of sale process and Colliers arrangements	0.4	895.00	358.00
02/04/22	Burr, Chris	Call with counsel to Vivian Group regarding status of litigation.	0.3	895.00	268.50
02/07/22	Burr, Chris	Reviewing real property security review.	0.3	895.00	268.50
02/07/22	Treffry, Ngina	Revising the summaries related to the review of the priorities and appendix of title registrations; providing information on Planning Act as it relates to the construction liens and notices of security interest; communicating with C. Burr regarding additional due diligence searches.	0.5	305.00	152.50
02/08/22	Amoroso, Carlo	Litigation search on two names.			25.00
02/08/22	Burr, Chris	Call with Dickinson Wright team regarding outstanding motions; email update to KSV team; exchanging email messages with R. Winterstein.	0.9	895.00	805.50
02/08/22	Treffry, Ngina	Reviewing the litigation searches against Mahal Venture Capital Inc. and Golden Miles Food Corporation.	0.1	305.00	30.50
02/09/22	Treffry, Ngina	Reviewing the litigation searches results for Mahal Venture Capital Inc. and Golden Miles Food Corporation and preparing summary.	1.0	305.00	305.00
02/10/22	Treffry, Ngina	Preparing the summary of litigation results for Mahal Venture Capital Inc. and Golden Miles Food Corporation; preparing letter to the City of Brantford regarding compliance and status of the site plan agreements registered on title to 155 Adams Boulevard, Brantford; reporting on the status of the court action related to the construction lien and completed actions.	1.2	305.00	366.00
02/17/22	Burr, Chris	Engaged regarding Vicano request for lifting of stay of proceedings; drafting letter regarding same and circulating to KSV team; considering Construction Act issues; reviewing appointment order in respect of same; circulating letter to D. Touesnard	2.9	895.00	2,595.50



Invoice: 2303227
 Date: March 30, 2022
 Page: 3

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		regarding same.			
02/18/22	Treffry, Ngina	Reviewing the prior transfer with respect to 6845 Second Line West, Mississauga and reporting to C. Burr.	0.2	305.00	61.00
02/23/22	Burr, Chris	Call with H. Chaiton regarding status of security motion; call with N. Goldstein regarding status of outstanding matters; drafting form of purchase agreement for transaction for land only.	2.7	895.00	2,416.50
02/24/22	Burr, Chris	Discussions with M. Tallat regarding form of purchase agreement for land.	0.2	895.00	179.00
02/25/22	Burr, Chris	Reviewing revised offer to purchase mill received from S. Mahal; exchanging email messages with KSV team regarding same.	0.4	895.00	358.00
Total Fees for this Matter					\$ 9,174.00

Matter Timekeeper Summary	ID	Hours	Rate (\$)	Amount (\$)
Amoroso, Carlo	CAMO	0.0	0.00	25.00
Burr, Chris	BUR	9.2	895.00	8,234.00
Treffry, Ngina	NGI	3.0	305.00	915.00
Total		12.2		\$ 9,174.00

Taxable Disbursement(s)

Point in Time Report	\$ 12.90	
Search Fees	25.40	
		\$ 38.30

Non-taxable Disbursement(s)

Government Fees	\$ 20.15	
		\$ 20.15

Harmonized Sales Tax (13.0%) 1,197.60

Total Due for this Matter in Canadian Currency **\$ 10,430.05 CAD**

This is **Exhibit "B"** referred to in the

Affidavit of Chris Burr

sworn before me
this 1st day of April, 2022


A Commissioner, etc.

EXHIBIT "B"

Name of Lawyer	Practice Group	Year of Call	Hourly Rate 2021/2022	Total Hours
Bhatt, Shaivi	Intellectual Property	<i>Technical Consultant</i>	\$200	3.5
Budgell, Minda	Financial Services	<i>Law Clerk</i>	\$170	0.5
Burr, Chris	Restructuring & Insolvency	2008	\$860/\$895	143.2
Cotton, Sam	Restructuring & Insolvency	<i>Student</i>	\$335	4.0
Huff, Pamela	Restructuring & Insolvency	1987	\$1,200	0.5
Hunter, Christopher	Intellectual Property	2000	\$825	0.4
Jorgensen, Maia	Restructuring & Insolvency	2020	\$565	42.8
Komis, Lori	Financial Services	<i>Law Clerk</i>	\$485	0.7
Lehman, Rachel	Commercial Real Estate	2019	\$670/\$740	3.5
McIntyre, Caitlin	Restructuring & Insolvency	2017	\$730	3.3
Mitchell, Sam	Restructuring & Insolvency	<i>Student</i>	\$335	7.3
Nyberg, Christopher	Corporate & Commercial	2018	\$600	0.3
Roininen, Marti	Financial Services	<i>Law Clerk</i>	\$485	0.2
Thompson, Nancy	Restructuring & Insolvency	<i>Law Clerk</i>	\$450/\$475	45.3
Treffry, Ngina	Commercial Real Estate	<i>Law Clerk</i>	\$285/\$305	15.3

Total Fees Billed:	\$184,228.50
Total Hours:	270.8
Average Hourly Rate:	\$680.31

SKYMARK FINANCE CORPORATION
Applicant

- and -

MAHAL VENTURE CAPITAL INC., et al.
Respondents

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

Proceeding Commenced at Toronto

**AFFIDAVIT OF CHRIS BURR
(Sworn April 1, 2022)**

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

Confidential Appendix “1”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

SKYMARK FINANCE CORPORATION

Applicant

- and -

MAHAL VENTURE CAPITAL INC. and GOLDEN MILES FOOD
CORPORATION

Respondents

CONFIDENTIAL APPENDIX

**CONFIDENTIAL APPENDIX “1” TO THE
THIRD REPORT OF THE RECEIVER
DATED APRIL 4, 2022**

TO BE FILED SEPARATELY WITH THE COURT

Confidential Appendix “2”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

SKYMARK FINANCE CORPORATION

Applicant

- and -

MAHAL VENTURE CAPITAL INC. and GOLDEN MILES FOOD
CORPORATION

Respondents

CONFIDENTIAL APPENDIX

**CONFIDENTIAL APPENDIX “2” TO THE
THIRD REPORT OF THE RECEIVER
DATED APRIL 4, 2022**

TO BE FILED SEPARATELY WITH THE COURT

Confidential Appendix “3”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

SKYMARK FINANCE CORPORATION

Applicant

- and -

MAHAL VENTURE CAPITAL INC. and GOLDEN MILES FOOD
CORPORATION

Respondents

CONFIDENTIAL APPENDIX

**CONFIDENTIAL APPENDIX “3” TO THE
THIRD REPORT OF THE RECEIVER
DATED APRIL 4, 2022**

TO BE FILED SEPARATELY WITH THE COURT

TAB 3

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)	MONDAY, THE 11 TH
)	
JUSTICE MCEWEN)	DAY OF APRIL, 2022

B E T W E E N:

SKYMARK FINANCE CORPORATION

Applicant

- and -

MAHAL VENTURE CAPITAL INC. and GOLDEN MILES FOOD
CORPORATION

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by KSV Restructuring Inc. (“**KSV**”) in its capacity as the Court-appointed 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 for an order, (i) approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**APA**”) between the Receiver and 12175622 Ontario Inc. (the “**Purchaser**”) dated March 18, 2022 and appended to

the Third Report of the Receiver dated April 4, 2022 (the "**Third Report**"), (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 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 4, 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**") and Third Report, be and hereby is abridged, such that service of the NOM and the Third Report 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 (the "**APA**") between the Receiver and 12175622 Ontario 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

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

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

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Caitlin McIntyre, LSO #72306R

Tel: 416-863-4174

Fax: 416-863-2653

Email: caitlin.mcintyre@blakes.com

Lawyers for the Receiver

TAB 4

Revised: January 21, 2014

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE ~~_____~~ MR.) ~~WEEKDAY~~ MONDAY, THE # 11TH
 JUSTICE ~~_____~~ MCEWEN) DAY OF ~~MONTH~~ APRIL, ~~20YR~~ 2022

B E T W E E N:

~~PLAINTIFF~~

~~Plaintiff~~

SKYMARK FINANCE CORPORATION

Applicant

- and -

~~DEFENDANT~~

~~Defendant~~

MAHAL VENTURE CAPITAL INC. and GOLDEN MILES FOOD
CORPORATION

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by ~~{RECEIVER'S NAME}~~ KSV Restructuring Inc. ("KSV") in its capacity as the Court-appointed receiver ~~(and manager in such capacity, the "Receiver")~~, without security, of the ~~undertaking, property and assets of {DEBTOR} (the "Debtor")~~, undertakings and properties of Mahal Venture Capital Inc. ("Mahal VC") and Golden Miles Food

~~13137838.1~~ 24410658.4

DOCSTOR: 120192714

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 for an order .(i) approving the sale transaction (the “Transaction”) contemplated by an agreement of purchase and sale (the “Sale Agreement APA”) between the Receiver and [NAME OF PURCHASER]12175622 Ontario Inc. (the “Purchaser”) dated [DATE]March 18, 2022 and appended to the Third Report of the Receiver dated [DATE]April 4, 2022 (the “Third Report”), and(ii) authorizing the Receiver to enter into any other ancillary documents and agreements required to complete the Transaction. (iii) vesting in the Purchaser the DebtorCompanies’s right, title and interest in and to the assets described in the Sale Agreement 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 at 330 University Avenue, Toronto, Ontario by judicial videoconference.

ON READING the Third Report and on hearing the submissions of counsel for the Receiver, [NAMES OF OTHER PARTIES APPEARING]and such other parties listed on the Participant Information Form, no one else appearing for any other person on the service list, although properly served as appears from the affidavitAffidavit of [NAME]Service of Caitlin McIntyre sworn [DATE]April 4, 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”) and Third Report, be and hereby is abridged, such that service of the NOM and the Third Report is hereby validated, and that further service thereof is hereby dispensed with.

[†]This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.

SALE AGREEMENT APPROVAL

2. ~~1.~~ **THIS COURT ORDERS AND DECLARES** 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,² and the execution of the ~~Sale Agreement~~APA by the Receiver³ 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. ~~2.~~ **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 ~~Debtor's~~Receiver's and the Companies' right, title and interest in and to the Purchased Assets described in the ~~Sale Agreement [and listed on Schedule B hereto]~~⁴APA 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,

² ~~In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.~~

³ ~~In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.~~

⁴ ~~To allow this Order to be free standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.~~

registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"⁵) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice ~~[NAME]~~ McEwen dated ~~[DATE]~~ 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 ~~E~~ "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 ~~D~~ "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. ~~3.~~ **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the ~~[Registry Division of {LOCATION}] of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act duly executed by the Receiver~~ [Land Titles Division of ~~{LOCATION}~~ 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*]⁶, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule ~~B~~ "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 ~~E~~ "B" hereto.

⁵ ~~The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.~~

⁶ ~~Select the language appropriate to the land registry system (Registry vs. Land Titles).~~

6. ~~4.~~ **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds⁷ 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 sale⁸, 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. ~~5.~~ **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

8. ~~6.~~ **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 ~~Debtor's~~ past and current employees of the Companies, including personal information ~~of those employees listed on Schedule "●" to the Sale Agreement~~. 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 ~~Debtor~~ Companies

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

- (a) the pendency of these proceedings;

⁷ ~~The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".~~

⁸ ~~This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the ~~Debtor~~Companies and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the ~~Debtor~~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 ~~Debtor~~Companies and shall not be void or voidable by creditors of the ~~Debtor~~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.

~~8. — THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).~~

MISCELLANEOUS

10. ~~9.~~ **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.

Revised: January 21, 2014

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:

~~PLAINTIFF~~

Plaintiff

SKYMARK FINANCE CORPORATION

Applicant

- and -

~~DEFENDANT~~

Defendant

MAHAL VENTURE CAPITAL INC. and GOLDEN MILES FOOD
CORPORATION

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable ~~{NAME OF JUDGE}~~ Justice McEwen of the Ontario Superior Court of Justice (the "Court") dated ~~{DATE OF ORDER}~~, ~~{NAME OF RECEIVER}~~ October 1, 2021, KSV Restructuring Inc. was appointed as ~~the~~ receiver ~~(and manager (in such capacity, the "Receiver"), without security,~~ of the ~~undertaking, property and assets of {DEBTOR} (the "Debtor").~~ undertakings and properties of Mahal Venture Capital Inc. ("Mahal VC") and Golden Miles Food Corporation ("Golden Miles" and, together with Mahal

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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 ~~[DATE]~~April 11, 2022 the Court approved the agreement of purchase and sale made as of ~~[DATE OF AGREEMENT]~~March 18, 2022 (the "~~Sale — Agreement~~APA") between the Receiver ~~[Debtor]~~—and ~~[NAME — OF PURCHASER]~~12175622 Ontario Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the ~~Debtor~~Companies's 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 ~~section~~ ●Article 8 of the ~~Sale Agreement~~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 ~~Sale Agreement~~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 ~~Sale Agreement~~APA;
2. The conditions to Closing as set out in ~~section~~ ●Article 8 of the ~~Sale Agreement~~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].

~~[NAME OF RECEIVER]~~KSV
RESTRUCTURING INC., in its capacity as
Receiver of the undertaking, property and
assets of ~~[DEBTOR]~~Mahal Venture Capital
Inc. and Golden Miles Food Corporation, and
not in its personal capacity

Per: _____

Name:

Title:

Revised: January 21, 2014

Schedule B – Purchased Assets

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DOCSTOR: 120192714

Schedule C—Claims to be deleted and expunged from title to Real Property

<u>REG. NUM.</u>	<u>DATE</u>	<u>INSTRUMENT TYPE</u>	<u>AMOUNT</u>	<u>PARTIES FROM</u>	<u>PARTIES TO</u>
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.

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DOCSTOR: 120192714

<u>REG. NUM.</u>	<u>DATE</u>	<u>INSTRUMENT TYPE</u>	<u>AMOUNT</u>	<u>PARTIES FROM</u>	<u>PARTIES TO</u>
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.

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DOCSTOR: 120192714

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

**Schedule DC – 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

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

SKYMARK FINANCE CORPORATION - and - MAHAL VENTURE CAPITAL INC., et al.
Applicant 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
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Email: caitlin.mcintyre@blakes.com

Lawyers for the Receiver

Document comparison by Workshare 10.0 on Monday, April 4, 2022 6:16:25 PM

Input:	
Document 1 ID	PowerDocs://TOR_2024/13137838/1
Description	TOR_2024-#13137838-v1-Model_Approval_and_Vesting_Order_-_downloaded_April_4,_2022
Document 2 ID	PowerDocs://TOR_2528/24410658/4
Description	TOR_2528-#24410658-v4-KSV_-_Mahal_-_Approval_and_Vesting_Order_re_Golden_Miles/Mahal
Rendering set	Standard

Legend:	
	<u>Insertion</u>
	Deletion
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	<u>Moved to</u>
	Style change
	Format change
	Moved deletion
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:

	Count
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Deletions	126
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Moved to	0
Style change	0
Format changed	0
Total changes	462

TAB 5

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)	MONDAY, THE 11 TH
)	
JUSTICE MCEWEN)	DAY OF APRIL, 2022

B E T W E E N:

SKYMARK FINANCE CORPORATION

Applicant

- and -

MAHAL VENTURE CAPITAL INC. and GOLDEN MILES FOOD
CORPORATION

Respondents

ORDER

(Fee & Activity Approval, Realtor Commission Approval, etc.)

THIS MOTION, made by KSV Restructuring Inc. (“**KSV**”) in its capacity as the Court-appointed 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 for an order, (i) authorizing a payment to Colliers Macaully Nicholls Inc (the “**Realtor**”), (ii) sealing Confidential Appendices "1", "2", and "3" (the “**Confidential Appendices**”) to the Third Report of the Receiver dated April 4, 2022 (the

“**Third Report**”), (iii) approving the fees and disbursements of the Receiver and its counsel, Blake, Cassels & Graydon LLP (“**Blakes**”) for the period to February 28, 2022 (the “**Period**”), and (iv) approving the Third Report and the Receiver’s activities described therein, was heard this day by judicial videoconference.

ON READING the Third Report 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 4, 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**”) and Third Report, be and hereby is abridged, such that service of the NOM and the Third Report is hereby validated, and that further service thereof is hereby dispensed with.

PAYMENT TO REALTOR

2. **THIS COURT ORDERS** that the Receiver is authorized to pay the commission, being 1.25% of the Purchase Price allocated to the Real Property, to the Realtor following closing of the Transaction.

THIRD REPORT & STATEMENT OF RECEIPTS AND DISBURSEMENTS

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

4. **THIS COURT ORDERS** that the statement of receipts and disbursements for the period ended March 31, 2022 attached to the Third Report be and is hereby accepted and approved.

FEE APPROVALS

5. **THIS COURT ORDERS** that the fees of the Receiver in the amount of \$319,085.00, plus HST and disbursements, for the Period be and hereby are approved.

6. **THIS COURT ORDERS** that the fees of the Receiver's counsel, Blakes, in the amount of \$184,228.50, plus HST and disbursements, for the Period be and hereby are approved.

SEALING ORDER

7. **THIS COURT ORDERS** that the Confidential Appendices are hereby sealed and shall not form part of the public record

MISCELLANEOUS

8. **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.

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

SKYMARK FINANCE CORPORATION
Applicant

- and -

MAHAL VENTURE CAPITAL INC., et al.
Respondents

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

Proceeding Commenced at Toronto

**ORDER
(Fee & Activity Approval,
Realtor Commission Approval, etc.)**

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Lawyers for the Receiver

SKYMARK FINANCE CORPORATION
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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding Commenced at Toronto

**MOTION RECORD
(Approval and Vesting Order, Fee & Activity
Approval, Realtor Commission Approval, etc.)
Returnable April 11, 2022**

BLAKE, CASSELS & GRAYDON LLP

Barristers and Solicitors

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