

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

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS,
IN THE CITY OF VAUGHAN, IN THE PROVINCE OF ONTARIO**

**MOTION RECORD
OF UNITED BROTHERHOOD OF CARPENTERS
AND JOINERS OF AMERICA, LOCAL 1072
(Returnable June 16, 2023)**

May 11, 2023

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1072

TO: SERVICE LIST

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(As at January 19, 2023)**

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**ONTARIO
SUPERIOR COURT OF JUSTICE
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IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS,
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TAB 1

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

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS,
IN THE CITY OF VAUGHAN, IN THE PROVINCE OF ONTARIO**

NOTICE OF MOTION

The United Brotherhood of Carpenters and Joiners of America, Local 1072 (“**Local 1072**”) will make a motion to a judge presiding over the Commercial List at 330 University Avenue, Toronto on June 16, 2023 at 10:00 a.m.

PROPOSED METHOD OF HEARING: The motion is to be heard (*choose appropriate option*)

- ☐ in writing under subrule 37.12.1 (1);
- ☐ in writing as an opposed motion under subrule 37.12.1 (4);
- ☐ in person;
- ☐ by telephone conference;
- ☒ by video conference

THE MOTION IS FOR:

1. An Order abridging the time for service of this Notice of Motion and Motion Record, if applicable, for any prior delay for the presentation of the Motion, and declaring that this motion is properly returnable on the date heard and dispensing with further service thereof;

2. An Order pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”) lifting the stay of proceedings under Section 69(4) of the BIA for the sole purpose of permitting Local 1072 to commence and as applicable continue an application to the Ontario Labour Relations Board under the sale of business provisions under the *Ontario Labour Relations Act, 1995* naming SHCL as a Responding Party, attached in draft form as Schedule “A”, or in the alternative in draft form attached as Schedule “B”;
3. Such further and other relief as to this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. On or about May 31, 2022, Sanderson-Harold Company Limited, c.o.b as Paris Kitchens (“**SHCL**”) filed a Notice of Intention to File a Proposal (“**NOI**”) under the *Bankruptcy and Insolvency Act*, R.S.C., 1985 c. B-3.1000296348, pursuant to Section 50.4(1) of the BIA.
2. KSV Restructuring Inc. (“**KSV**”) is the proposal trustee for SHCL.
3. All proceedings against SHCL are stayed effective May 31, 2022 via the Filing of a Notice of Intention to Make a Proposal.
4. SHCL and 2486666 Ontario Inc. (“**248 Ontario**”) entered into an Asset Purchase Agreement on August 26, 2022. 248 Ontario assigned the Asset Purchase Agreement to 1000296348 Ontario (“**100 Ontario**”).
5. On September 23, 2022, an Order was made approving the sale transaction contemplated by the Asset Purchase Agreement and vesting the property contemplated therein to 100 Ontario.

6. Local 1072 is a trade union representing the employees of SHCL in Paris, Ontario, save and except foremen, persons above the rank of foreman, office and sales staff, and students employed during the school vacation period.
7. Local 1072 intends to commence an application to the Ontario Labour Relations Board (the “**Board**”) under section 69 of the Ontario *Labour Relations Act, 1995* (the “**LRA**”), for a declaration that 248 Ontario and 100 Ontario are bound to the collective agreement between Local 1072 and SHCL. Local 1072 seeks to name SHCL as a Responding Party in that application for a proper adjudication of the matter.
8. SHCL and KSV are agreeable to lifting the stay to permit the application to the Board but only if (a) Local 1072’s sole recourse with respect to any such application to the Board as against SHCL shall be a declaration that there has been a sale of business or part of a business from SHCL to 248 Ontario and 100 Ontario within the meaning of section 69 of the LRA, and (b) Local 1072 shall not seek any oral or documentary production or discovery against SHCL or KSV Restructuring Inc. in its personal capacity or in its capacity as trustee in the BIA proposal of SHCL or as trustee in bankruptcy of SHCL, without a further Order of the Court, and none of these parties shall be required to incur any costs or take any steps to defend the application by Local 1072.
9. 100 Ontario is agreeable to lifting the stay but only if the additional provisions desired by SHCL and KSV, as set out in the preceding paragraph, are omitted.
10. Sections 69.1 and 69.4 of the BIA.
11. Section 69 of the Ontario *Labour Relations Act, 1995*.

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

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

- a) The Affidavit of Ella Price and attached exhibits;
- b) Such further and other evidence as counsel may submit and this Court may permit.

Date: May 11, 2023

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1072

TO: SERVICE LIST

SCHEDULE A

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

IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE) FRIDAY, THE DAY
)
JUSTICE) OF MAY, 2023
)

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS,
IN THE CITY OF VAUGHAN, IN THE PROVINCE OF ONTARIO**

ORDER

THIS MOTION, made by the United Brotherhood of Carpenters and Joiners of America, Local 1072 (“**Local 1072**”), for an Order pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”) lifting the stay of proceedings (the “**Stay of Proceedings**”) under Section 69(4) of the BIA proceeded by way of judicial videoconference.

ON READING the affidavit of Ella Price, sworn May 1, 2023 and the exhibits thereto, the Motion Record of Local 1072, dated May 1, 2023, and on hearing the submissions of counsel for Local 1072, the Sanderson-Harold Company Limited, C.O.B as Paris Kitchens (“**SHCL**”), KSV Restructuring Inc., and 1000296348 Ontario Inc., and no one else appearing although served.

1. **THIS COURT ORDERS** that any prior delay for the presentation of the Motion is hereby abridged and validated and the Court hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the Stay of Proceedings established by section 69(1) of the BIA shall be and is hereby lifted for the sole purpose of permitting Local 1072 to commence and as applicable continue an application to the Ontario Labour Relations Board under the sale of business provisions under the *Ontario Labour Relations Act, 1995* (the “**LRA**”) naming SHCL as a Responding Party. However, absent further order of the Court, Local 1072’s sole recourse with respect to any such application as against SHCL shall be a declaration that there has been a sale of business or part of a business from SHCL to 2486666 Ontario Inc. and 1000296348 Ontario Inc. within the meaning of section 69 of the LRA.

3. **THIS COURT ORDERS** that Local 1072 shall not seek any oral or documentary production or discovery against SHCL or KSV Restructuring Inc. in its personal capacity or in its capacity as trustee in the BIA proposal of SHCL or as trustee in bankruptcy of SHCL, without a further Order of the Court, and none of these parties shall be required to incur any costs or take any steps to defend the application by Local 1072.

4. **THIS COURT ORDERS** that, this order is effective from today’s date and is not required to be entered and filed.

5. **THIS COURT ORDERS** that _____ shall pay costs of this motion to _____ in the amount of _____ within 30 days.

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF THE SANDERSON-HAROLD COMPANY LIMITED,
C.O.B. AS PARIS KITCHENS**

Estate/Court File No.: 31-2835198

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

PROCEEDING COMMENCED AT
TORONTO

ORDER

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SCHEDULE B

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

IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE) FRIDAY, THE DAY
)
JUSTICE) OF MAY, 2023
)

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ON READING the affidavit of Ella Price, sworn May 1, 2023 and the exhibits thereto, the Motion Record of Local 1072, dated May 1, 2023, and on hearing the submissions of counsel for Local 1072, the Sanderson-Harold Company Limited, C.O.B as Paris Kitchens (“**SHCL**”), KSV Restructuring Inc., and 1000296348 Ontario Inc., and no one else appearing although served.

1. **THIS COURT ORDERS** that any prior delay for the presentation of the Motion is hereby abridged and validated and the Court hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the Stay of Proceedings established by section 69(1) of the BIA shall be and is hereby lifted for the sole purpose of permitting Local 1072 to commence and as applicable continue an application to the Ontario Labour Relations Board under the sale of business provisions under the *Ontario Labour Relations Act, 1995* (the “**LRA**”) naming SHCL as a Responding Party.

3. **THIS COURT ORDERS** that, this order is effective from today’s date and is not required to be entered and filed.

4. **THIS COURT ORDERS** that _____ shall pay costs of this motion to _____ in the amount of _____ within 30 days.

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
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**ONTARIO
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Estate/Court File No.: 31-2835198

**ONTARIO
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TORONTO**

NOTICE OF MOTION

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TAB 2

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

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS,
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**AFFIDAVIT ELLA PRICE
AFFIRMED MAY 1, 2023**

I, EDELLA (ELLA) PRICE, of the Regional Municipality of Clarington, in the Province of Ontario, **AFFIRM :**

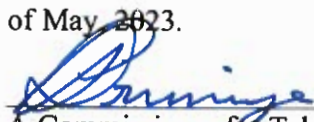
1. I am a Paralegal at Rousseau Mazzuca LLP, which is counsel to the United Brotherhood of Carpenters and Joiners of America, Local 1072 ("**Local 1072**") and as such I have personal knowledge of the matters to which I hereinafter depose based upon my review of the file.
2. On or about May 31, 2022, Sanderson-Harold Company Limited, c.o.b as Paris Kitchens ("**SHCL**") filed a Notice of Intention to File a Proposal ("**NOI**") under the *Bankruptcy and Insolvency Act*, R.S.C., 1985 c. B-3.1000296348, pursuant to Section 50.4(1) of the BIA.
3. KSV Restructuring Inc was appointed Proposal Trustee ("**Proposal Trustee**") in the NOI proceeding. Attached hereto and marked as "**Exhibit A**" is a copy of the First Report to Court of the Proposal Trustee, dated June 3, 2022.

4. As set out in the Certificate of Filing of a Notice of Intention to Make a Proposal, all proceedings against SHCL are stayed effective May 31, 2022 (the “**Stay of Proceedings**”). Attached hereto and marked as “**Exhibit B**” is a copy of the Certificate of Filing, dated June 1, 2022.
5. According to the Third Report of the Proposal Trustee, dated September 16, 2022, SHCL and 2486666 Ontario Inc. (“**248 Ontario**”) entered into an Asset Purchase Agreement on August 26, 2022. 248 Ontario assigned the Asset Purchase Agreement to 1000296348 Ontario Inc. (“**100 Ontario**”). Attached hereto and marked as “**Exhibit C**” is a copy of the Third Report to Court of the Proposal Trustee, dated September 16, 2022.
6. On September 23, 2022, an Order was made approving the sale transaction contemplated by the Asset Purchase Agreement and vesting the property contemplated therein to 100 Ontario. Attached hereto and marked as “**Exhibit D**” is a copy of the approval and vesting Order, dated September 23, 2022.
7. As set out in the collective agreement between SHCL and Local 1072, Local 1072 is a trade union representing the employees of SHCL in Paris, Ontario, save and except foremen, persons above the rank of foreman, office and sales staff, and students employed during the school vacation period. Attached hereto and marked as “**Exhibit E**” is a copy of the collective agreement (the “**Collective Agreement**”) between Local 1072 and SHCL effective February 1, 2021, to January 31, 2024.
8. Local 1072 intends to commence an application to the Ontario Labour Relations Board under section 69 of the Ontario *Labour Relations Act, 1995*, for a declaration that 248

Ontario and 100 Ontario are bound to the Collective Agreement. Local 1072 seeks to name SHCL as a Responding Party in that application for a proper adjudication of the matter.

9. By the present Motion, Local 1072 seeks an order of this honourable Court lifting the Stay of Proceedings against SHCL for the sole purpose of naming SHCL as a Responding Party in a sale of a business application to the Ontario Labour Relations Board and obtaining appropriate declarative relief. Attached hereto and marked as "Exhibit F" is a copy of Local 1072's proposed application to the Ontario Labour Relations Board.
10. A copy of a draft order seeking to partially lift the Stay of Proceedings is attached to this motion record.
11. I make this Affidavit in support of the motion herein, and for no other or improper purpose.

AFFIRMED before me at the City)
of Toronto, in the Province of)
Ontario, this 1st day)
of May, 2023.)


A Commissioner for Taking Affidavits
LSO# 86086E


EDELLE (ELLA) PRICE

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF THE SANDERSON-HAROLD COMPANY LIMITED,
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Estate/Court File No.: 31-2835198

**ONTARIO
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**PROCEEDING COMMENCED AT
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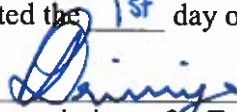
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**Lawyers for United Brotherhood of Carpenters and
Joiners of America, Local 1072**

This is **EXHIBIT “ A ”**referred to in the
Affidavit of EDELLA (ELLA) PRICE
dated the 1st day of MAY, 2023.

A handwritten signature in blue ink, appearing to read "D. King", is written over a horizontal line.

A Commissioner for Taking Oaths, Etc.



**First Report to Court of
KSV Restructuring Inc. as Proposal
Trustee of The Sanderson-Harold
Company Limited c.o.b. as Paris
Kitchens**

June 3, 2022

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Court File No.: 31-2835198

**ONTARIO
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**FIRST REPORT OF KSV RESTRUCTURING INC. AS PROPOSAL TRUSTEE OF
THE SANDERSON-HAROLD COMPANY LIMITED**

June 3, 2022

1.0 Introduction

1. This report ("Report") is filed by KSV Restructuring Inc. ("KSV"), in its capacity as proposal trustee (the "Proposal Trustee") in connection with a Notice of Intention to Make a Proposal ("NOI") filed on May 31, 2022 (the "Filing Date") by The Sanderson-Harold Company Limited, c.o.b. as Paris Kitchens (the "Company") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA"). A copy of the certificate of filing issued by the Office of the Superintendent of Bankruptcy is provided in Appendix "A".
2. The principal purpose of this proceeding is to create a stabilized environment to allow the Company the opportunity to continue a sale process for its business that commenced prior to this proceeding and to formulate a proposal to its creditors (a "Proposal").

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Company;
 - b) summarize KSV's principal activities before and since the Filing Date;
 - c) discuss the Company's need for interim financing, which is proposed to be provided pursuant to the terms of a term sheet dated June 2, 2022 between the Company and Bank of Montreal ("BMO"), the company's existing operating lender, which is to be calculated based on the Company's existing monthly margin formula on the operating facility plus an additional \$450,000 (the "Interim Lending Facility"), secured by a charge (the "Interim Lending Charge") over all of the Company's property, assets and undertakings (collectively, the "Property") in favour of BMO for its advances to the Company under the Interim Lending Facility, on the terms discussed below;

- d) discuss the rationale for a charge in the amount of \$300,000 on the Property (the “Administration Charge”) as protection for the fees and disbursements of the Proposal Trustee, the Proposal Trustee’s counsel, Aird & Berlis LLP (“Aird & Berlis”), and the Company’s counsel, Chaitons LLP (“Chaitons”);
- e) summarize a proposed key employee retention plan (the “KERP”) for two of the Company’s employees and a proposed charge in the amount of \$120,000 to secure amounts payable under the KERP (the “KERP Charge”);
- f) set out the basis on which the Proposal Trustee is recommending a sealing order for the KERP terms, appended as Confidential Appendix “1” to this Report;
- g) report on the Company’s weekly cash flow projections for the period May 28, 2022 to August 19, 2022 (the “Cash Flow Forecast”);
- h) discuss the Company’s request for an extension of the deadline to file a Proposal from June 30, 2022 to August 15, 2022; and
- i) recommend that this Court grant the relief sought.

1.2 Currency

1. Unless otherwise noted, all currency references in this Report are to Canadian dollars.

1.3 Restrictions

1. In preparing this Report, the Proposal Trustee has relied upon unaudited financial information prepared by the Company’s representatives, the books and records of the Company and discussions with representatives of the Company. The Proposal Trustee has not performed an audit or otherwise attempted to verify the accuracy or completeness of the financial information relied on in a manner that complies with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Proposal Trustee 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. The Proposal Trustee accepts no responsibility for any reliance placed by any third party on the Company’s financial information presented herein.
3. Future oriented financial information relied upon in this Report is based on the Company’s representatives’ assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.

1.4 Court Materials

1. Court materials filed in these proceedings are available on the Proposal Trustee’s website at: <https://www.ksvadvisory.com/experience/case/paris>.

2.0 Background

1. The Company is privately owned and was incorporated under the *Business Corporations Act* (Ontario). It has been operating since 1902.
2. The Company has been owned by the Wolfman family since 1964, when Morrie Wolfman purchased it from the Harold brothers. Morrie Wolfman was the President from that time until his retirement in 2019, when he appointed his son Larry Wolfman as President.
3. The Company is a manufacturer of medium to high-end kitchen and bath cabinets. It designs, manufactures, and services custom kitchen and bath cabinetry for many of the most prominent and reputable residential low-rise and high-rise builders in the Greater Toronto Area (“GTA”) and Southern Ontario.
4. The Company’s head office is located at 245 West Beaver Creek Rd, Unit #2, Richmond Hill, which it leases from Diazo Investments Limited (“Diazo”), a related party, which is comprised of 4,000 square feet and includes a showroom.
5. The Company owns a 110,000 square foot manufacturing facility located at 23 Railway Street, Paris (the “Manufacturing Facility”), and a 9,888 square foot storage facility located nearby at 38 Spruce Street, Paris (together with the Manufacturing Facility, the “Paris Properties”).
6. The Company presently has 150 full-time employees, half of which are unionized. The unionized employees at the Manufacturing Facility are members of United Brotherhood of Carpenters Ontario Industrial Counsel, Carpenters Local 1072 (foremen, persons ranked above foreman, office and sales staff are not union members). The Company does not provide or administer a pension plan for its employees.
7. The Company’s management team is comprised of Larry Wolfman, Carolyn Iyer and Jocelyn Hu.
8. Additional information about the Company and its background is included in the Affidavit of the Company’s President, Larry Wolfman sworn May 31, 2022 (the “Affidavit”) filed in support of the Company’s motion.

2.1 Financial Difficulties

1. The Covid-19 pandemic, rising material costs, supply chain issues and the ongoing construction strike have caused the Company to incur significant financial losses. As a result of these issues, the Company decided to initiate these proceedings by filing the NOI on May 31, 2022 in order to stabilize the business and focus its efforts on preserving value.

2. A summary of the Company's income statements for its fiscal years 2020 and 2021, and the four months ending April 30, 2022 is presented in the table below.

(\$; 000s)	Fiscal 2020 (audited)	Fiscal 2021 (unaudited)	4 months ending April 30, 2022 (unaudited)
Sales	16,911	23,337	5,755
Cost of sales	12,662	19,192	5,053
Gross margin	4,249	4,145	702
Net loss	(648)	(2,851)	(1,567)

3. As reflected above, the Company has incurred significant losses since the start of fiscal year 2020, with the onset of the Covid-19 pandemic.
4. The Company designs and manufactures custom kitchen and bath cabinetry for high-rise and low-rise developers. The margins on high-rise developments are significantly lower than on low-rise developments. The Company took on high-rise contracts during the pandemic, which has affected its profitability. These contracts are nearing completion and the Company is now focusing on its low-rise business.
5. The Company's sales thus far in 2022 have also been significantly affected by the onset of the Omicron Covid variant which emerged in January 2022 and resulted in construction delays on many developments. As a result, there was a deferral of a large percentage of the Company's sales, which contributed to the Company's liquidity pressures.
6. The Company has developed a business model that sees its financial results improve later this year and thereafter. Further information concerning the business plan is available to prospective purchasers in the ongoing sale process, as addressed below.

2.2 Assets

1. A summary of the Company's assets as at April 30, 2022 is provided below.

Description	Book Value (\$000s)
Accounts receivable	3,495
Inventory	1,905
Other assets	77
Fixed assets	1,226
	<u>6,703</u>

- a) Accounts receivable: comprised of amounts owing from customers for completed kitchens.
- b) Inventory: represents the estimated book value of the Company's raw material, work in progress and finished goods inventory at its plant.
- c) Other assets: largely comprised of prepaid assets.
- d) Fixed assets: primarily relates to the Manufacturing Facility building and the equipment located at that facility. The realizable value of this real property is expected to significantly exceed its net book value based on recently prepared appraisals obtained by the Company.

2.3 Secured Creditors

1. Pursuant to a recent search of registrations under the *Personal Property Security Act* (Ontario) (the “PPSA”), the Company’s primary secured creditors are as follows:
 - BMO, the Company’s current operating lender, was owed approximately \$3 million as of the date of this Report, which indebtedness is secured by a general security interest over the Company assets and a collateral charge on the Paris Properties (which collateral charge is subordinate only to Pillar). Interest and costs continue to accrue;
 - Pillar Capital Corp. (“Pillar”), which holds a mortgage registered against title to the Paris Properties and was owed approximately \$2 million as of the date of this Report. Interest and costs continue to accrue; and
 - Diazo, a related party, which owns the head office location. Diazo was owed approximately \$921,000 as of the date of this Report. Interest and costs continue to accrue.
2. The PPSA also reveals several registrations against the Company in favour of certain equipment and vehicle financiers with respect to specific equipment and/or motor vehicles. A copy of the PPSA search results against the Company is attached as Exhibit A to the Affidavit.
3. Aird & Berlis, independent counsel to the Proposal Trustee, is in the process of obtaining and reviewing the security documents held by the above secured creditors. As of the date of this Report, Aird & Berlis has completed its initial review of the security granted by the Company in favour of BMO and, subject to the normal assumptions and qualifications, Aird & Berlis is of the opinion that the BMO security is valid and enforceable in accordance with its terms.

2.4 Unsecured Creditors

1. According to the Company’s books and records, amounts owing to trade creditors at the Filing Date totaled approximately \$1.7 million.
2. The Company also has repayment obligations to the Government of Canada represented by the Minister responsible for Federal Economic Development Agency for Southern Ontario with respect to a \$1 million Regional Relief and Recovery Fund contribution.

3.0 KSV’s Prior Role and Pre-Filing Efforts

1. KSV Advisory Inc., an affiliate of KSV, was engaged by the Company as its financial advisor on July 22, 2021. KSV’s primary role at the time was to provide corporate finance services, including identifying transactions for either a sale or refinancing of the business.

2. In the context of its initial engagement, KSV prepared marketing materials, including an interest solicitation letter, a confidential information memorandum and a virtual data room.
3. The initial stage of the sale and refinancing process launched on October 14, 2021 and focussed on financial buyers and opportunities to provide additional liquidity to the Company. Pillar was identified as a source of financing through this process and a financing arrangement with Pillar was completed on December 13, 2021.
4. On April 1, 2022, KSV expanded the sale process to several strategic parties, including a limited number of direct competitors. As of the date of this Report, KSV continues to engage with parties who have expressed an interest in the business. The commencement of these proceedings will allow KSV to target a larger group of potential buyers, including a larger group of competitors.
5. KSV, in its capacity as Proposal Trustee, intends to continue the sale process during these proceedings. At this point in time, the Proposal Trustee does not intend to set a bid date for offers. It intends to continue to engage with prospective purchasers that have already been contacted, as well as new parties that will be contacted by it and parties that contact it, with a view to completing a transaction as soon as possible. A bid deadline will be established, if required, depending on the number of parties interested in pursuing a going-concern transaction.
6. KSV has discussed the sale process with BMO and Pillar. The Proposal Trustee is not aware of any opposition to the sale process on the above basis.

4.0 KERP

1. The KERP was developed by the Company, in consultation with the Proposal Trustee. The beneficiaries of the KERP (the “KERP Employees”) are not related to the Company. Mr. Wolfman is not participating in the KERP. A summary of the terms and names of the KERP Employees will be provided on or before this motion as Confidential Appendix “1”.
2. The KERP is structured to be paid in two installments, as follows: a) 50% paid four months following the Filing Date; and b) the balance to be paid upon the earlier of (i) December 31, 2022 and (ii) the last day of the KERP Employee’s employment with the Company.
3. The Company is seeking approval of the KERP and the creation of the corresponding KERP Charge in the amount of \$120,000 to secure the maximum amount payable under the KERP at any point in time. The KERP Charge is to rank subordinate to the Administration Charge but is to have priority over all other claims against the Company, consistent with the Administration Charge.
4. The KERP Employees are long-term employees for which there is no replacement. These individuals have deep knowledge of the business. KSV has worked closely with these individuals since first being retained. The KERP is intended to incentivize the KERP Employees to assist the Company with its restructuring efforts throughout the process.

5. The Proposal Trustee supports the KERP for the following reasons:
- a) the continued involvement and cooperation of the KERP Employees is critical to the success of this proceeding;
 - b) the Proposal Trustee believes that the KERP will assist the Company to retain the KERP Employees, which is in the interest of stakeholders;
 - c) the amounts payable under the KERP are reasonable in the circumstances; and
 - d) BMO has been advised of the KERP and has not expressed any opposition to it. Pillar has also been advised of the KERP. As of the date of this Report, its position is not known to the Proposal Trustee.

4.1 Sealing

1. The Company is requesting an order sealing Confidential Appendix “1”, which contains the KERP terms, as it contains personal, identifiable and commercially sensitive information, including the identity and proposed compensation of the KERP Employees. The Proposal Trustee believes it is appropriate to seal this appendix in the circumstances. The sealing of this type of commercially sensitive and personal information is typical in insolvency proceedings to avoid disruption to the debtor company and to protect the privacy of the KERP Employees.
2. The Proposal Trustee does not believe that any stakeholder will be prejudiced if the KERP information that will be contained in Confidential Appendix “1” is sealed.

5.0 Cash Flow

1. Pursuant to the BIA, the Company is required to prepare a cash flow forecast for the stay extension period. The Cash Flow Forecast is for the period ending August 19, 2022 (the “Period”), together with Management’s Report on the Cash-Flow Statement as required by subsection 50.4(2)(c) of the BIA, is provided in Appendix “B”.
2. The Cash Flow Forecast was prepared by the Company with the assistance of the Proposal Trustee. The Company’s receipts during the Period are comprised of accounts receivable collections. Projected disbursements are primarily payroll and benefits, raw material and other inventory purchases required to complete orders and professional fees.
3. The Company has also prepared a projected margin position in respect of its operating line of credit with BMO (the “Projected Margin”). The Projected Margin reflects that the Company requires an over-advance of up to \$363,000 during the Period. A copy of the Projected Margin is also included in Appendix “B”. The Interim Lending Facility is based on the Company’s existing margin formula, plus \$450,000. BMO has advised the Proposal Trustee that it is prepared to fund the amounts required under the Interim Lending Facility, as set out in the Cash Flow Forecast.
4. Based on the Proposal Trustee’s review of the Cash Flow Forecast, there are no material assumptions which seem unreasonable. The Proposal Trustee’s Report on the Company’s Cash Flow Statement as required by subsection 50.4(2)(b) of the BIA is attached as Appendix “C”.

6.0 Interim Lending Facility

1. The Company and BMO have negotiated an interim financing agreement (the “Interim Lending Agreement”), pursuant to which BMO has agreed to extend interim financing to the Company in these proceedings, subject only to Court approval. The significant terms of the Interim Lending Agreement¹ are summarized below.
 - a) Lender: BMO
 - b) Description of Facility: Senior secured super-priority interim loan of up to a maximum amount of \$450,000.
 - c) Maturity Date: The earliest of: (i) December 31, 2022; (ii) the date on which the Borrower is in receipt of funds sufficient in amount to repay the Interim Lending Facility in full; (iii) such earlier date upon which repayment is required due to the occurrence of an Event of Default that is continuing, (iv) the date on which the stay of proceedings granted in the NOI proceedings expires or is terminated, including by Court order, and (v) the date on which the Restructuring Process is terminated for any reason. All amounts outstanding under the Interim Lending Facility are payable in full on the Maturity Date, including all accrued interest and other amounts, fees and costs.
 - d) Interest: calculated at the rate equal to the prime commercial lending rate of BMO plus 1.5% per annum (currently, 5.2%).
 - e) Other Fees: None
 - f) Security and Priority: all obligations under the Interim Lending Facility are to be secured by the Interim Lender’s Charge ranking in priority to all existing security interests other than Pillar’s mortgage against the Paris Properties, the Administration Charge and the KERP Charge.
 - g) Use of Proceeds: to provide the required working capital and to support the Company’s liquidity during these proceedings.
 - h) Covenants: to, among others, operate within the agreed Cash Flow Forecast.
 - i) Conditions: the only significant conditions precedent to the Interim Lending Facility is (i) receipt by the Lender of the approved Cash Flow Forecast, and (ii) an order approving the Interim Lending Facility and the granting of the Interim Lender’s Charge to be issued on or before June 8, 2022.
 - j) Events of Default: the following is a summary of certain of the material Events of Default:
 - i. the Borrower is subject to a bankruptcy order;

¹ Capitalized terms are as defined in the Interim Lending Agreement.

- ii. the issuance of an order in the this proceeding or otherwise staying, reversing, vacating or otherwise modifying either the Interim Lending Charge or any Orders in a manner which adversely impacts the rights and interests of the Lender (including, without limitation, if the priority of the Interim Lending Charge is varied without the consent of the Lender);
- iii. the sale, transfer, assignment, conveyance or lease of the Real Property or all or substantially all of the Borrower's property without the written consent of the Proposal Trustee and the Lender;
- iv. failure of the Company to pay any principal, interest, fees or any other amounts, in each case when due and owing hereunder; and
- v. failure of the Company to perform or comply with any term or covenant under the Interim Lending Agreement and such default shall continue unremedied for a period of three Business Days.

Upon the occurrence of an Event of Default, without any notice, protest, demand or other act on the part of BMO, all indebtedness of the Company to BMO under the Interim Lending Facility shall become immediately due and payable and BMO has the right to take all steps necessary to enforce its security.

- 2. It is a term of the Interim Lending Agreement that the Interim Lending Charge also secure the Pre-Filing Obligations, being any and all obligations of the Company to BMO arising prior to the Filing Date, and that the Company be entitled to use funds received from the Restructuring Process generated post-Filing Date from the sale of inventory, equipment, chattels or otherwise (but not from the real property to the extent that Pillar is not repaid in full), for which BMO has a perfected security interest, shall be directed or applied by the Company to permanently repay any Pre-Filing Obligations.
- 3. The Interim Lending Facility and the corresponding Interim Lending Charge will enhance the prospect that the Company will be able to successfully carry out and complete the sale process and file a Proposal in these proceedings.
- 4. A copy of the Interim Lending Agreement is provided in Appendix "D".

6.1 Recommendation

- 1. The Proposal Trustee has considered the factors set out in subsection 50.6(5) of the BIA with respect to the granting of an order for interim financing and a charge related thereto. The Proposal Trustee believes that the terms of the Interim Lending Facility are reasonable and that the Interim Lending Charge should be granted for the following reasons:
 - a) the Interim Lending Facility and the corresponding Interim Lending Charge enhance the prospect that the Company will be able to successfully complete a restructuring and file a Proposal in these proceedings;
 - b) the Company's intention is to attempt to complete a restructuring;

- c) the Cash Flow Forecast and the Projected Margin reflect that the Company will experience a liquidity crisis if additional funding is not provided, which will jeopardize its business. The Company will have no prospect of making a viable proposal or restructuring its business if it does not obtain the contemplated financing;
 - d) the Company has been working cooperatively with BMO and is of the view that it is the most logical lender for the Interim Lending Facility given it is the Company's operating and term loan lender, and it has a first charge on the assets subject to these facilities;
 - e) in the Proposal Trustee's view, no creditor will be materially prejudiced as a result of the Interim Lending Charge, including the "roll-up" structure of the Interim Lending Facility. No creditor is prejudiced by the structure of the facility as Aird & Berlis has confirmed the validity and enforceability of BMO's pre-filing security. The facility will assist to maximize recoveries for stakeholders and facilitate the continued operation of the business during this proceeding;
 - f) Pillar and Diazo are aware of the proposed Interim Lending Facility and neither has expressed any opposition to it; and
 - g) it is the Proposal Trustee's view that the terms of the Interim Lending Facility (interest rate of approximately 5.2% and no other fees) are well below market for facilities of this nature.
2. Based on the foregoing, the Proposal Trustee recommends that the Court issue an order approving the Interim Lending Facility and granting BMO a senior ranking charge for amounts advanced under the Interim Lending Facility, subject only to the Administration Charge, the KERP Charge and Pillar's charge against the Paris Properties, except for validly perfected purchase money security interests, liens and/or encumbrances in favour of certain equipment lessors.

7.0 Administration Charge

1. The Company is seeking an Administration Charge of \$300,000 in respect of the fees and expenses of the professionals incurred in connection with these proceedings. An Administration Charge is a standard feature of restructuring proceedings and is appropriate, in the Proposal Trustee's view, given the Company's lack of liquidity.
2. The Administration Charge is required in these proceedings as the professionals retained have not been paid retainers (other than a nominal retainer paid to Chaitons). The Administration Charge is to cover the unpaid fees and expenses of Chaitons, the Proposal Trustee and Aird & Berlis. Absent approval of the Administration Charge, the professionals are unlikely to be prepared to act.
3. The Proposal Trustee understands that BMO, as Interim Lender, consents to the Administration Charge, as contemplated by the Interim Lending Agreement. All PPSA registrants, Canada Revenue Agency and Ministry of Finance will be given notice of this motion out of an abundance of caution.

8.0 Company's Request for an Extension

1. The Company is seeking an extension of the time required to file a proposal from June 30, 2022 to August 15, 2022.
2. The Proposal Trustee supports the extension request for the following reasons:
 - the Company is acting in good faith and with due diligence;
 - the Company has indicated that it would likely be able to make a viable proposal to its creditors if the extension is granted;
 - the extension should not adversely affect or prejudice any group of creditors as the Company is projected to have funding to pay post-filing services and supplies in the amounts contemplated by the Cash Flow Forecast; and
 - it would provide the Company the additional time it requires to further advance its restructuring and continue the sale process, which is in the interest of all stakeholders.

9.0 Overview of the Proposal Trustee's Activities

1. The Proposal Trustee's activities since the Filing Date have included, among other things, the following:
 - monitoring the Company's sales, receipts and disbursements and corresponding with the Company regarding same;
 - assisting the Company to prepare a stakeholder communication plan, including letters to its employees;
 - assisting the Company's management at town hall meetings with employees at the outset of these proceedings;
 - updating sale process materials;
 - corresponding with the Company regarding supplier issues, including critical vendors;
 - meeting and corresponding with the Company regarding operational and sale process matters;
 - corresponding with BMO and its counsel;
 - corresponding with Pillar;
 - responding to calls and inquiries from creditors;
 - drafting this Report; and
 - dealing with all other matters in this proceeding not specifically addressed above.

10.0 Conclusion and Recommendation

1. Based on the foregoing, the Proposal Trustee respectfully recommends that this Honourable Court make an order granting the relief being sought in the Company's motion.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS TRUSTEE *IN RE* THE PROPOSAL OF
THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS,
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2835198
Estate No. 31-2835198

In the Matter of the Notice of Intention to make a proposal of:

The Sanderson-Harold Company Limited, c.o.b. as Paris Kitchens

Insolvent Person

KSV RESTRUCTURING INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

May 31, 2022

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: June 01, 2022, 10:13

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

Appendix “B”

The Sanderson-Harold Company Limited, c.o.b. as Paris Kitchens
Projected Cash Flow Statement
For the Period Ending August 19, 2022
(Unaudited; \$CAD in 000's)

	Note	Week Ending												Total
		3-Jun	10-Jun	17-Jun	24-Jun	1-Jul	8-Jul	15-Jul	22-Jul	29-Jul	5-Aug	12-Aug	19-Aug	
<i>Receipts</i>	1													
Accounts receivable collections	2	115	226	379	524	383	748	729	713	699	567	513	474	6,070
Prepaid sale deposit collections	3	25	25	25	25	25	25	25	25	-	-	-	-	200
Total Receipts		140	251	404	549	408	773	754	738	699	567	513	474	6,270
<i>Disbursements</i>														
<i>Operating Disbursements</i>														
Payroll	4	60	259	60	242	60	275	60	273	60	219	60	165	1,792
Materials	5	86	100	100	100	100	43	43	43	43	43	23	23	744
Installation	6	-	88	-	174	-	248	-	266	-	190	-	114	1,080
Other	7	110	52	52	52	165	54	73	54	86	299	46	65	1,107
		256	498	212	568	325	620	176	635	189	750	128	367	4,723
<i>Other Disbursements</i>														
Professional fees	8	-	-	-	-	-	-	150	-	-	-	-	150	300
Total Disbursements		256	498	212	568	325	620	326	635	189	750	128	517	5,023
Net Cash Flow		(116)	(246)	192	(19)	83	153	428	103	511	(183)	385	(42)	1,247
Cash balance, beginning		(2,437)	(2,553)	(2,799)	(2,607)	(2,626)	(2,543)	(2,390)	(1,963)	(1,860)	(1,349)	(1,532)	(1,147)	(2,437)
Net cash flow		(116)	(246)	192	(19)	83	153	428	103	511	(183)	385	(42)	1,247
Cash balance, ending		(2,553)	(2,799)	(2,607)	(2,626)	(2,543)	(2,390)	(1,963)	(1,860)	(1,349)	(1,532)	(1,147)	(1,190)	(1,190)

The above financial projections are based on management's assumptions detailed in Appendix "I-1".
The note references correspond to the assumption numbers shown in Appendix "I-1".

THE SANDERSON-HAROLD COMPANY LIMITED

Per: 

Date

JUNE 3rd 2022

KSV RESTRUCTURING INC.
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL AND NOT

1 

Per: _____

June 3, 2022

Date _____

Notes to Projected Statement of Cash Flow

For the Period Ending August 19, 2022

(Unaudited; \$C)

Purpose and General Assumptions

1. The purpose of the projection is to present a forecast of the cash flow of The Sanderson-Harold Company Limited, c.o.b. as Paris Kitchens (the "Company") for the period ending August 19, 2022 (the "Period").

The projected cash flow statement has been prepared based on hypothetical and most probable assumptions developed and prepared by the Company.

Hypothetical

2. Represents projected collections of sales and existing accounts receivables.
3. Represents prepaid deposits collected from customers in advance of order delivery.

Most Probable

4. Reflects payment of gross payroll and benefits.
5. Reflects payments to vendors in respect of materials required to complete sales.
6. Reflects payment of kitchen installation labour.
7. Reflects payment of operating costs including utilities, trucking, waste removal and insurance.
8. Reflects estimated professional costs for of the Proposal Trustee, its counsel and the Company's counsel.

**Report on Cash Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the BIA**

The management of The Sanderson-Harold Company Limited, c.o.b. as Paris Kitchens (the "Company") has developed the assumptions and prepared the attached statement of projected cash flow of the Company for the period ending August 19, 2022.

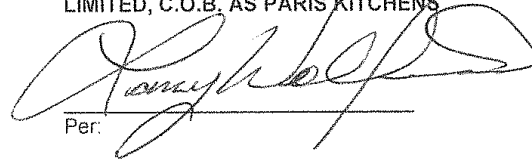
The hypothetical and probable assumptions are suitably supported and consistent with the purpose of the projection and the plans of the Company and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 2 to 8.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in Note 1, using a set of hypothetical and probable assumptions set out in Notes 2 to 8. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, this 3rd day of June, 2022.

THE SANDERSON-HAROLD COMPANY
LIMITED, C.O.B. AS PARIS KITCHENS


Per: _____

The Sanderson-Harold Company Limited, c.o.b. as Paris Kitchens

Projected Margin Position

For the Period Ending August 19, 2022

(Unaudited; \$CAD in 000's)

Week Ending													
Note	3-Jun	10-Jun	17-Jun	24-Jun	1-Jul	8-Jul	15-Jul	22-Jul	29-Jul	5-Aug	12-Aug	19-Aug	
Accounts receivable													
Accounts receivable - CAD		3,615	3,579	3,475	3,491	3,632	3,529	3,442	3,369	3,308	3,029	2,797	2,599
Less: Ineligibles	1	(1,421)	(1,407)	(1,366)	(1,373)	(1,428)	(1,387)	(1,353)	(1,325)	(1,301)	(1,191)	(1,100)	(1,022)
Net eligible		2,194	2,172	2,109	2,119	2,204	2,141	2,089	2,044	2,007	1,838	1,697	1,577
Advance rate		75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Availability - Accounts receivable CAD		1,645	1,629	1,582	1,589	1,653	1,606	1,566	1,533	1,506	1,379	1,273	1,183
Inventory													
Inventory		2,125	2,146	2,142	2,052	1,962	1,794	1,626	1,458	1,290	1,239	1,171	1,103
Less: Ineligibles	2	(213)	(213)	(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)
Total Eligible inventory		1,913	1,933	1,927	1,837	1,747	1,579	1,411	1,243	1,075	1,024	956	888
Advance rate		50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Availability - Inventory		956	966	964	919	873	789	705	621	537	512	478	444
Cap on Inventory availability		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Lessor of inventory availability and cap		956	966	964	919	873	789	705	621	537	512	478	444
Net collateral availability		2,602	2,595	2,545	2,508	2,527	2,395	2,272	2,155	2,043	1,891	1,751	1,627
Net collateral availability for borrowing purposes	3	2,437	2,437	2,437	2,569	2,569	2,569	2,569	2,569	2,508	2,508	2,508	2,508
Cap on total availability		4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Net collateral availability		2,437	2,437	2,437	2,569	2,569	2,569	2,569	2,569	2,508	2,508	2,508	2,508
Operating facility		(2,553)	(2,799)	(2,607)	(2,626)	(2,543)	(2,390)	(1,963)	(1,860)	(1,349)	(1,532)	(1,147)	(1,190)
Margin surplus		(117)	(363)	(170)	(57)	26	179	607	709	1,159	975	1,360	1,318

Notes

- 1 Estimated to be ~39% of accounts receivable. Includes receivables aged over 90 days, being ~27% of total accounts receivable (based on the Company's April 30, 2022 margin limit) and priority payables (vacation pay, HST, payroll withholdings and other amounts). Priority payables totalled approximately \$431,000 as at April 30, 2022.
- 2 Primarily represents work-in-progress. Consistent with the April 2022 margin report provided to BMO on May 23, 2022.
- 3 Consistent with the terms of the existing operating loan facility (e.g. June's net collateral availability is determined based on the Company's April 25, 2022 margin report).

Appendix “C”

**Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)**

The attached statement of projected cash-flow of The Sanderson-Harold Company Limited, c.o.b. as Paris Kitchens (the "Company"), as of the 3rd day of June, 2022, consisting of a weekly cash flow statement for the period May 28, 2022 to August 19, 2022, has been prepared by the management of the insolvent person for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2-8.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated this 3rd day of June, 2022.

**KSV RESTRUCTURING INC.
TRUSTEE**



Per: Mitch Vininsky

Appendix “D”

INTERIM FINANCING TERM SHEET

Dated as of June 3, 2022

WHEREAS the Borrower (defined below) entered into an Amended and Restated Letter of Agreement with the Lender (as defined below) dated January 13, 2022 pursuant to which the Lender extended certain credit facilities to the Borrower to the maximum principal amount of \$4,780,000 (as amended from time to time, the “**Existing Loan Agreement**”) and as security for such obligations the Borrower executed certain security in favour of the Lender including, but not limited to, (i) a General Security Agreement dated November 27, 2002 over all of its present and after-acquired personal/movable property and (ii) a second ranking charge/mortgage (“**Lender Mortgage**”) registered as Instrument No. BC418985 on December 21, 2021 securing the principal sum of \$1,250,000 against the real property described in Schedule “A” attached hereto (the “**Real Property**”);

AND WHEREAS the Lender Mortgage ranks behind a mortgage against the Real Property securing the amount of \$2,000,000 registered in favour of Pillar Capital Corp. (the “**Pillar Mortgage**”), which Pillar Mortgage secures certain obligations of the Borrower to Pillar Capital Corp.;

AND WHEREAS on May 31, 2022 (the “**Filing Date**”), the Borrower filed a Notice of Intention to Make a Proposal pursuant to the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3, as amended (the “**BIA**”), bearing Court File No. 31-2835198, and KSV Restructuring Inc. was appointed as proposal trustee of the Borrower (in such capacity, the “**Proposal Trustee**”);

AND WHEREAS the Borrower intends to bring a motion in the Ontario Superior Court of Justice (In Bankruptcy)(the “**Court**”) for certain relief including, *inter alia*, approving the terms of this Term Sheet, in order to facilitate a restructuring of the Borrower’s business which includes a monetization of certain accounts receivable and a sale of the Real Property (the “**Restructuring Process**”);

AND WHEREAS the Borrower has requested that the Lender provide interim financing to fund the general operating and restructuring expenses (including professional fees and disbursements) during the Restructuring Process and the Lender has agreed to provide the Borrower with the Interim Lending Facility (as defined below) subject to and in accordance with the terms and conditions set out in this Term Sheet.

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

BORROWER: The Sanderson-Harold Company Limited (the “**Borrower**”).

LENDER: Bank of Montreal (the “**Lender**”).

PROPOSAL TRUSTEE: KSV Restructuring Inc. (“**Proposal Trustee**”).

INTERIM LENDING FACILITY: A facility (the “**Interim Lending Facility**”) in the maximum principal amount of \$450,000 (the “**Maximum Amount**”) subject to and upon the terms and conditions set out herein.

PURPOSE/ USE OF PROCEEDS:

To provide working capital to the Borrower for general operating, corporate and restructuring expenses (including professional fees and disbursements) incurred during the Restructuring Process as set out in the cash flow forecast prepared by the Borrower with the assistance of the Proposal Trustee, approved by the Lender and attached hereto as Schedule "B" as shall be updated weekly and approved by the Lender (the "**Cash Flow Forecast**").

For certainty, the obligations of the Borrower to the Lender under the Interim Lending Facility shall be "**Post-Filing Obligations**" and any obligations of the Borrower to the Lender arising prior to the Filing Date are "**Pre-Filing Obligations**".

Funds received from the Restructuring Process generated post-Filing Date from the sale of inventory, equipment, chattels or otherwise (excluding proceeds of sale of the Real Property to the extent such proceeds are insufficient to repay all amounts owed to Pillar in full), shall be directed or applied by the Borrower to permanently repay any Pre-Filing Obligations.

The Borrower may not use the proceeds of the Interim Lending Facility to pay any other pre-filing liabilities or obligations of the Borrower without the prior written consent of the Lender according to a Drawdown Notice (as defined below); provided that, no such consent is required for the Borrower to pay any amounts, pre-filing or otherwise, owing by the Borrower to the extent specifically identified in the Cash Flow Forecast or the Interim Lending Order.

The Borrower shall repay the Interim Lending Facility prior to the Maturity Date in accordance with the Cash Flow Forecast. Subject to the Pillar Mortgage, KERP Charge and Administration Charge, the following amounts shall be applied to repay amounts outstanding under the Interim Lending Facility:

- 100% of the net cash proceeds of all asset sales or other dispositions outside of the ordinary course of business by the Borrower.
- 100% of any insurance or condemnation proceeds received by the Borrower.

ADVANCES:

Advances under the Interim Lending Facility ("**Advances**") shall be made upon request to the Lender in minimum tranches of \$50,000 on two (2) business days' written notice to the Lender (a "**Drawdown Notice**"). The Drawdown Notice shall include a schedule of proposed payments, as approved by the Proposal Trustee, to be paid from the Advances. The aggregate amount of all Advances outstanding under the Interim Lending Facility shall not at any time exceed the Maximum Amount.

INTEREST RATE:

Interest shall accrue on the principal amount outstanding under the Interim Lending Facility at a rate equal to the prime commercial lending rate of Bank of Montreal (currently at 3.7%, as amended from time to time) plus 1.5% per annum, calculated and compounded monthly, not in advance, on the first day of each calendar month after date of the initial Advance.

Interest payable hereunder shall accrue and be due and payable on the Maturity Date without further notice, protest, demand or other act on the part of the Interim Lender.

COURT OFFICER:

The Proposal Trustee shall be authorized to have direct discussions with the Interim Lender, and the Interim Lender shall be entitled to receive information from the Proposal Trustee as may be requested by the Interim Lender from time to time. The Borrower acknowledges that counsel for the Proposal Trustee is Aird & Berlis LLP.

REPRESENTATIONS:

The Borrower represents and warrants to the Lender as of the date hereof, upon which the Lender is relying in entering into this Term Sheet, that:

1. The Borrower is duly incorporated and validly existing under the laws of its jurisdiction of incorporation and is qualified to carry on business in each jurisdiction in which it owns property or assets or carries on business.
2. The Borrower has good and marketable title to its property and assets, and no person has any agreement, option, or right to acquire an interest in such property other than in the ordinary course of business of the Borrower.
3. the transactions contemplated by this Term Sheet:
 - a. are within the powers of the Borrower;
 - b. have been duly authorized by all necessary corporate approval(s);
 - c. have been duly executed and delivered by or on behalf of the Borrower;
 - d. constitute legal, valid and binding obligations of the Borrower, enforceable in accordance with their terms;
 - e. do not require the consent or approval of, registration or filing with, or any other action by, any governmental authority, other than filings which may be made to register or otherwise record the Lender's security; and
 - f. will not violate the charter documents or bylaws of the Borrower who has executed such documents or any applicable law relating to the Borrower.

4. the Cash Flow Forecast is based on good-faith estimates and assumptions believed by the Borrower to be reasonable at this time.
5. the Borrower has filed in a timely fashion all required tax returns and reports (except in respect of any prior fiscal period for which the due date for filing the applicable tax return has not yet occurred) and paid all required taxes and remittances, including all employee source deductions (including income taxes, employment insurance and Canada pension plans), harmonized taxes, goods and services taxes, sales taxes (both federal and provincial), payroll taxes and workers compensation payments, except for any taxes that are not yet due and payable or that are in dispute, in which case appropriate reserves have been made.
6. No (i) Event of Default (as defined below) has occurred; (ii) event which, with the passage of time or the giving of notice, would constitute an Event of Default has occurred.

CONDITIONS:

The effectiveness of the Interim Lending Facility and all obligations of the Lender to fund the Interim Lending Facility or make any Advances shall be subject to the completion of each of the following conditions precedent to the satisfaction of the Lender, in its sole and absolute discretion:

1. The Lender shall have received the Cash Flow Forecast, the operations of the Borrower shall be in compliance in all material respects (as determined by the Lender, in its sole and absolute discretion) with the Cash Flow Forecast and the timing and amount of any Advance shall be made in accordance with the Cash Flow Forecast and this Term Sheet;
2. The Court shall have issued the Interim Lending Order on or before June 8, 2022 in form and substance acceptable to the Lender on the terms outlined in this Term Sheet and shall be in full force and effect and, without the prior written consent of the Lender, shall not have been stayed, reversed, vacated, or otherwise amended, in any manner without the prior written consent of the Lender.
3. The Borrower shall have complied in all material respects with all applicable laws in relation to its business and in all respects with respect to the Interim Lending Order.
4. All representations and warranties of the Borrower under this Term Sheet are true and correct.

5. The Borrower shall have complied with all covenants under this Term Sheet.
6. Absence of any: (i) Event of Default, (ii) event that, with the passage of time or the giving of notice, would constitute an Event of Default, or (iii) material adverse change to the Borrower or its business which is not consented to by the Lender.
7. The Lender shall have received a Drawdown Notice in respect of the applicable Advance.

POSITIVE COVENANTS:

The Borrower covenants and agrees to:

1. Pay all indebtedness due and payable in connection with the Interim Lending Facility in accordance the Term Sheet and Cash Flow Forecast and other debts, liabilities or obligations in accordance with Cash Flow Forecast.
2. Maintain and preserve its existence, organization and status in its jurisdiction of formation and in each jurisdiction in which it carries on business.
3. Subject to the terms of the Interim Lending Order, Cash Flow Forecast and Restructuring Process, pay all or remit when due all statutory remittances, withholdings, taxes, wages, property taxes and other amounts that, if unpaid, would or may have the benefit of an encumbrance or deemed trust ranking in priority or *pari passu* to the security of the Lender.
4. Comply with the terms of the Interim Lending Order, the Cash Flow Forecast and all orders made in the BIA proceedings.
5. Keep the Lender informed on a timely basis of material events in the conduct of the business and the BIA proceedings.
6. Subject to the terms of the Interim Lending Order, comply with all applicable laws.
7. The Borrower shall be diligently and in good faith continuing their restructuring efforts under the Restructuring Process.

NEGATIVE COVENANTS:

Borrower covenants and agrees with the Lender that it shall not, without the prior written consent of the Lender:

1. Make any payments or create, incur or assume any obligations or indebtedness other than (a) obligations or indebtedness existing as of the date of this Term Sheet and disclosed to the Lender in writing, (b) obligations under the Interim Lending Facility, (c) post-filing trade payables or other post-filing unsecured obligations incurred in the ordinary course of

business in accordance with the Cash Flow Forecast the Interim Lending Order, or (d) obligations or indebtedness expressly provided for, or permitted to be incurred, in the Cash Flow Forecast, the Interim Lending Order, or any other order of the Court.

2. Create, incur or permit to exist any liens, security interests or encumbrances on any assets, property and undertaking of the Borrower other than (a) liens, security interests or other encumbrances in existence on the date hereof; (b) the Administration Charge (as defined in the Interim Lending Order) and the KERP Charge (as defined in the Interim Lending Order); and (c) the Interim Lending Charge.
3. Transfer, sell, lease, assign or otherwise dispose of any of the property, assets or undertaking of any of the Borrower except for: (a) the purpose of the Restructuring Process or (b) in accordance with the Cash Flow Forecast, the Interim Lending Order or any further orders in the BIA proceedings.
4. Apply for, or consent to, any order or any change or amendment to any order, issued in the BIA proceedings.
5. Apply for, or consent to, any order which stays, reverses, appeals, vacates, discharges, terminates or amends the Interim Lending Order.
6. Amend, replace or modify the Cash Flow Forecast.

MATURITY DATE:

The earliest of (“**Maturity Date**”):

- (i) December 31, 2022;
- (ii) the date on which the Borrower is in receipt of funds sufficient in amount to repay the Interim Lending Facility in full;
- (iii) such earlier date (the “**Termination Date**”) upon which repayment is required due to the occurrence of an Event of Default (as defined below) (subject to the Interim Lending Order) that is continuing;
- (iv) the date on which the stay of proceedings granted in the BIA proceedings expires or is terminated, including by Court order; and
- (v) the date on which the Restructuring Process is terminated for any reason.

The Maturity Date may be extended upon such additional terms and conditions as the Borrower, Proposal Trustee and the Lender may agree.

The Lender's commitment in respect of the Interim Lending Facility shall expire on the Maturity Date and all amounts outstanding under the Interim Lending Facility, including all principal, accrued interest, fees and other amounts then unpaid with respect thereto, shall be due and payable in full on the Maturity Date without the Lender being required to make demand upon the Borrower or to give notice that the Interim Lending Facility has expired and the obligations thereunder are due and payable.

**INTERIM LENDING
CHARGE:**

All obligations of the Borrower under the Interim Lending Facility shall be secured by a Court-ordered charge over all present and after acquired property, assets and undertakings of the Borrower including, without limitation, the Real Property, granted by the Court under section 50.6(1) of the BIA (the "**Interim Lending Charge**"), in form and substance acceptable to the Lender in its sole and absolute discretion.

For certainty, Post-Filing Obligations shall be secured by both the Interim Lending Charge and the existing security held by the Lender. The Interim Lending Charge shall not secure any obligations other than the Post-Filing Obligations.

The Lender understands that the Borrower intends to seek Court approval of the Administration Charge in the amount of \$300,000 and the KERP Charge in the amount of \$120,000 (each as will be defined in the Interim Lending Order) as part of the Restructuring Process. The Lender agrees that the Interim Lending Charge shall rank subordinate to the Pillar Mortgage, Administration Charge KERP Charge, and that the Lender has consented to the quantum and terms of each of Administration Charge and the KERP Charge. The Lender's consent may be withheld at its sole and absolute discretion.

The Interim Lending Charge shall have first-ranking priority liens status, on all assets of the Borrower including, without limitation, the Real Property, subject only to (i) in respect of the Real Property only, the Pillar Mortgage, and (ii) in respect of all assets of the Borrower, the Administration Charge. The Interim Lending Charge will not be released until all amounts owing under the Interim Lending Facility are paid in full and the Lender has no further obligation to extend credit to the Borrower under the Interim Lending Facility.

All borrowings by the Borrower, and costs, fees and expenses of the Lender, and all other obligations owed to the Lender under the Interim Lending Facility shall be secured as described above.

**INTERIM LENDING
ORDER:**

The Borrower shall use its best efforts, as soon as practicable, and in any case by no later than June 8, 2022, to obtain an order of the Court authorizing the Borrower to enter into the Term Sheet, approving the terms of the Interim Lending Facility, and granting the Interim Lending Charge (in form and substance acceptable to the Lender in its sole and absolute discretion and as more particularly described below in this Term Sheet) (the “**Interim Lending Order**”), *provided, however*, that the Lender shall not be obligated to provide the Interim Lending Facility funding if any one or more of the following occurs:

- (a) the Interim Lending Order has been vacated, stayed or otherwise caused to become ineffective or is amended in a manner not acceptable to the Lender (such consent is not to be unreasonably withheld where any such amendment does not pertain to the Interim Lending Facility);
- (b) the use of the post filing collections from the Restructuring Process to repay the pre-filing claims (other than the Pre-Filing Obligations);
- (c) a default or Event of Default has occurred and is continuing under the Interim Lending Facility;
- (d) a material adverse change to the properties, assets, financial condition or the results of operations of Borrower, including the Real Property; and
- (e) the Court has not entered the Interim Lending Order on or before June 8, 2022.

The Interim Lending Order shall be in form and substance satisfactory to the Lender, which order shall, without limitation, include:

- (i) provisions approving this Term Sheet, Interim Lending Charge, and the Interim Lending Facility created herein and the execution and delivery by the Borrower of such other credit documentation as the Lender deems necessary or appropriate, as may reasonably be required;
- (ii) provisions authorizing and directing the Borrower and the Proposal Trustee to execute and deliver all such loan and security documents, registrations, filings and recordings, relating to the Interim Lending Facility, the Term Sheet and

all such security documents evidencing the Interim Lending Charge and the Term Sheet in such form and substance as the Lender may reasonably require;

- (iii) approving the use of the post filing collections from the Restructuring Process to repay the Pre-Filing Obligations;
- (iv) providing that the Interim Lending Charge shall be have the priority as provided for in this Term Sheet;
- (v) provisions permitting the Lender to register the Interim Lending Order on title to the Real Property;
- (vi) provisions providing that the Interim Lending Charge shall be valid, enforceable and effective to secure all of the obligations of the Borrower to the Lender in respect of the Interim Lending Facility without the necessity of the making of any registrations or filings and whether or not any other documents are executed by the Borrower and the Lender pursuant hereto (but for certainty, the Interim Lending Order shall permit the Lender to take such steps from time to time as it deems necessary or appropriate to file, register, record or perfect the Interim Lending Charge);
- (vii) provisions declaring that the granting of the Interim Lending Charge does not constitute conduct meriting an oppression remedy, settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions under any applicable federal or provincial legislation; and
- (viii) provisions restricting the granting of any additional liens, mortgages, charges, encumbrances, hypothecs, and security interests of any kind or nature whatsoever; or encumbrances on the assets of the Borrower, including the Real Property other than as permitted herein.

FEES AND EXPENSES:

There shall be no fees payable by the Borrower to the Lender in respect of the Interim Lending Facility.

Notwithstanding the aforementioned, the Borrower shall and hereby agrees to pay all of the Lender's out-of-pocket expenses (including the fees and expenses of its counsel, search and registration fees, etc.), whether or not the Restructuring Process is consummated and completed and whether incurred prior to or after the date of the Interim Lending Order, as well as all expenses of the Lender (including the fees and expenses of its counsel) in connection with the ongoing monitoring, interpretation, administration, protection and enforcement of the Interim Lending Facility (the "**Recoverable**

Expenses”). The Recoverable Expenses shall be secured by the Interim Lending Charge, as set out above.

EVENTS OF DEFAULT

The occurrence of any one or more of the following events, without the prior written consent of the Lender, shall constitute an event of default (“**Event of Default**”) under this Term Sheet:

- (a) the Borrower is subject to a bankruptcy order;
- (b) the issuance of an order in the BIA Proceedings or otherwise staying, reversing, vacating or otherwise modifying either the Interim Lending Charge or any Orders in a manner which adversely impacts the rights and interests of the Lender (including, without limitation, if the priority of the Interim Lending Charge is varied without the consent of the Lender);
- (c) the sale, transfer, assignment, conveyance or lease of the Real Property or all or substantially all of the Borrower’s property without the written consent of the Proposal Trustee and the Lender;
- (d) an event occurs that will, in the opinion of the Lender, impair the Borrower’s properties, assets, financial condition, operations or its ability to perform under the Term Sheet or any order of the Court;
- (e) the acceptance of any offer for the sale of all or any part of the Borrower’s property (outside the ordinary course of business) including the Real Property, without the Lender’s consent unless the total indebtedness owing by the Borrower under the Interim Lending Facility (including all fees and Recoverable Expenses) and other amounts owing to the Lender under the Existing Loan Agreement are to be paid in full in cash or other immediately available funds upon completion of the sale;
- (f) any representation or warranty made to the Lender by the Borrower, or any information provided to the Lender by the Borrower, is untrue or incorrect in any material respect;
- (g) failure of the Borrower to pay any principal, interest, fees or any other amounts, in each case when due and owing hereunder;
- (h) the Lender does not approve the weekly updated Cash Flow Forecast;

- (i) if the total outstanding advances under the Existing Loan Agreement, as supplemented by the Interim Lending Facility, exceeds the aggregate of (A) the Margin Limit for Facility #1- Existing under the Existing Loan Agreement plus (B) the Maximum Amount;
- (j) the Borrower or any officer and/or director of the Borrower has undertaken prior to the date hereof or undertakes or considers undertaking after the date hereof any actions with respect to its assets, business operations and/or capital structure which would, in the sole and absolute determination of the Lender, have a material adverse effect on the Interim Lending Charge including its priority or the Borrower or any of the assets of the Borrower subject to the Interim Lending Charge including the Real Property, including, without limitation, any change or series of changes in the ownership, control, existing senior operating management arrangements or governance of the Borrower that is not acceptable to the Lender, acting reasonably;
- (k) any material violation or breach of any Order upon receipt by the Borrower of notice from the Lender of such violation or breach;
- (l) the filing of any plan of reorganization, arrangement or liquidation to which the Lender does not consent;
- (m) failure of the Borrower to perform or comply with any other term, payment obligation or covenant under this Term Sheet and such default shall continue unremedied for a period of five (5) business days;
- (n) if a proceeding is commenced or consented to by the Borrower challenging the validity, priority, perfection or enforceability of any of this Term Sheet or any of the other documents executed and delivered in respect of the Interim Lending Facility; or
- (o) the appointment of a receiver, receiver-manager, interim receiver, trustee in bankruptcy, proposal trustee or similar trustee, without the consent of the Lender.

REMEDIES:

Upon the occurrence of an Event of Default, whether or not there is availability under the Interim Lending Facility, without any notice or demand whatsoever, the right of the Borrower to receive any Advance or other accommodation of credit shall be terminated, subject to any applicable notice provision in any Order and the cure period, if any, relevant to the applicable Event of Default.

Without limiting the foregoing upon further Order of the Court, the Lender shall have the right to exercise all other customary remedies available at law, in equity or by contract, including, without limitation, (i) the right to set off or combine any amounts then owing by the Lender to the Borrower against the obligations of the Borrower to the Lender and (ii) the right to realize on the collateral secured by, under or pursuant to the Interim Lending Charge (in whole or in part) including under the *Mortgages Act* (Ontario) or the *Personal Property Security Act* (Ontario) and to apply to the Court for the appointment of a receiver. No failure or delay by the Lender in exercising any of its rights, hereunder or at law shall be deemed a waiver of any kind, and the Lender shall be entitled to exercise such rights in accordance with the Term Sheet at any time.

The rights and remedies of the Lender hereunder are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise, including under the BIA.

ASSIGNMENT AND PARTICIPATION:

The Borrower shall not assign this Term Sheet or any of the provisions set out herein without the prior written consent of the Lender, which consent may be withheld in the sole and absolute discretion of the Lender. The Lender may, at any time and from time to time, assign, participate or sell all or a portion of its rights or obligations with respect to this Term Sheet to any person without the prior written consent of the Borrower.

FURTHER ASSURANCES:

The Borrower shall at its expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the Lender may reasonably request for the purpose of giving effect to this Term Sheet and the transactions contemplated hereby.

AMENDMENTS, WAIVERS, ETC.:

No waiver or delay on the part of the Lender in exercising any right or privilege hereunder will operate as a waiver hereof or thereof unless made in writing and signed by an authorized officer of the Lender. The Borrower and Lender may agree to amend the terms of this Term Sheet if agreed to in writing.

SEVERANCE:

If any term or provision of this Term Sheet is found, for any reason, to be invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision thereof or invalidate or render unenforceable such term or provision in any other jurisdiction.

COUNTERPARTS AND SIGNATURES:

This Term Sheet may be executed in any number of counterparts and by electronic means, each of which when executed and

delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same original instrument. Any party may execute this Term Sheet by signing any counterpart of it.

**ACCOUNTING TERMS
AND GAAP:**

Except as otherwise specifically provided herein, all accounting terms and all financial data not specifically or completely defined in this Term Sheet shall be construed in conformity with, GAAP. All calculations for the purposes of determining compliance with the covenants contained herein shall be made on a basis consistent with GAAP in existence as at the date hereof used in preparation of the financial statements of the Borrower. In the event of a change in GAAP the Borrower and the Lender shall negotiate in good faith to revise (if appropriate) such covenants to equitably reflect such accounting changes. Until the successful conclusion of any such negotiation and approval by the Lender, (a) all terms in this Term Sheet shall continue to be prepared, delivered and made on a basis consistent with GAAP in existence immediately prior to such adoption or change to GAAP, and (b) financial statements delivered by the Borrower pursuant to the terms of this Term Sheet shall be accompanied by a management-prepared reconciliation showing the adjustments made to calculate such financial covenants.

CURRENCY:

Unless specified otherwise, all dollar amounts expressed herein refer to the lawful currency of Canada.

NOTICE:

All notices, requests, consents, claims, demands, waivers and other communications hereunder (each, a “**Notice**”) shall be in writing and addressed by email of a PDF document to the addresses below. Notice is effective upon receipt by the receiving party.

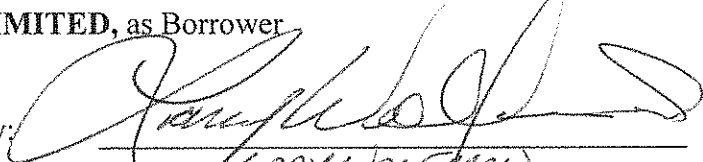
**GOVERNING LAW AND
JURISDICTION:**

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

[SIGNATURE PAGES FOLLOW]

IN WITNESS HEREOF, the parties hereby executed this Term Sheet as of the 3rd day of June, 2022.

**THE SANDERSON-HAROLD COMPANY
LIMITED, as Borrower**

By: 
Name: Barry Wolfman
Title: PRESIDENT
Email: BarryWolfman@ParisKitchens.ca

BANK OF MONTREAL, as Lender

By: _____
Name: _____
Title: _____
Email: _____

Acknowledged by:

**KSV RESTRUCTURING INC., in its capacity as
Trustee *in re* the Proposal of the Borrower and not in
its personal capacity**

By: _____
Name: _____
Title: _____
Email: _____

IN WITNESS HEREOF, the parties hereby executed this Term Sheet as of the ____ day of June, 2022.

**THE SANDERSON-HAROLD COMPANY
LIMITED**, as Borrower

By: _____
Name:
Title:
Email:

BANK OF MONTREAL, as Lender

By:  _____
Name: Michaela Wolf
Title: Senior Account Manager
Email: Michaela.wolf@bmo.com

Acknowledged by:

KSV RESTRUCTURING INC., in its capacity as
Trustee *in re* the Proposal of the Borrower and not in
its personal capacity

By: _____
Name:
Title:
Email:

IN WITNESS HEREOF, the parties hereby executed this Term Sheet as of the ____ day of June, 2022.

**THE SANDERSON-HAROLD COMPANY
LIMITED**, as Borrower

By: _____
Name:
Title:
Email:

BANK OF MONTREAL, as Lender

By: _____
Name:
Title:
Email:

Acknowledged by:

KSV RESTRUCTURING INC., in its capacity as
Trustee *in re* the Proposal of the Borrower and not in
its personal capacity

By:  _____
Name: Mitch Vininsky
Title: Managing Director
Email: mvininsky@ksvadvisory.com

SCHEDULE "A"

THE REAL PROPERTY

Address: Brantford (township), ON
Registry: 2/Brant Land Registry Office
PIN: PIN# 320240-739
Legal description: PT LT 24, BLK 21, PL 492 PARIS; PT LT 32, CON 1, SOUTH DUMFRIES,
AS IN A224350 (SECONDLY) EXCEPT PT 1, 2R7375 COUNTY OF BRANT
PIN# 320240-739

and

Address: 38/SPRUCE ST//Paris, ON
Registry: 2/Brant Land Registry Office
PIN: 32024-0169 (LT)
Legal description: LT 10, S/S SPRUCE ST, TOWN OF PARIS; PT LT 9, S/S SPRUCE ST,
TOWN OF PARIS, AS IN A224350 (FIRSTLY); PARIS AMENDED
2001/05/23 LR1

SCHEDULE “B”
THE CASH FLOW FORECAST

Sanderson-Harold Company Limited (o/a Paris Kitchens)

Projected Cash Flow Statement

For the Period Ending September 2, 2022

(Unaudited; \$CAD in 000's)

	Note	Week Ending																Total
		20-May	27-May	3-Jun	10-Jun	17-Jun	24-Jun	1-Jul	8-Jul	15-Jul	22-Jul	29-Jul	5-Aug	12-Aug	19-Aug	26-Aug	2-Sep	
1																		
Receipts																		
Accounts receivable collections	2	210	125	115	226	379	524	383	748	729	713	699	567	513	474	441	412	7,258
Prepaid sale deposit collections	3	42	25	25	25	25	25	25	25	25	25	-	-	-	-	-	-	267
Total Receipts		252	150	140	251	404	549	408	773	754	738	699	567	513	474	441	412	7,525
Disbursements																		
Operating Disbursements																		
Payroll	4	60	286	60	259	60	242	60	275	60	273	60	219	60	165	60	165	2,363
Materials	5	160	37	86	100	100	100	100	43	43	43	43	43	23	23	23	23	987
Installation	6	-	190	-	88	-	174	-	248	-	266	-	190	-	114	-	114	1,384
Other	7	71	40	110	52	52	52	165	54	73	54	86	299	46	65	46	91	1,355
		291	554	256	498	212	568	325	620	176	635	189	750	128	367	128	393	6,089
Other Disbursements																		
Professional fees	8	-	-	-	-	-	-	-	-	150	-	-	-	-	150	-	-	300
Total Disbursements		291	554	256	498	212	568	325	620	326	635	189	750	128	517	128	393	6,389
Net Cash Flow		(39)	(404)	(116)	(246)	192	(19)	83	153	428	103	511	(183)	385	(42)	312	19	1,136
Cash balance, beginning		(1,994)	(2,033)	(2,437)	(2,553)	(2,799)	(2,607)	(2,626)	(2,543)	(2,390)	(1,963)	(1,860)	(1,349)	(1,532)	(1,147)	(1,190)	(877)	(1,994)
Net cash flow		(39)	(404)	(116)	(246)	192	(19)	83	153	428	103	511	(183)	385	(42)	312	19	1,136
Cash balance, ending		(2,033)	(2,437)	(2,553)	(2,799)	(2,607)	(2,626)	(2,543)	(2,390)	(1,963)	(1,860)	(1,349)	(1,532)	(1,147)	(1,190)	(877)	(858)	(858)

Notes:

- 1 Based on days sales outstanding of approximately 30 to 60 days starting in July. Assumes collections are lower in early June as the Company deals with its customers in the initial stages of a filing. Terms may be amended based on accommodation agreements to be negotiated at the outset of the process.
- 2 Assumes some developers are required to provide deposits in order to secure orders.
- 3 Assumes purchases decrease once contracts are terminated and completed.
- 4 Assumes there is no debt service during the period.
- 5 Estimated.

Sanderson-Harold Company Limited (o/a Paris Kitchens)

Projected Margin Position

For the Period Ending September 2, 2022

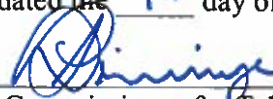
(Unaudited; \$CAD in 000's)

		Week Ending															
	Note	20-May	27-May	3-Jun	10-Jun	17-Jun	24-Jun	1-Jul	8-Jul	15-Jul	22-Jul	29-Jul	5-Aug	12-Aug	19-Aug	26-Aug	2-Sep
<i>Accounts receivable</i>																	
Accounts receivable - CAD		3,413	3,553	3,615	3,579	3,475	3,491	3,632	3,529	3,442	3,369	3,308	3,029	2,797	2,599	2,432	2,289
Less: Ineligibles	1	(1,342)	(1,397)	(1,421)	(1,407)	(1,366)	(1,373)	(1,428)	(1,387)	(1,353)	(1,325)	(1,301)	(1,191)	(1,100)	(1,022)	(956)	(900)
Net eligible		2,071	2,156	2,194	2,172	2,109	2,119	2,204	2,141	2,089	2,044	2,007	1,838	1,697	1,577	1,476	1,389
Advance rate		75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Availability - Accounts receivable CAD		1,553	1,617	1,645	1,629	1,582	1,589	1,653	1,606	1,566	1,533	1,506	1,379	1,273	1,183	1,107	1,042
<i>Inventory</i>																	
Inventory		2,009	2,117	2,125	2,146	2,142	2,052	1,962	1,794	1,626	1,458	1,290	1,239	1,171	1,103	1,035	966
Less: Ineligibles	2	(213)	(213)	(213)	(213)	(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)
Total Eligible inventory		1,796	1,904	1,913	1,933	1,927	1,837	1,747	1,579	1,411	1,243	1,075	1,024	956	888	820	751
Advance rate		50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Availability - Inventory		898	952	956	966	964	919	873	789	705	621	537	512	478	444	410	376
Cap on Inventory availability		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Lessor of inventory availability and cap		898	952	956	966	964	919	873	789	705	621	537	512	478	444	410	376
Net collateral availability		2,451	2,569	2,602	2,595	2,545	2,508	2,527	2,395	2,272	2,155	2,043	1,891	1,751	1,627	1,517	1,418
<i>Net collateral availability for borrowing purposes</i>																	
Net collateral availability for borrowing purposes	3	2,880	2,437	2,437	2,437	2,437	2,569	2,569	2,569	2,569	2,569	2,508	2,508	2,508	2,508	2,043	2,043
Cap on total availability		4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Net collateral availability		2,880	2,437	2,437	2,437	2,437	2,569	2,569	2,569	2,569	2,569	2,508	2,508	2,508	2,508	2,043	2,043
Operating facility		(2,033)	(2,437)	(2,553)	(2,799)	(2,607)	(2,626)	(2,543)	(2,390)	(1,963)	(1,860)	(1,349)	(1,532)	(1,147)	(1,190)	(877)	(858)
Margin surplus		847	(0)	(117)	(363)	(170)	(57)	26	179	607	709	1,159	975	1,360	1,318	1,166	1,185

Notes

- 1 Estimated to be ~39% of accounts receivable. Includes receivables aged over 90 days, being ~27% of total accounts receivable (based on the Company's April 30, 2022 margin limit) and priority payables (vacation pay, HST, payroll withholdings and other amounts). Priority payables totalled approximately \$431,000 as at April 30, 2022.
- 2 Primarily represents work-in-progress. Consistent with the April 2022 margin report provided to BMO on May 23, 2022.
- 3 Consistent with the terms of the existing operating loan facility (e.g. June's net collateral availability is determined based on the Company's April 25, 2022 margin report).

This is **EXHIBIT “ B ”**referred to in the
Affidavit of EDELLA (ELLA) PRICE
dated the 1st day of MAY, 2023.

A handwritten signature in blue ink, appearing to read "D. King", is written over a horizontal line.

A Commissioner for Taking Oaths, Etc.



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2835198
Estate No. 31-2835198

In the Matter of the Notice of Intention to make a proposal of:

The Sanderson-Harold Company Limited, c.o.b. as Paris Kitchens

Insolvent Person

KSV RESTRUCTURING INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

May 31, 2022

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: June 01, 2022, 10:13

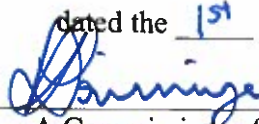
E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada 

This is **EXHIBIT “ C ”**referred to in the
Affidavit of EDELLA (ELLA) PRICE
dated the 15th day of MAY, 2023.

A handwritten signature in blue ink, appearing to read "D. L. Price", is written over a horizontal line.

A Commissioner for Taking Oaths, Etc.



**Third Report to Court of
KSV Restructuring Inc. as Proposal
Trustee of The Sanderson-Harold
Company Limited c.o.b. as Paris
Kitchens**

September 16, 2022

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Court File No.: 31-2835198

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

COMMERCIAL LIST

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS,
IN THE CITY OF VAUGHAN, IN THE PROVINCE OF ONTARIO

THIRD REPORT OF KSV RESTRUCTURING INC., AS PROPOSAL TRUSTEE OF
THE SANDERSON-HAROLD COMPANY LIMITED

September 16, 2022

1.0 Introduction

1. This report (the "Report") is filed by KSV Restructuring Inc. ("KSV"), in its capacity as proposal trustee (the "Proposal Trustee") in connection with a Notice of Intention to Make a Proposal (the "NOI") filed on May 31, 2022 (the "Filing Date") by The Sanderson-Harold Company Limited, c.o.b. as Paris Kitchens (the "Company") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA").
2. On June 8, 2022, the Ontario Superior Court of Justice (Commercial List) (the "Court") granted an order (the "[June 8th Order](#)"), among other things: (a) extending the time for the Company to file a proposal to August 15, 2022; (b) approving a key employee retention plan ("KERP") for two employees and a charge in the amount of \$120,000 to secure amounts payable under the KERP (the "KERP Charge"); (c) approving an interim lending agreement (the "Interim Lending Agreement") between the Company and Bank of Montreal ("BMO"), the Company's operating loan lender; and (d) approving an administrative charge for the Proposal Trustee and its counsel.
3. On August 11, 2022, the Court granted an order (the "[August 11th Order](#)"), among other things: (a) extending the time for the Company to file a proposal to September 29, 2022; (b) approving a \$60,000 increase to the KERP and a corresponding increase in the KERP Charge; (c) confirming that the Company meets the criteria pursuant to section 3.2 of the regulations of the *Wage Earner Protection Program Act* so that employees terminated during these proceedings are eligible to receive benefits under the Wage Earner Protection Program; (d) providing the Proposal Trustee with the authority to communicate with customers directly regarding the Customer Agreements (as defined below) and to collect amounts owing by customers to the Company; and (e) providing the Proposal Trustee with the authority to accept an offer for the Company's real property.

4. The principal purpose of these proceedings is to create a stabilized environment to provide the Company the opportunity to continue a sale process for its business and assets that was commenced prior to this proceeding, or to restructure its business, so that it can present a proposal to its creditors.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Company;
 - b) summarize the Company's activities since the Filing Date;
 - c) discuss the results of the sale and refinancing process, including the following recommended transactions:
 - i. the Railway transaction (the "Railway Transaction"), being a sale of the Company's real property located at 23 Railway Street, Paris, Ontario and legally described in PIN 32024-0739 LT and PIN 32024-0741 LT (a 103,610 square foot manufacturing facility) (the "Railway Property") and the equipment located at the Railway Property to 2486666 Ontario Inc. ("248 Ontario") pursuant to an asset purchase agreement signed by representatives of the Purchaser and the Company on August 26, 2022¹ (the "Railway APA"); and
 - ii. the Spruce transaction (the "Spruce Transaction" and with the Railway Transaction, the "Transactions"), being a sale of the Company's real property located at 38 Spruce Street, Paris, Ontario and legally described in PIN 32024-0169 LT and PIN 32024-0521 LT (a 9,888 square foot aged storage facility) (the "Spruce Property" and with the Railway Property, the "Paris Properties") to Joseph Rancourt , in trust for a company to be incorporated ("Rancourt"), pursuant to an agreement of purchase and sale dated August 16, 2022 (the "Spruce APS"). Rancourt subsequently assigned the Spruce APS to 2737747 Ontario Inc. ("273 Ontario")²;
 - d) discuss the Company's request for a further increase in the KERP Charge to include additional employees in the KERP, whose retention is intended to provide substantial assistance to the ongoing operations of the Company during these proceedings;
 - e) discuss proposed distributions to Bank of Montreal ("BMO") and Pillar Capital Corp. ("Pillar"), the Company's two senior ranking secured creditors, and to the Company's subordinated secured creditor, Diazo Investments Limited ("Diazo");

¹ The executed Railway APA is not dated.

² Pursuant to the Spruce APS, Rancourt remains personally liable for 273 Ontario's obligations in respect of the Spruce Transaction.

- f) report on the Company's updated weekly cash flow projections for the period September 19, 2022 to November 13, 2022 (the "Cash Flow Forecast");
- g) summarize the Proposal Trustee's activities since the Filing Date; and
- h) recommend that this Court issue orders:
 - i. extending the deadline for the Company to file a proposal from September 29, 2022 to November 13, 2022 (the "Extension");
 - ii. increasing the KERP and the amount of the KERP Charge from \$180,000 to \$245,000;
 - iii. pursuant to an Approval and Vesting Order (the "Railway AVO"),
 - approving the Railway APA and authorizing and directing the Company to complete the Railway Transaction; and
 - vesting the Purchased Assets (as defined in the Railway APA) in 248 Ontario, free and clear of all claims and other obligations, except those specifically contemplated by the Railway APA;
 - iv. pursuant to an Approval and Vesting Order (the "Spruce AVO"),
 - approving the Spruce APS and authorizing and directing the Company to complete the Spruce Transaction; and
 - vesting the Spruce Property in 273 Ontario, free and clear of all claims and encumbrances save for any permitted encumbrances (as described in the Spruce APS);
 - v. authorizing and directing that the repayment from the Company's proceeds of realization in these proceedings, including the sale proceeds from the Transactions, be paid to BMO, Pillar and Diazo in accordance with their respective security on the Company's business and assets;
 - vi. sealing the Confidential Appendices to this Report until the business day following the closing of the Transactions; and
 - vii. approving the Proposal Trustee's actions and activities, as described in this Report.

1.2 Currency

1. Unless otherwise noted, all currency references in this Report are to Canadian dollars.

1.3 Restrictions

1. In preparing this Report, the Proposal Trustee has relied upon the Company's unaudited financial information, the books and records of the Company and discussions with representatives of the Company (the "Information"). The Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that complies with Canadian Auditing Standards ("CAS") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under the CAS in respect of the Information. Any party wishing to place reliance on the Information should perform its own diligence.
2. Future oriented Information relied upon in this Report is based on the Company's representatives' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.

1.4 Court Materials

1. Court materials filed in this proceeding are available on the Proposal Trustee's [website](#).

2.0 Background

1. The Company is privately owned and was incorporated under the *Business Corporations Act* (Ontario). It has been operating since 1902.
2. The Company has been owned by the Wolfman family since 1964. Morrie Wolfman was the President from that time until his retirement in 2019, when he appointed his son, Larry, as President.
3. The Company is a manufacturer of medium to high-end kitchen and bath cabinets. It designs, manufactures and services custom kitchen and bath cabinetry for many of the most prominent and reputable residential low-rise and high-rise builders in the Greater Toronto Area and Southern Ontario.
4. The Company's head office is located at 245 West Beaver Creek Rd, Unit #2, Richmond Hill, which it leases from Diazo, a related party. The head office is 12,600 square feet and includes a showroom.
5. At the commencement of the NOI proceedings, the Company had approximately 150 full-time employees, approximately half of which are unionized and work at the Railway Property. Since the filing date, head count has reduced as a result of terminations and resignations.
6. The unionized employees are members of United Brotherhood of Carpenters Ontario Industrial Counsel, Carpenters Local 1072. Foremen, persons ranked above foreman, office and sales staff are not union members.

7. The Company does not provide or administer a pension plan for its employees.
8. The Company's secured creditors include:
 - a) BMO, which was owed approximately \$3 million as of the Filing Date and has a general security interest over the Company's assets and a collateral mortgage on the Paris Properties. BMO's mortgage on the Paris Properties is subordinate to Pillar;
 - b) Pillar, which has a senior ranking mortgage registered against title to the Paris Properties and was owed approximately \$2 million as of the Filing Date. Pillar also has security over the Company's other assets, which ranks subordinate to BMO; and
 - c) Diazo, which was owed approximately \$921,000 as of the date of this Filing Date.³
9. Additional information about the Company and its background is included in the [Affidavit of Larry Wolfman](#) sworn May 31, 2022.

3.0 The Company's Activities

1. The Company's activities since the Filing Date have included:
 - carrying on its business in the ordinary course;
 - dealing extensively with suppliers to secure the ongoing supply of goods and services;
 - dealing extensively with customers to establish the terms on which the Company is prepared to supply to them during these proceedings, including payment terms, price increases and setoff limitations, which terms were formalized in letter agreements (the "Customer Agreements");
 - corresponding with customers regarding the delivery of kitchens and collection of receivables;
 - addressing production and scheduling issues for kitchens and cabinets to be manufactured during these proceedings;
 - attending meetings with interested purchasers in the context of the sale process and responding to the information requests from these parties;
 - working with the Proposal Trustee to facilitate due diligence by interested parties in the sale process;

³ Excluding any amounts owed for unpaid rent and accrued interest thereon, which may also be secured.

- preparing, with the assistance of the Proposal Trustee, financial projections and corresponding extensively with the Proposal Trustee regarding same;
- dealing with employee-related matters; and
- reporting to BMO.

4.0 The Sale Process

1. As summarized in the Proposal Trustee's [First Report to Court](#) dated June 3, 2022 (the "First Report"), KSV Advisory Inc. ("KSVA"), an affiliate of the Proposal Trustee, was retained by the Company as its financial advisor on July 22, 2021 to provide corporate finance services, including developing and conducting a process to sell or refinance the business (the "Financial Advisory Mandate").
2. In the context of its Financial Advisory Mandate, KSVA prepared marketing materials concerning the Company, including an interest solicitation letter (the "Teaser"), a confidential information memorandum (the "CIM") and virtual data room (the "VDR"), which contained information regarding the Company, including current and historical financial information. Interested parties were provided access to the VDR upon executing a confidentiality agreement (the "CA").
3. The initial stage of the sale and refinancing process launched on October 14, 2021 and focused on selling the business. The Company required that KSVA focus on parties which were not direct competitors of the Company. KSVA contacted 11 parties, including 8 financial parties and 3 strategic parties/competitors, during this initial stage. The bid deadline in this process was November 12, 2021. Two offers were submitted, but neither were acceptable, as they were estimated to be less than the liquidation value of the Company.
4. As a result of the unacceptable offers received, and the Company's then declining liquidity, KSVA focused on identifying a capital provider that would provide funding to support the Company's business and operations.
5. As part of the refinancing process, the Company retained Colliers International ("Colliers"), a national realtor, to appraise the Paris Properties (the "Colliers' Appraisal"), which were mortgage-free at the time, and which could provide security for a new financing facility. Infinity Asset Solutions Inc. ("Infinity") was contacted to provide a desktop appraisal of the Company's fixed assets at the Railway Property⁴ (the "Infinity Appraisal"). The Company's fixed assets are aged and near fully depreciated, and according to the Infinity Appraisal, have limited realizable value. Copies of the Colliers' Appraisal and the Infinity Appraisal are provided in Confidential Appendices "1" and "2", respectively.

⁴ There is no equipment at the Spruce Property and the fixed assets at the head office is furniture and fixtures.

6. The refinancing process resulted in a loan from Pillar in December 2021 of up to \$2 million, secured by a senior ranking mortgage against the Paris Properties and a charge ranking subordinate to BMO on the Company's personal property. KSVa's initial mandate terminated at that time.
7. Following completion of the Pillar financing, the Company worked to turn around its business, including retaining an operational consultant. The Company's results, however, continued to underperform versus its budget, due, in part, to shutdowns caused by another wave of the Covid-19 pandemic and strikes in the construction sector. As a result, the Company re-engaged KSVa to conduct a further sale process and authorized KSVa to expand the list of potential bidders to include additional strategic parties and direct competitors. KSVa updated the Teaser, CIM and VDR to reflect the Company's current financial performance. KSVa contacted 21 parties in this stage of the sale process, including three parties that participated in the first phase. The parties contacted in this phase included nine financial parties and 12 strategic parties/competitors.
8. As the Company's liquidity continued to tighten, the Company determined it was necessary to commence these proceedings, which it did on May 31, 2022. The Proposal Trustee continued the sale process during these proceedings. As set out in the First Report, a bid deadline was not established at that time as the Proposal Trustee and the Company intended to consider offers, if any, as received, largely due to the Company's rapidly declining liquidity.
9. The Proposal Trustee significantly expanded the scope of the parties contacted, including additional direct competitors. Direct competitors also became aware of the opportunity due to the commencement of these proceedings. A total of 22 new parties participated in this process, including 6 financial parties and 16 strategic parties/competitors.
10. The Proposal Trustee facilitated due diligence by all parties that signed a CA, including coordinating management meetings, site tours, and providing financial and other information. As the number of parties expressing an interest increased significantly, it became appropriate to establish a formal bid date.
11. On June 21, 2022, KSVa sent a letter to interested parties advising of a bid deadline of June 30, 2022, which was subsequently extended to July 20, 2022, at the request of several interested parties. Once again, and despite the increased level of interest, no acceptable bids were received at the bid deadline; however, several parties advised the Proposal Trustee that they remained interested in the opportunity. Additionally, new interested parties had recently emerged. There was no urgency at the time to discontinue the sale process, as the Company expected to continue to operate for several months to complete orders for customers, and the Company was projected to have sufficient liquidity during that period as a result of efforts taken during the proceedings to stabilize cash flow.
15. With no acceptable going-concern offers being received, the Company retained Colliers to list the Paris Properties for sale, while the Proposal Trustee contemporaneously continued to try to sell the business on a going-concern basis.

16. Working with the Proposal Trustee, Colliers prepared marketing materials and set up its own virtual data room (the “Colliers VDR”), which included information regarding the Paris Properties and a standardized form of asset purchase agreement (“APA”). Colliers, on behalf of the Company, recommended that interested parties submit offers in the form of the APA, with any changes blacklined.
17. Prior to listing the Paris Properties on the Multiple Listing Service (“MLS”), Colliers pre-marketed the Paris Properties among approximately 20 parties within its client-base. Those efforts resulted in significant interest in the Paris Properties, including three offers. On July 26, 2022, Colliers listed the Paris Properties for sale on both the Kitchener Waterloo and Toronto Real Estate Board MLS with an asking price of \$4.5 million for the Railway Property and \$350,000 for the Spruce Property. In addition to listing the Paris Properties on MLS, Colliers contacted several buyers directly. Certain of the parties interested in the Paris Properties expressed an interest in continuing the Company’s business.
18. By August 12, 2022, several offers had been received for the Paris Properties, with many being of near identical value. The table below summarizes the number of bids received for the Paris Properties by August 12, 2022.

Railway Property	1
Spruce Property	6
For both properties	5

19. One party, Consortia N.A. Limited (“Consortia”), expressed an ongoing interest during these proceedings to the Company and the Proposal Trustee in acquiring the Company and continuing its business. It first submitted a conditional letter of intent on July 27, 2022.
20. As set out in the Proposal Trustee’s [Supplement](#) to its [Second Report](#), as a result of the significant level of interest in the purchase of the Paris Properties, the Proposal Trustee requested that bidders, including going-concern bidders (if any), and bidders interested in the Paris Properties, submit bids by August 17, 2022.
21. On August 17, 2022, the Proposal Trustee received three improved bids for the Railway Property, one improved bid for the Spruce Property and one new bid for each of the Paris Properties, all of which were effectively unconditional. In addition, the Proposal Trustee received a conditional offer from Consortia in the form of the asset purchase agreement provided in the VDR.
22. The best offers for the Railway Property continued to be of similar value. Accordingly, the Proposal Trustee requested that bidders submit their best and final offers by August 23, 2022 on the basis of a standardized bidding form drafted by the Proposal Trustee, which was intended to make the bids easily comparable. A copy of the bidding form is attached as Appendix “A”. The Proposal Trustee received four improved bids for the Railway Property by the August 23, 2022 deadline.

23. 248 Ontario submitted the highest combined bid for the Paris Properties (including the equipment at the Railway Property) but advised that it was prepared to remove the Spruce Property from its bid, which allowed the offer from Rancourt to be accepted. The purchase price of the Rancourt offer exceeded the value allocated by 248 Ontario to the Spruce Property in its offer.
24. After much negotiation and discussion with Consortia, it submitted a revised unconditional offer⁵ on August 24, 2022⁶ in the form of the asset purchase agreement provided in the VDR. The value of the offer was inferior to the value of the Transactions. The offer had several unacceptable terms, including provisions related to the collection of accounts receivable and the sale of inventory. Based on dealings with Consortia during these proceedings, its ability to complete a transaction was also unclear.
25. A summary of Colliers' marketing efforts and a summary of all offers received for the Paris Properties, by round of bidding, is provided in Confidential Appendix "3" (the "Paris Properties Offer Summary").
26. Throughout the sale process, the Proposal Trustee advised all interested parties that one of its key considerations in its selection process, in addition to the purchase price, was the opportunity for future employment for the Company's employees. 248 Ontario has advised the Proposal Trustee that it intends to operate a non-cabinet manufacturing business from the Railway Facility that may provide the opportunity for future employment for the Company's employees. Additionally, as of the date of this Report, 248 Ontario is continuing to perform due diligence to determine whether it can profitably manufacture cabinets from the Railway Facility, which could result in additional employment opportunities for the Company's employees.

4.1 Railway Transaction

1. A summary of the Railway APA is as follows⁷:
 - a) Purchaser: 248 Ontario, which is arm's length to the Company.
 - b) Purchased Assets: The Company's right, title and interest in the Railway Property, Personal Property, Intellectual Property, Books and Records, Acquired Personal Property Leases and Acquired Contracts.
 - c) Purchase Price: The Proposal Trustee recommends that the purchase price of the Railway Transaction (the "Railway Purchase Price") be sealed until the day following closing. The Railway Purchase Price is provided in Confidential Appendix "4".
 - d) Deposit: 248 Ontario paid a deposit in the amount of \$700,000.

⁵ The offer was submitted by 1983880 Ontario Inc. in trust for a new company to be formed, which is to be an affiliate of Consortia.

⁶ The offer was dated August 19, 2022 but was submitted to the Proposal Trustee on August 24, 2022.

⁷ Capitalized terms not otherwise defined are defined in the Railway APA.

- e) Closing Date: Three days following the granting of the Railway AVO or such other date as may be agreed by the Proposal Trustee and 248 Ontario, provided that the Closing Date does not occur prior to October 31, 2022 or after November 30, 2022;
 - f) Option to Lease: The Company has the option to occupy the Railway Property for up to 60 days after closing for a total payment to 248 Ontario of \$50,000 based on occupation for a full 60-day period, plus payment for all charges for utilities consumed during such occupancy and real property taxes during that period;
 - g) Material Conditions:
 - i. there shall be no litigation or proceedings pending against any of the Parties, or involving the Business or any of the Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper; and
 - ii. the Court shall have issued the Railway AVO and the Railway AVO shall not have been stayed, varied or set aside.
2. A redacted version of the Railway APA is attached as Appendix “B”. The only redaction is the Railway Purchase Price.

4.2 Recommendation – The Railway Transaction

1. The Proposal Trustee recommends that the Court approve the Railway Transaction for the following reasons:
- a) in the Proposal Trustee’s view, the sale process was commercially reasonable;
 - b) the sale process, as discussed herein, was conducted over several months (including prior to these proceedings) to a large number of financial and strategic buyers, including competitors;
 - c) Colliers has extensive experience selling industrial properties in Southwestern Ontario and widely canvassed the market for prospective purchasers;
 - d) the Railway Purchase Price is well in excess of the combined value of Collier’s appraised value for that property and Infinity’s appraised value of the equipment located at that property;
 - e) Colliers is of the view the Railway Transaction is the best available in the circumstances;
 - f) the Proposal Trustee does not believe that further time spent marketing the Railway Property will result in a superior transaction;
 - g) the transaction is scheduled to close no later than November 30, 2022;
 - h) 248 Ontario paid a deposit of \$700,000 and the transaction is unconditional except for Court approval;

- i) the Railway Transaction is sufficient to fully repay Pillar and BMO, the registered mortgagees on title to the Railway Property, and, together with the Spruce Transaction, to provide an opportunity for material distributions to subordinate ranking creditors, including Diazo and unsecured creditors, if remaining inventory is sold and accounts receivable collected;
- j) the Railway Transaction will result in a continuing operating business from the Railway Property that provides the opportunity for employment for certain of the Company's employees; and
- k) BMO and Pillar support Court approval of the Railway transaction;

4.3 Spruce Transaction

1. A summary of the Spruce APS is as follows⁸:
 - a) Purchaser: 273 Ontario, which is arm's length to the Company.
 - b) Purchased Assets: The Company's right, title and interest in the Spruce Property.
 - c) Purchase Price: The Proposal Trustee recommends that the purchase price of the Spruce Property (the "Spruce Purchase Price" and with the Railway Purchase Price, the "Purchase Prices") be sealed until the business day following the respective closing date of each of the Transactions. The Spruce Purchase Price is to be adjusted on closing for adjustments standard for a real estate transaction, including property taxes. The Spruce Purchase Price is provided in Confidential Appendix "4".
 - d) Deposit: Rancourt paid a deposit in the amount of \$60,000.
 - e) Closing Date: No later than October 31, 2022.
 - f) Material Conditions: The Court shall have issued the Spruce AVO, vesting the title to 273 Ontario free and clear of all claims and encumbrances against the Spruce Property, save for any permitted encumbrances, as set out in the Spruce APS.
2. A redacted version of the Spruce APS is attached as Appendix "C". The only redaction is to the amount of the Spruce Purchase Price.

⁸ Capitalized terms not otherwise defined are defined in the Spruce APS.

4.4 Recommendation – The Spruce Transaction

1. The Proposal Trustee recommends that the Court approve the Spruce Transaction for the reasons listed in Section 4.2 above, each of which applies to the Spruce Property, except for:
 - a) the discussion concerning the equipment, as there is no equipment at the Spruce Property;
 - b) the deposit paid by Rancourt is \$60,000; and
 - c) the transaction is to close by October 31, 2022.

5.0 KERP

1. The KERP approved by the Court earlier in these proceedings is for ten employees (the “Additional KERP Employees”), none of whom are related to the principals of the Company.
2. The Company has identified up to nine additional employees (the “Additional KERP Employees”) that it believes are providing significant assistance to the Company during these proceedings and should be included in the KERP. In this regard, the Company is seeking both an expansion to the KERP and a further \$65,000 increase in the KERP Charge to \$245,000. The Additional KERP Employees have extensive knowledge of the business and would be difficult to replace if they resigned. None of the Additional KERP Employees are related to the principals of the Company.
3. The expanded KERP is intended to incentivize the Additional KERP Employees to assist the Company to continue to operate in the ordinary course of business to complete orders for customers, which is integral to maximizing recoveries for creditors.
4. There is no proposed change in the ranking of the KERP Charge.
5. The Additional KERP Employees are to be paid their entitlement under the KERP on the earlier of: (i) December 31, 2022; and (ii) the last day of the Additional KERP Employees’ employment with the Company, provided the employee does not resign prior to the relevant last day of work.
6. The Proposal Trustee consulted with BMO regarding the proposed increase in the KERP as the KERP Charge ranks in priority to BMO. The KERP Charge does not rank in priority to Pillar. BMO has advised the Proposal Trustee that it consents to the increase in the KERP.
7. The Proposal Trustee supports the revision to expand both the KERP and the KERP Charge for the following reasons:
 - a) the Company believes that the continued involvement and cooperation of the Additional KERP Employees is integral to completing customer orders so that creditor recoveries can be maximized;

- b) the Proposal Trustee believes that the revised KERP will assist the Company to retain the Additional KERP Employees;
- c) the amounts payable under the KERP are reasonable in the circumstances; and
- d) BMO has been advised of the proposed revised KERP and is supportive of the relief sought.

6.0 Distributions to Secured Creditors

1. Aird & Berlis LLP (“A&B”) has provided opinions, which, subject to the standard assumptions and qualifications contained therein, conclude that the security granted by the Company to each of BMO, Pillar and Diazo is valid and enforceable, including that the real property mortgages were registered on title by BMO and Pillar on the Paris Properties.⁹
2. The Proposal Trustee recommends that the proceeds of sale from the Transactions be used first to repay Pillar and BMO. As the Spruce Transaction is scheduled to close prior to the Railway Transaction, the proceeds from the sale of the Spruce Transaction would be repaid to Pillar, which has the senior ranking mortgage on the Spruce Property.
3. The Proposal Trustee is not aware of any obligations that rank in priority to BMO and Pillar on the Paris Properties that will not be repaid from the closing proceeds (such as realtor commissions and potentially realty taxes). The Administrative Charge ranks in priority to the BMO and Pillar security interests, but there are projected to be sufficient proceeds of realization remaining to fund the costs covered by the Administrative Charge, and to continue to fund the Company’s operations.
4. Distributions to Diazo would be made in due course, net of amounts required to fund these proceedings, including the Company’s ongoing operations and professional costs.

7.0 Sealing

1. The Confidential Appendices contain the Purchase Prices, the Colliers’ Appraisal, the Infinity Appraisal and the Paris Properties Offer Summary. These materials have been filed on a confidential basis as making this information publicly available may affect future offers submitted if the Railway Transaction and/or Spruce Transaction do not close.

⁹ A copy of these opinion can be provided to the Court on request.

2. Temporarily sealing this information until the Transactions close is necessary to maximize recoveries in these proceedings and maintain the integrity and confidentiality of key information in the sale process. The salutary effects of sealing such information from the public record greatly outweigh any deleterious effects of doing so. The Proposal Trustee believes the proposed sealing of the Confidential Appendices is appropriate in these circumstances.

8.0 Cash Flow

1. Pursuant to the BIA, the Company is required to prepare a cash flow forecast for the Extension. The Cash Flow Forecast is for the period ending November 13, 2022 (the "Period"), together with Management's Report on the Cash-Flow Statement, as required by subsection 50.4(2)(c) of the BIA, is provided in Appendix "D".
2. The Cash Flow Forecast was prepared by the Company with the assistance of the Proposal Trustee. The Company's receipts during the Period are projected to be from accounts receivable collections. The proceeds from the closing of the Transactions are not included in the Cash Flow Forecast. Projected disbursements during the Period are primarily for payroll and benefits, raw material purchases to complete kitchens and cabinets, installation costs and professional fees.
3. The Company's financial projection reflects that it will be able to operate within the terms of the Interim Lending Agreement.
4. The Cash Flow Forecast assumes that the Company's customers continue to pay in accordance with the Customer Agreements. During these proceedings, the Proposal Trustee has been working closely with the Company and its customers to facilitate the Company's continued operations. If customers do not pay in accordance with terms of the Customer Agreements, the Company's ability to continue to operate will be uncertain.
5. Based on the Proposal Trustee's review of the Cash Flow Forecast, there are no material assumptions which seem unreasonable. The Proposal Trustee's Report on the Company's Cash Flow Statement as required by subsection 50.4(2)(b) of the BIA is attached as Appendix "E".

9.0 Company's Request for an Extension

1. The Company is seeking the Extension from September 29, 2022 to and including November 13, 2022 so that it has additional time to file a proposal.
2. The Proposal Trustee supports the extension request for the following reasons:
 - the Company is acting in good faith and with due diligence;
 - the Company has indicated that it would be able to make a viable proposal to its creditors if the Extension is granted and it operates in accordance with its projections, including closing the Transactions and collecting its receivables;

- the Extension should not adversely affect or prejudice any group of creditors as the Company is projected to have funding to pay post-filing services and supplies in the amounts contemplated by the Cash Flow Forecast; and
- it would provide the Company the additional time it requires to complete production of cabinets for customers, collect receivables, sell inventory, complete the Transactions, and draft a proposal to creditors.

10.0 Overview of the Proposal Trustee's Activities

1. In addition to the activities discussed above, the Proposal Trustee's activities since the Second Report have included, among other things, the following:
 - attending at Court on August 11, 2022 in connection with the Company's request for the relief granted in the August 11th Order;
 - corresponding extensively with the Company during these proceedings regarding, among other things, customer orders, accounts receivable collections, supplier issues, production scheduling, employees, financial forecasts, the sale process and discussions with BMO;
 - corresponding with Chaitons LLP ("Chaitons"), the Company's legal counsel, and A&B regarding various matters in these proceedings, including the Sale Process, employee issues, customer issues and vendor issues;
 - assisting the Company's management to deal with its employees;
 - monitoring the Company's sales, receipts and disbursements on a daily basis;
 - assisting the Company to finalize and negotiate the Customer Agreements;
 - corresponding and attending meetings with several of the Company's key customers regarding the Customer Agreements and the collection of receivables;
 - responding to questions from the Company's vendors;
 - carrying out the sale process, as discussed herein;
 - facilitating due diligence by interested parties, including arranging and attending site visits and management meetings;
 - corresponding with Colliers regarding the sale of the Paris Properties;
 - reviewing offers submitted in the sale process;
 - negotiating the Railway APA with 248 Ontario;
 - negotiating the Spruce APS with Rancourt;

- reviewing the Cash Flow Forecast and corresponding with the Company regarding same;
- providing updates to creditors, including BMO and Pillar;
- drafting this Report; and
- dealing with all other matters in these proceedings not specifically addressed above.

11.0 Conclusion and Recommendation

1. Based on the foregoing, the Proposal Trustee respectfully recommends that this Court make an order granting the relief set out in Section 1.1(1)(h) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS TRUSTEE IN THE PROPOSAL OF
THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS,
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

The Sanderson-Harold Company Limited (cob as Paris Kitchen) (the “Company”)

Third Round Offer Submission Form

Introduction

KSV Restructuring Inc. is the trustee (the “Proposal Trustee”) in the proceedings commenced by the Company under the proposal provisions of the *Bankruptcy and Insolvency Act*. The Proposal Trustee is conducting a sale process on behalf of the Company and has retained Colliers to assist this process. You have previously submitted an offer to purchase certain or all of the Company’s business and assets. The Proposal Trustee is requesting that a select group of bidders provide firm and final offers for any or all of the Company’s business and assets. This request is being made as the highest offers received to date are substantially similar in value and the Proposal Trustee has the responsibility to obtain the highest and best price in the circumstances. The Proposal Trustee has provided this standard form document so that it can easily compare offers.

Third round offers are to be submitted by 4pm on August 23, 2022. Kindly complete the form below and return to Victor Cotic at Colliers by the offer deadline at the following email address: victor.cotic@colliers.com.

* * *

- A. Purchase price: \$ _____
 - B. Deposit: \$ _____ (minimum of 10% of the purchase price)
 - C. Closing date: ● [please note any flexibility as to Closing Date]
 - D. For parties who submitted in the form of the template Asset Purchase Agreement (the “Standard Form APA”) provided in the Company’s data room, confirmation that their form of offer remains unchanged:
 - ☐ Confirmed
 - ☐ Not confirmed. See changes on attached APA.¹
- Parties who did not submit their offers using the Standard APA are strongly encouraged to do so. Parties who submitted an offer using the Standard APA are not required to submit a new agreement, unless their changes go beyond those noted in this Third Round Offer Submission Form. Such changes should be blacklined so that they are clearly identifiable.**
- E. Please confirm that your offer for the Railway property includes the fixed assets and equipment.

¹ Any changes to APA other than those noted in this Third Round Term Sheet should be provided in a new APA that should be attached hereto.

- F. Is inclusion of the Spruce Street property a requirement of your transaction, i.e., can that property (if included) be removed from the transaction with a corresponding reduction of the purchase price in the amount allocated to that property?

☐ Yes

☐ No. The amount of my offer allocated to the Spruce Street property is \$_____

- G. Please advise if you intend to offer employment to any of the Company's employees if you are the successful bidder.

- H. Please advise of any other considerations relevant to your offer.

Appendix “B”

ASSET PURCHASE AGREEMENT

This Agreement dated ●day, August ●, 2022 is made,

B E T W E E N:

THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS

(hereinafter referred to as the “**Company**” or the “**Vendor**”)

-and-

2486666 ONTARIO INC., a corporation incorporated under the laws of Ontario

In trust for a Corporation to be incorporated (hereinafter referred to as the “**Purchaser**”)

RECITALS

WHEREAS the Company filed a Notice of Intention to File a Proposal (“**NOI**”) under the *Bankruptcy and Insolvency Act* (Canada) on May 31, 2022;

AND WHEREAS KSV Restructuring Inc.(“**KSV**”) is the trustee in the NOI proceeding (“**Proposal Trustee**”);

AND WHEREAS the Purchaser wishes to purchase the assets and property of the Company in accordance with the terms of this Agreement;

NOW THEREFORE, in consideration of the promises and mutual covenants and agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties hereto agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 **Definitions.**

In this Agreement, the following terms shall have the meanings set out below unless the context requires otherwise:

- (1) “**Acquired Contracts**” means the Contracts listed in Schedule 1.1(1).
- (2) “**Acquired Personal Property Leases**” means the Personal Property Leases listed in Schedule 1.1(2).
- (3) “**Agreement**” means this Agreement, including the Schedules to this Agreement, as it or they may be amended or supplemented from time to time, and the expressions “hereof”, “herein”,

“hereto”, “hereunder”, “hereby” and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement.

(4) “**Applicable Law**” means, with respect to any Person, property, transaction, event or other matter, any Law relating or applicable to such Person, property, transaction, event or other matter. Applicable Law also includes, where appropriate, any interpretation of the Law (or any part) by any Person having jurisdiction over it, or charged with its administration or interpretation.

(5) “**Assumed Liabilities**” means only the Liabilities incurred under or in respect of (i) the Permitted Liens; (ii) the Acquired Contracts listed in Schedule 1.1(1); (iii) the Acquired Personal Property Leases listed in Schedule 1.1(2); and (iv) the Transferred Employees, in each case in respect of the period commencing at the Closing Time.

(6) “**Books and Records**” means all books, records, files and papers, including computer programs (including source and object code), software programs, manuals and data, sales and advertising materials, lists of present and former customers and suppliers, personnel, employment and other records related to Transferred Employees, and all copies and recordings of the foregoing.

(7) “**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.

(8) “**Canadian Dollars**” means the lawful currency of Canada.

(9) “**Closing**” means the completion of the purchase and sale of the Purchased Assets in accordance with the provisions of this Agreement.

(10) “**Closing Date**” has the meaning given in Section 3.2.

(11) “**Closing Time**” means the time of closing on the Closing Date provided for in Section 3.1.

(12) “**Company**” has the meaning ascribed thereto in the recitals above;

(13) “**Contracts**” means all rights and interests of the Company to and in all executory contracts, agreements and arrangements whether or not signed to which either of them is a party and/or by which any of the Purchased Assets is bound.

(14) “**Court**” means the Ontario Superior Court of Justice, Commercial List.

(15) “**Deposit**” has the meaning given in Section 2.3.

(16) “**Employee**” means an individual who is employed in the Company’s business on the date immediately prior to the Closing.

(17) “**Environmental Law**” means any and all applicable international, federal, provincial, municipal or local laws, by-laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives and all authorizations relating to the environment, occupational health and safety, health protection or any Hazardous Materials.

(18) “**Excluded Assets**” means only the following assets, property, or undertaking of the Company:

- (a) all goods, machinery and equipment subject to true operating leases;
- (b) the right to receive insurance recoveries under any insurance policies in existence on the date hereof in respect only of any claims with respect to Excluded Assets;
- (c) cash, bank balances, moneys in possession of banks and other depositories, term or time deposits and similar cash items of, owned or held by or for the account of any Company;
- (d) the real property municipally known as 38 Spruce Street, Paris, Ontario;
- (e) the Inventories;
- (f) the Receivables; and
- (g) any other assets that the Purchaser elects to exclude in writing prior to Closing in accordance with the terms of this Agreement.

(19) **“Governmental Entity”** means any federal, provincial, or municipal court, board, tribunal, arbitrator or arbitral panel, administrative agency or commission or other governmental or regulatory agency, ministry, department or authority.

(20) **“Hazardous Materials”** means any contaminants, pollutants, substances or materials that, when released to the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, whether or not such contaminants, pollutants, substances or materials are or shall become prohibited, controlled or regulated by any Governmental Authority and any **“Contaminants”**, **“Dangerous Substances”**, **“Hazardous Materials”**, **“Hazardous Substances”**, **“Hazardous Wastes”**, **“Industrial Wastes”**, **“Liquid Wastes”**, **“Pollutants”** and **“Toxic Substances”**, all as defined in, referred to or contemplated in federal, provincial and/or municipal legislation, regulations, orders and/or ordinances relating to environmental, health and/or safety matters and, not to limit the generality of the foregoing, includes asbestos, urea formaldehyde foam insulation and mono or polychlorinated biphenyl wastes.

(21) **“HST”** means the harmonized sales tax imposed under the *Excise Tax Act* (Canada).

(22) **“Intellectual Property”** means any or all of the following items, wherever located: all patents and patent rights, trademarks and trademark rights, trade names and trade name rights, service marks and service mark rights, service names and service name rights, copyrights and copyright rights, brand names, trade dress, business and product names, domain names, corporate names, logos, slogans, trade secrets, inventions, processes, formulae, industrial models, designs, specifications, data, technology, methodologies, computer programs (including all source code), confidential and proprietary information, whether or not subject to statutory registration, all related technical information, manufacturing, engineering and technical drawings, know how, all pending applications for and registrations of patents, trademarks, service marks and copyrights, including all obligations of third parties relating to the protection of the foregoing, the goodwill associated with the foregoing, and the right to sue for past payment, if any, in connection with any of the foregoing, and all documents, disks and other media on which any of the foregoing is stored.

(23) **“Inventories”** means all inventories of stock-in-trade and merchandise including materials, supplies, work-in-progress and purchased finished goods (including those in possession of suppliers, customers and other third parties).

(24) **“Law”** means common law, order, judgment, decree, law, statute, rule, or regulation of any Governmental Entity.

(25) **“Liabilities”** means all costs, expenses, charges, debts, liabilities, claims, demands and obligations, whether primary or secondary, direct or indirect, fixed, contingent, absolute or otherwise, under or in respect of any contract, agreement, arrangement, lease, commitment or undertaking, Applicable Law and Taxes.

(26) **“Lien”** means any lien, mortgage, charge, hypothec, pledge, security interest, prior assignment, option, warrant, lease, sublease, right to possession, encumbrance, claim, right or restriction which affects, by way of a conflicting ownership interest or otherwise, the right, title or interest in or to any particular property.

(27) **“Party”** means a party to this Agreement and any reference to a Party includes its successors and permitted assigns; **“Parties”** means every Party.

(28) **“Permitted Liens”** means the security interests listed in Schedule 1.1(28).

(29) **“Person”** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity.

(30) **“Personal Property”** means all machinery, equipment, furniture, computer hardware and other chattels (including those in possession of third parties).

(31) **“Personal Property Leases”** means chattel leases, equipment leases, rental agreements and conditional sales contracts.

(32) **“Purchased Assets”** means all the right, title and interest of the Company in and to the following assets, but excluding the Excluded Assets:

- (a) the Acquired Contracts;
- (b) the Acquired Personal Property Leases;
- (c) the Books and Records;
- (d) the Intellectual Property;
- (e) the Personal Property; and
- (f) the Real Property.

(33) **“Purchase Price”** has the meaning given in Section 2.2.

(34) **“Purchaser”** has the meaning given in the recitals above.

(35) **“Real Property”** means the lands and premises municipally known as 23 Railway Street, Paris, Ontario, and legally described in Schedule 1.1(35), together with all buildings, improvements and structures thereon and the fixtures (other than trade fixtures) affixed thereto.

(36) **“Receivables”** means all accounts receivable, bills receivable, trade accounts, book debts, insurance claims and other amounts owed to the Company, including recoverable deposits.

(37) **“Related to the Business”** means, directly or indirectly, used in, arising from, or relating in any manner to the business of the Company.

(38) **“Rights”** has the meaning given in Section 3.5.

(39) **“Taxes”** means all taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, land transfer, real property and personal property taxes, and any other taxes, customs duties, fees, assessments or similar charges in the nature of a tax including Canada Pension Plan and provincial pension plan contributions, employment insurance payments and workers compensation premiums, together with any instalments with respect thereto, and any interest, fines and penalties, imposed by any governmental authority (including federal, state, provincial, municipal and foreign governmental authorities), and whether disputed or not.

(40) **“Transaction”** means the transaction of purchase and sale contemplated by this Agreement.

(41) **“Transferred Employees”** means Employees who have accepted an offer of employment from the Purchaser as of the Closing.

(42) **“Vendor”** has the meaning given in the recitals above.

(43) **“Vendor’s Solicitors”** means Chaitons LLP.

(44) **“Vesting Order”** means an order made by the Court vesting in the Purchaser all the right, title and interest of the Company in the Purchased Assets free and clear of all Liens (except the Permitted Liens). For greater certainty, the Vesting Order shall be substantially in the form of the model order approved by the “Ontario Commercial List Users Committee”.

1.2 **Headings and Table of Contents.**

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 **No Strict Construction.**

The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.4 **Number and Gender.**

Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders. Where the word “including” or “includes” is used in this Agreement, it means “including (or includes) without limitation”.

1.5 **Business Days.**

If any payment is required to be made or other action 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 made or taken on the next Business Day.

1.6 **Currency and Payment Obligations.**

Except as otherwise expressly provided in this Agreement:

- (a) all dollar amounts referred to in this Agreement are stated in Canadian Dollars; and
- (b) any payment contemplated by this Agreement shall be made by cash, certified cheque or any other method that provides immediately available funds.

1.7 **Statute References.**

Any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time.

1.8 **Section and Schedule References.**

Unless the context requires otherwise, references in this Agreement to Sections or Schedules are to Sections or Schedules of this Agreement. The Schedules to this Agreement, listed as follows, are an integral part of this Agreement:

Schedule 1.1(1)	Acquired Contracts
Schedule 1.1(2)	Acquired Personal Property Leases
Schedule 1.1(28)	Permitted Liens
Schedule 1.1(35)	Real Property
Schedule 2.2	Allocation of Purchase Price

ARTICLE 2

PURCHASE OF ASSETS

2.1 **Agreement to Purchase and Sell.**

Subject to the terms and conditions of this Agreement, the Vendor shall sell and the Purchaser shall purchase the Purchased Assets.

2.2 **Amount of Purchase Price.**

The purchase price payable by the Purchaser to the Vendor for the Purchased Assets (the “**Purchase Price**”) shall be [REDACTED] allocated among the Purchased Assets as set out in Schedule 2.2.

2.3 **Deposit.**

Concurrently with the execution of this Agreement, the Purchaser shall pay to KSV, in its capacity as Proposal Trustee, the sum of SEVEN HUNDRED THOUSAND DOLLARS (\$700,000.00) as a deposit (the “**Deposit**”). KSV shall invest the Deposit in an interest-bearing account of a Canadian chartered bank or trust company, in trust, to be disbursed in accordance with the following provisions:

- (1) if the purchase and sale of the Purchased Assets is completed in accordance with the terms of this Agreement, then the Deposit shall be released from trust with interest and applied towards payment of the Purchase Price;
- (2) if the purchase and sale of the Purchased Assets is not completed in accordance with the terms of this Agreement, then the deposit shall be dealt with in accordance with the provisions of Article 4.

2.4 **Payment of Purchase Price.**

The Purchase Price shall be paid and satisfied by the Purchaser at the Closing as follows:

- (1) the Deposit shall be paid to the Vendor and credited against the Purchase Price in accordance with Section 2.3(1); and
- (2) the balance shall be paid to the Vendor by way of certified cheque, bank draft or wire transfer, or as the Vendor may direct in writing.

2.5 **Allocation of Purchase Price.**

Notwithstanding the allocation provided by the Purchaser as Schedule 2.2, the Purchase Price shall be allocated among the Purchased Assets in the manner agreed to by the Purchaser and Vendor prior to Closing (acting reasonably) and the Parties shall file their respective income tax returns prepared in accordance with such allocations.

2.6 **HST Election.**

At the Closing, the Vendor and the Purchaser shall execute jointly an election under Section 167 of the *Excise Tax Act* (Canada) to have the sale of the Purchased Assets take place on a HST-free basis under Part IX of the *Excise Tax Act* (Canada) and the Purchaser shall file such election with its HST return for the reporting period in which the sale of the Purchased Assets takes place.

2.7 **Section 22 Election.**

The Purchaser and the Vendor shall execute jointly an election in prescribed form under Section 22 of the *Income Tax Act* (Canada) in respect of the Receivables and shall each file such election with their respective tax returns for their respective taxation years that include the Closing Date.

2.8 **Excluded Liabilities.**

Other than the Assumed Liabilities, the Purchaser shall not assume and shall not be liable for any debts, liabilities or other obligations of any Company.

2.9 **Excluded Assets.**

Notwithstanding anything to the contrary in this Agreement, the Purchaser may, at its option, exclude any of the Purchased Assets from the Transaction prior to the Time of Closing, whereupon such Purchased Assets shall be Excluded Assets, provided, however, that there shall be no adjustment in the Purchase Price.

ARTICLE 3

CLOSING ARRANGEMENTS

3.1 **Closing.**

The Closing shall take place at 10:00 a.m. on the Closing Date at the offices of the Vendor's solicitors, or at such other time on the Closing Date or such other place as may be agreed orally or in writing by the Vendor and the Purchaser.

3.2 **Closing Date.**

The Transaction shall be completed by the Parties three (3) Business Days following the date on which the Vesting Order shall have been obtained, or such other date as may be agreed between the parties hereto in writing (the "**Closing Date**"), provided that in any event the Closing Date shall not be earlier than October 31, 2022 nor after November 30, 2022. If, prior to the Closing, the Vesting Order shall have been appealed or a proceeding shall have been commenced to restrain or prevent the completion of the Transaction, then the Closing Date may be extended by the Vendor, in which case the Closing Date shall mean the day that is ten (10) Business Days after the date on which any such appeals and/or proceedings are dismissed.

3.3 **Vendor's Closing Deliveries.**

At the Closing, the Vendor shall deliver or cause to be delivered to the Purchaser the following documents:

- (1) the elections referred to in Sections 2.6 and 2.7;
- (2) a certificate, dated as of the Closing Date, confirming that (i) all of the representations and warranties of the Vendor contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date and (ii) that each of the conditions precedent in Section 4.3 of this Agreement have been fulfilled, performed or waived as of the Closing Date;

- (3) the Vesting Order(s) and the vesting certificate relating thereto; and
- (4) all deeds of conveyance, bills of sale, assurances, transfers, assignments, consents, and such other agreements, documents and instruments as may be reasonably requested by the Purchaser to complete the Transaction.

3.4 **Purchaser's Closing Deliveries.**

At the Closing, the Purchaser shall deliver or cause to be delivered to the Vendor the following documents and payments:

- (1) the payments referred to in Sections 2.4(1) and 2.4(2);
- (2) the elections referred to in Sections 2.6 and 2.7;
- (3) a certificate, dated as of the Closing Date, confirming that (i) all of the representations and warranties of the Purchaser contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date and (ii) that each of the conditions precedent in Section 4.1 of this Agreement have been fulfilled, performed or waived as of the Closing Date;
- (4) all such other agreements, documents and instruments as may be reasonably requested by the Vendor to complete the Transaction.

3.5 **Non-Transferable and Non-Assignable Purchased Assets.**

To the extent that any of the Purchased Assets to be transferred to the Purchaser on the Closing, or any claim, right or benefit arising under or resulting from such Purchased Assets (collectively, the “Rights”), is not capable of being transferred without the approval, consent or waiver of any third Person, or if the transfer of a Right would constitute a breach of any obligation under, or a violation of, any Applicable Law unless the approval, consent or waiver of such third Person is obtained, then, except as expressly otherwise provided in this Agreement and without limiting the rights and remedies of the Purchaser contained elsewhere in this Agreement, this Agreement shall not constitute an agreement to transfer such Rights unless and until such approval, consent or waiver has been obtained. After the Closing and for a period of ten (10) days following the Closing, or such later date as the Parties may agree, the Vendor shall:

- (a) hold the Rights in trust for the Purchaser;
- (b) comply with the terms and provisions of the Rights as agent for the Purchaser at the Purchaser's cost and for the Purchaser's benefit;
- (c) cooperate with the Purchaser in any reasonable and lawful arrangements designed to provide the benefits of such Rights to the Purchaser; and
- (d) enforce, at the reasonable request of the Purchaser and at the expense and for the account of the Purchaser, any rights of the Vendor arising from such Rights against any third Person, including the right to elect to terminate any such rights in accordance with the terms of such rights upon the written direction of the Purchaser.

In order that the full value of the Rights may be realized for the benefit of the Purchaser, the Vendor shall, at the request and expense and under the direction of the Purchaser, in the name of the Vendor or otherwise as the Purchaser may specify, take all such action and do or cause to be done all such things as are, in the reasonable opinion of the Purchaser, necessary or proper in order that the obligations of any Company under such Rights may be performed in such manner that the value of such Rights is preserved and enures to the benefit of the Purchaser, and that any moneys due and payable and to become due and payable to the Purchaser in and under the Rights are received by the Purchaser. The Vendor shall promptly pay to the Purchaser all moneys collected by or paid to the Vendor in respect of every such Right. To the extent that such approval, consent or waiver has not been obtained by the tenth (10th) day following the Closing, or such later date as the Parties may agree, such Right shall be deemed to be an Excluded Purchased Asset and the Vendor may terminate any agreement pertaining to such Right. The Purchaser shall indemnify and hold the Vendor harmless from and against any claim or liability under or in respect of such Rights arising because of any action of the Vendor taken in accordance with this Section.

3.6 **Risk.**

The Purchased Assets are and shall remain at the Vendor's risk until Closing, and the Vendor shall hold all insurance policies and the proceeds thereunder, in trust, for the Parties as their respective interests may appear pending Closing. From and after Closing, the Purchased Assets shall be at the risk of the Purchaser. In the event that any or all the Purchased Assets shall be materially damaged prior to Closing, then the Vendor shall advise the Purchaser, in writing, within two (2) Business Days of the Vendor learning of same. If the cost of rectifying such damage exceeds One Million Dollars (\$1,000,000), as determined by a third-party expert appointed by the Vendor, then the Vendor shall be entitled, in its sole and absolute discretion, to elect to terminate this Agreement by notice, in writing, to the Purchaser and in such event the Parties hereto shall be released from all obligations and liabilities hereunder. If the Vendor shall not elect to terminate this Agreement as set out above, or if the cost of rectifying such damage does not exceed One Million Dollars (\$1,000,000), then the Transaction shall be completed.

ARTICLE 4 **CONDITIONS OF CLOSING**

4.1 **Purchaser's Conditions.**

The Purchaser shall not be obliged to complete the purchase and sale of the Purchased Assets pursuant to this Agreement unless, at or before the Closing Time, each of the following conditions has been satisfied, it being understood that the following conditions are included for the exclusive benefit of the Purchaser and may be waived, in whole or in part, in writing by the Purchaser at any time; and the Vendor agrees with the Purchaser to take all such actions, steps and proceedings within its reasonable control as may be necessary to ensure that the following conditions are fulfilled at or before the Closing Time:

- (1) *Representations and Warranties.* The representations and warranties of the Vendor in Section 5.1 shall be true and correct at the Closing.
- (2) *Vendor's Compliance.* The Vendor shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before Closing and 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 3.2 or elsewhere in this Agreement.

- (3) *No Litigation.* There shall be no litigation or proceedings pending against any of the Parties hereto, or involving the Business or any of the Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper.
- (4) *Vesting Order(s).* The Vesting Order shall have been obtained and shall not have been stayed, varied or set aside.

4.2 **Condition not Fulfilled.**

If any condition in Section 4.1 has not been fulfilled at or before the Closing Time, then the Purchaser in its sole discretion may either:

- (1) terminate this Agreement by notice to the Vendor, in which event the Purchaser shall be released from its obligations under this Agreement and the Deposit and all accrued interest shall be promptly returned to the Purchaser; or
- (2) waive compliance with any such condition without prejudice to its right of termination in the event of non-fulfillment of any other condition.

4.3 **Vendor's Conditions.**

The Vendor shall not be obliged to complete the Transaction unless, at or before the Closing Time, each of the following conditions has been satisfied, it being understood that the following conditions are included for the exclusive benefit of the Vendor, and may be waived, in whole or in part, in writing by the Vendor at any time; and the Purchaser agrees with the Vendor to take all such actions, steps and proceedings within the Purchaser's reasonable control as may be necessary to ensure that the following conditions are fulfilled at or before the Closing Time:

- (1) *Purchaser's Compliance.* The Purchaser shall have performed and complied with all of the terms and conditions in this Agreement on its part to be to be performed by or complied with at or before the Closing Time and shall have executed and delivered or caused to have been executed and delivered to the Vendor at the Closing Time all the documents contemplated in Section 3.4 or elsewhere in this Agreement.
- (2) *Vesting Order.* The Vesting Order shall have been obtained and shall not have been stayed, varied or set aside.
- (3) *No Litigation.* There shall be no litigation or proceedings pending against any of the Parties hereto, or involving the Business or any of the Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper.

4.4 **Condition not Fulfilled.**

If any condition in Section 4.3 shall not have been fulfilled at or before the Closing Time, then the Vendor in its sole discretion may, without limiting any rights or remedies available to the Vendor at law or in equity, either:

- (1) terminate this Agreement by notice to the Purchaser in which event the Vendor shall be released from all obligations under this Agreement and, if the condition that was not fulfilled was contained

in Section 4.1, the Deposit and all accrued interest thereon shall be promptly returned to the Purchaser and the Purchaser shall be released from all obligations under this Agreement; or

- (2) waive compliance with any such condition without prejudice to its right of termination in the event of non-fulfillment of any other condition.

4.5 **Default.**

If the Transaction is not completed as a result of Purchaser's failure to perform any of its obligations under this Agreement, then the Deposit shall be forfeited to the Vendor which shall also retain all of its other rights and remedies against the Purchaser available at law or in equity.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES

5.1 **Representations and Warranties of the Purchaser.**

As a material inducement to the Vendor's entering into this Agreement and completing the Transaction 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 Power.* The Purchaser is a corporation duly incorporated under the laws of the jurisdiction of its incorporation and is duly organized, validly subsisting and in good standing under such laws.
- (2) *Due Authorization.* The Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by it as contemplated by this Agreement and to carry out its obligations under this Agreement and such other agreements and instruments. The execution and delivery of this Agreement and such other agreements and instruments and the completion of the Transaction and such other agreements and instruments have been duly authorized by all necessary corporate action on the part of the Purchaser.
- (3) *Enforceability of Obligations.* This Agreement constitutes a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms subject, however, to limitations on enforcement imposed by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of the rights of creditors or others and to the extent that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought.
- (4) *Financial Ability.* The Purchaser has the financial ability through its own resources or through financing that has been arranged with a recognized financial lending institution, to close the Transaction and pay the balance of the Purchase Price on the Closing Date. The Purchaser confirms that it shall deliver to the Vendor, upon request, evidence of such financial ability by way of a copy of a binding commitment letter or letter from its banking institution confirming the foregoing, or such other evidence as the Vendor may deem appropriate.

- (5) *HST/GST*. The Purchaser is a “registrant” under Part IX of the *Excise Tax Act* (Canada) and its registration number is R● or the Purchaser will be such a “registrant” at the Closing Time and will notify the Vendor of its registration number prior to such time.

5.2 **Representations and Warranties of the Vendor.**

As a material inducement to the Purchaser’s entering into this Agreement and completing the Transaction 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) *Non-Residency*: The Vendor is not now and does not intend to become, prior to Closing, a non-resident of Canada within the meaning and purpose of Section 116 of the *Income Tax Act* (Canada).
- (2) *Authority to Sell*: Subject to obtaining the Vesting Order prior to Closing, on Closing the Vendor shall have the power and authority to sell the Purchased Assets, in accordance with the terms and conditions of this Agreement and the Vesting Order.

5.3 **Survival of Representations and Warranties.**

The representations and warranties of the Purchaser and Vendor contained in Sections 5.1 and 5.2, respectively, or any other agreement, certificate or instrument delivered pursuant to this Agreement shall survive the termination of this Agreement and the completion of the Transaction.

5.4 **“As is, Where is”.**

The Purchaser acknowledges that the Vendor is selling the Purchased Assets on an “as is, where is” and “without recourse” basis as they shall exist on the Closing Date. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Purchased Assets and that the Purchaser has conducted such inspections of the condition of and title to the Purchased Assets as it deemed appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Vendor to sell or assign same save and except as expressly represented or warranted herein. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation do not apply hereto and have been waived by the Purchaser. Without limiting the generality of the foregoing, the Purchaser acknowledges having conducted its own due diligence and investigations in respect of the environmental state of the Real Property, the existence, nature, kind, state or identity of any Hazardous Materials on, under, or about the Real Property, the existence, state, nature, kind, identity, extent and effect of any administrative order, control order, stop order, compliance order or any other orders, proceedings or actions under any Environmental Law, and the existence, nature, kind, state or identity, extent and effect of any liability to fulfill any obligation to compensate any third party for any costs incurred in connection with or damages suffered as a result of any discharge of any Hazardous Materials whether on, under or about the Real Property or elsewhere. The description of the Purchased Assets contained in the Schedules hereto is for the purpose of identification only. No representation, warranty or condition has or will be given by the Vendor concerning completeness or the accuracy of such descriptions. The Purchaser further acknowledges that all written and oral information (including, without limitation, analyses, financial information and projections, compilations and studies) obtained by the Purchaser from the Vendor with respect to the Purchased Assets or otherwise relating to the Transaction

has been obtained for the convenience of the Purchaser only and is not warranted to be accurate or complete. The Purchaser further acknowledges that the Vendor shall be under no obligation to deliver the Purchased Assets to the Purchaser and that it shall be the Purchaser's responsibility to take possession of the Purchased Assets. The Purchaser Acknowledges that the Vendor may leave any unwanted inventory at the Premises on Closing at no cost to the Vendor.

5.5 **Encroachments.**

The Purchaser agrees that the Vendor shall not be responsible for any matters relating to encroachments on or to the Real Property, or encroachments onto adjoining lands, or to remove same, or for any matters relating to any applicable zoning regulations or by-laws in existence now or in the future affecting any of the Real Property, and accepts that title shall be conveyed subject to the Permitted Encumbrances

5.6 **Employees.**

The Purchaser may offer employment, as of the Closing Time, to those Employees it so wishes to employ on terms and conditions of employment which are substantially similar to the current terms provided. For greater certainty, the Purchaser shall not be obligated to offer employment to any Employee. The Purchaser shall provide the Vendor with the names of Employees who will not be offered employment or who have not accepted an offer of employment by no later than five (5) Business Days prior to Closing. For greater certainty, any Employees not terminated prior to Closing shall remain Employees of the Vendor until terminated by the Vendor.

ARTICLE 6 POST-CLOSING MATTERS

6.1 **Access**

The Purchaser shall provide the Vendor with access to the Books and Records for a period of six (6) years after Closing. The Purchaser shall not destroy the Company's books and records without providing the Vendor with thirty (30) days' written notice of the Purchaser's intention to destroy such books and records. If the Vendor objects to the destruction of any or all of the Books and Records within thirty (30) days of receiving such notice, the Vendor shall be responsible to collect such Books and Records from the Purchaser at a mutually agreeable date and time, failing which the Purchaser may proceed to destroy such Books and Records.

6.2 **Short-Term Lease of Real Property**

The Vendor shall have an option to occupy the Real Property for a period of up to 60 days after closing for a total payment to the Purchaser of \$50,000 based on occupation for the full 60-day period, plus payment of all charges for utilities consumed during such occupancy along with pro-rated (on a daily basis) real property taxes and any other taxes payable by a Tenant in occupancy or payable by the Vendor in operation of the Real Property. If the Vendor exercises that option:

- (a) the Vendor may vacate the Real Property at any time by giving 10 Business Days' notice to the Purchaser, and shall only be responsible for payment of a pro-rated amount of occupation rent based on the actual period of occupation. Any prepaid rent paid to the Purchaser by the Vendor for the unoccupied period shall be refunded by the Purchaser to the Vendor within two business days;

- (b) the Purchaser may begin to move into the Real Property provided that it does not interfere with the Vendor's operations.

6.3 **Non-Merger.**

Each party hereby agrees that all provisions of this Agreement, other than the conditions in Article 4, shall forever survive the execution, delivery and performance of this Agreement, Closing and the execution, delivery and performance of any and all documents delivered in connection with this Agreement.

6.4 **Further Assurances.**

Each Party shall promptly do, execute, deliver or cause to be done, executed and delivered all further acts, documents and things in connection with this Agreement that the other Party may reasonably require, for the purposes of giving effect to this Agreement.

ARTICLE 7 **GENERAL**

7.1 **Expenses.**

Each Party shall be responsible for its own legal and other expenses (including any Taxes imposed on such expenses) incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the Transaction and for the payment of any broker's commission, finder's fee or like payment payable by it in respect of the purchase and sale of the Purchased Assets pursuant to this Agreement.

7.2 **Payment of Taxes.**

Except as otherwise provided in this Agreement, the Purchaser shall pay all Taxes applicable to, or resulting from Transaction (other than Taxes payable under applicable legislation by the Vendor) and any filing or recording fees payable in connection with the instruments of transfer provided for in this Agreement. The Purchaser shall indemnify and save the Vendor harmless from and against any and all costs, expenses, liabilities and damages incurred or suffered by the Vendor as a result of the failure of the Purchaser to pay any Taxes.

7.3 **Electronic Registration.**

The Purchaser agrees to cause all necessary procedures to be taken, as may be required by the Vendor or the Vendor's solicitors, to complete the Transaction using the system for electronic registration ("**Ereg**") that is operative and mandatory in the applicable land registry office for the Real Property, in accordance with the Law Society of Ontario's guidelines. If Ereg is operative on the Closing Date, (i) the Purchaser agrees to use a lawyer authorized to use Ereg and who is in good standing with the Law Society of Ontario, (ii) the Purchaser's solicitors will enter into the Vendor's solicitors' standard form of escrow closing agreement or document registration agreement, which will establish the procedures for closing the Transaction provided same are in accordance with Law Society guidelines, and (iii) if the Purchaser's Solicitors are unwilling or unable to complete the Transaction using Ereg, then the Purchaser's Solicitors must attend at the Vendor's Solicitors' office or at another location designated by the Vendor's Solicitors at such time on Closing as directed by the Vendor's Solicitors to complete the Transaction using Ereg

utilizing the Vendor's Solicitors' computer facilities, in which event, the Purchaser shall pay to the Vendor's Solicitors a reasonable fee therefor.

7.4 **Announcements.**

Except as required by law, all public announcements concerning the Transaction or contemplated by this Agreement shall be jointly approved as to form, substance and timing by the parties to this Agreement after consultation.

7.5 **Notices.**

- (1) Any notice, 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 mail, or (iii) sent prepaid by fax or other similar means of electronic communication, in each case to the applicable address set out below:

- (i) if to the Vendor, to:

THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS
245 West Beaver Creek Rd, Unit 2
Richmond Hill, Ontario L4B 1L1

Attention: Larry Wolfman
Email: larrywolfman@pariskitchens.ca

with a copy to:

Chaitons LLP
5000 Yonge St, 10th Floor
Toronto, Ontario M2N 7E9

Attention: George Benchetrit
Email: george@chaitons.com

- (ii) if to the Purchaser, to:

2486666 Ontario Inc.
1550 Caterpillar Rd
Mississauga, ON
L4X1E7

Attention: Derek McGeachie
Email: derek@mi5print.com

with a copy to:

Peter R Welsh Professional Corporation
Suite 203-1540 Cornwall Road
Oakville, Ontario L6J 7W5
Email: peter@welshlaw.ca

Tel: (905) 337-3121
Fax: (905) 337-3272

- (iii) all notices shall also be sent to:

KSV RESTRUCTURING INC.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

Attention: Robert D. Kofman
Email: bkofman@ksvadvisory.com

with a copy to:

AIRD & BERLIS LLP
181 Bay Street, Suite 1800
Toronto, Ontario M5J 2T9

Attention: Kyle Plunkett
Email: kplunkett@airdberlis.com

- (2) 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 sending by electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 4:30 p.m. 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. Any such communication sent by mail shall be deemed to have been given and made and to have been received on the fifth (5th) Business Day following the mailing thereof; provided however that no such communication shall be mailed during any actual or apprehended disruption of postal services. Any such communication given or made in any other manner shall be deemed to have been given or made and to have been received only upon actual receipt.
- (3) Any Party may from time to time change its address under this Section 7.5 by notice to the other Party given in the manner provided by this Section.

7.6 **Time of Essence.**

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

7.7 **Time Periods.**

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

7.8 **Entire Agreement.**

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions, understandings and agreements between the Parties pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, oral or written, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

7.9 Amendments and Waiver.

No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Purchaser and the Vendor. The Vendor and the Purchaser may consent to any such amendment at any time prior to the Closing with the prior authorization of their respective boards of directors. No waiver by either Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

7.10 Severability.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall 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.

7.11 Language.

The Parties have required that this Agreement and all deeds, documents and notices relating to this Agreement be drawn up in the English language.

7.12 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 in that Province and shall be treated, in all respects, as a Ontario contract.

7.13 Successors and Assigns.

No party to this Agreement shall have the right to assign any of its rights and obligations hereunder without the prior written consent of the other party hereto which consent shall not be unreasonably withheld. The Purchaser may assign its rights and obligations under this Agreement to an affiliate of the Purchaser, provided that the Purchaser remains liable, jointly, with such affiliate for all the obligations of the Purchaser hereunder. To the extent that any such assignment occurs, this Agreement and all provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

7.14 No Third Party Beneficiaries.

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns or as specifically referred to herein.

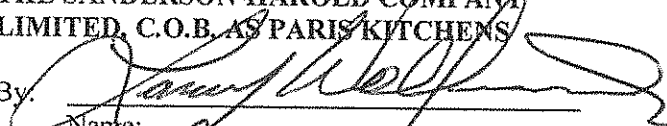
7.15 **Counterparts.**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original, faxed or email PDF form and the parties adopt any signatures received by a receiving fax machine or email PDF as original signatures of the parties; provided, however, that any party providing its signature in such manner shall promptly forward to the other party an original of the signed copy of this Agreement which was so faxed or emailed.

[remainder of page intentionally left blank]


IN WITNESS WHEREOF the parties have executed this Agreement.

THE SANDERSON-HAROLD COMPANY
LIMITED, C.O.B. AS PARIS KITCHENS

By: 
Name:
Title:

I have authority to bind the corporation.

2486666 ONTARIO INC.

By: 
Name: Derek McGeachie
Title: President

I have authority to bind the corporation

SCHEDULE 1.1(1)

Acquired Contracts

SCHEDULE 1.1(2)

Acquired Personal Property Leases

SCHEDULE 1.1(28)

Permitted Liens

SCHEDULE 1.1(35)

REAL PROPERTY

PIN	32024 – 0739 LT
DESCRIPTION	PT LT 24, BLK 21, PL 492 PARIS; PT LT 32, CON 1, SOUTH DUMFRIES, AS IN A224350 (SECONDLY) EXCEPT PT 1, 2R7375; COUNTY OF BRANT

PIN	32024 – 0741 LT
DESCRIPTION	PT BLK 6, PL 492 & PT LT 32, CON 1, TOWN OF PARIS, PT 1, 2R4155 EXCEPT PT 2, 2R7375; T/W A418033; COUNTY OF BRANT

SCHEDULE 2.2

Allocation of Purchase Price

[REDACTED]

[REDACTED]

Appendix “C”



Form 500
for use in the Province of Ontario

Agreement of Purchase and Sale Commercial



This Agreement of Purchase and Sale dated this 16 day of August, 2022
BUYER, Joseph Rancourt, In Trust for a Company to be Incorporated, agrees to purchase from
(Full legal names of all Buyers)
SELLER, THE SANDERSON-HAROLD COMPANY LIMITED, the following
(Full legal names of all Sellers)

REAL PROPERTY:

Address 38 Spruce Street
fronting on the As Per Schedule "B" side of As Per Schedule "B"
in the Town of Paris
and having a frontage of As Per Schedule "B" more or less by a depth of As Per Schedule "B" more or less
and legally described as As Per Schedule "B"
Approximately 9,888 Sq. Ft. Building on 0.311 Acres (the "property")
(Legal description of land including easements not described elsewhere)

PURCHASE PRICE: [Redacted] Dollars (CDN\$) [Redacted] Dollars

DEPOSIT: Buyer submits Upon Acceptance
(Herein/Upon Acceptance/as otherwise described in this Agreement)
Sixty Thousand Dollars (CDN\$) 60,000.00

by negotiable cheque payable to COLLIERS MACAULAY NICOLLS INC. "Deposit Holder"
to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes
of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance
of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place
the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A [Redacted] attached hereto form(s) part of this Agreement.

1. **IRREVOCABILITY:** This offer shall be irrevocable by Buyer until 5 p.m. on
the 31st day of August, 2022, after which time, if not accepted, this
offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

2. **COMPLETION DATE:** This Agreement shall be completed by no later than 6:00 p.m. on the 31st day of October,
2022. Upon completion, vacant possession of the property shall be given to the Buyer
unless otherwise provided for in this Agreement.

INITIALS OF BUYER(S): [Redacted]

INITIALS OF SELLER(S): [Redacted]



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3. **NOTICES:** The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. **Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.** Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.:
(For delivery of Documents to Seller)

FAX No.:
(For delivery of Documents to Buyer)

Email Address: christopher.thoms@colliers.com
(For delivery of Documents to Seller)

Email Address: phillip.cheung@cbr.com
(For delivery of Documents to Buyer)

4. **CHATELS INCLUDED:**

Unless otherwise stated in this Agreement or any Schedule hereto, Seller agrees to convey all fixtures and chattels included in the Purchase Price free from all liens, encumbrances or claims affecting the said fixtures and chattels.

5. **FIXTURES EXCLUDED:**

6. **RENTAL ITEMS (Including Lease, Lease to Own):** The following equipment is rented and **not** included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable:

Hot Water Tank (if applicable)

The Buyer agrees to co-operate and execute such documentation as may be required to facilitate such assumption.

7. **HST:** If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price. The Seller will not collect HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Seller in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. If the sale of the property is not subject to HST, Seller agrees to certify on or before closing, that the transaction is not subject to HST. Any HST on chattels, if applicable, is not included in the Purchase Price.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

8. ~~TITLE SEARCH~~ Buyer shall be allowed until ~~0.00 p.m.~~ fourteenth day of ~~January~~ February, 2017, (Requisition Date) to examine the title to the property at his own expense and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy himself that there are no outstanding work orders or deficiency notices affecting the property, that its present use M3 may be lawfully continued and that the principal building may be insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver all further authorizations in this regard as Buyer may reasonably require.

9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.

10. **TITLE:** ~~Provided that the title to the property is good and free from all registered restrictions, charges, liens and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telephone services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire (Title Insurance) in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.~~

11. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Upper Canada. Unless otherwise agreed to by the lawyers, such exchange of the Requisite Deliveries will occur in the applicable Land Titles Office or such other location agreeable to both lawyers.

12. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.

13. **INSPECTION:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this offer there shall be a binding agreement of purchase and sale between Buyer and Seller.

14. **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.

INITIALS OF BUYER(S):



INITIALS OF SELLERS(S):



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15. **PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.
16. **DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O.1990.
17. **RESIDENCY:** (a) Subject to (b) below, the Seller represents and warrants that the Seller is not and on completion will not be a non-resident under the non-residency provisions of the Income Tax Act which representation and warranty shall survive and not merge upon the completion of this transaction and the Seller shall deliver to the Buyer a statutory declaration that Seller is not then a non-resident of Canada;
(b) provided that if the Seller is a non-resident under the non-residency provisions of the Income Tax Act, the Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate.
18. **ADJUSTMENTS:** Any rent, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.
19. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
20. **PROPERTY ASSESSMENT:** The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage, Broker or Salesperson, for any changes in property tax as a result of a re-assessment of the property, save and except any property taxes that accrued prior to the completion of this transaction.
21. **TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money shall be tendered with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.
22. **FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O. 1990 unless the spouse of the Seller has executed the consent hereinafter provided.

23. ~~WELL: Seller represents and warrants to Buyer that during the time Seller has owned the property Seller has not assessed any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is purchased multiple times this warranty shall only apply to that part of the building which is the subject of this transaction.~~
24. **LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.
25. **CONSUMER REPORTS:** The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.
26. **AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.
27. **TIME AND DATE:** Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S):



INITIALS OF SELLER(S):

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2B. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

Joseph Kancourt, In Trust for a Company to be Incorporated
[Signature] [Seal] DATE 8/16/2022
[Witness] [Buyer/Authorized Signing Officer] [Seal] DATE

I, the Undersigned Seller, agree to the above offer. I hereby irrevocably instruct my lawyer to pay directly to the brokerage(s) with whom I have agreed to pay commission, the unpaid balance of the commission together with applicable Harmonized Sales Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the brokerage(s) to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

THE SANDERSON-HAROLD COMPANY LIMITED
[Signature] [Seal] DATE August 26/2022
[Witness] [Seller/Authorized Signing Officer] [Seal] DATE

SPOUSAL CONSENT: The undersigned spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O. 1990, and hereby agrees to execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

[Witness] [Spouse] [Seal] DATE

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at 6:56 p.m. a.m./p.m. this 26th day of August, 2022.

PLEASE SIGN HERE

[Signature] (Signature of Seller or Buyer)

INFORMATION ON BROKERAGE(S)

Listing Brokerage **COLLIERS MACAULAY NICOLLS INC.** Tel. No. 519-570-1330
CHRISTOPHER R.R. THOMS
(Salesperson / Broker Name)
Co-op/Buyer Brokerage **CBRE LIMITED** Tel. No. (416) 674-7900
PHILLIP CHEUNG
(Salesperson / Broker Name)

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and authorize the Brokerage to forward a copy to my lawyer.

[Signature] DATE August 27th
(Seller) [Seal] DATE

Address for Service Tel. No.

Seller's Lawyer

Address

Email

Tel. No.

FAX No.

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

[Signature] DATE
(Buyer) [Seal] DATE

Address for Service Tel. No.

Buyer's Lawyer

Address

Email

Tel. No.

FAX No.

FOR OFFICE USE ONLY


COMMISSION TRUST AGREEMENT

For Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale: In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS® Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS® Rules and shall be subject to and governed by the MLS® Rules pertaining to Commission Trust.

DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale. Acknowledged by:

[Authorized to bind the Listing Brokerage]

[Authorized to bind the Co-operating Brokerage]

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Schedule "A" to Agreement of Purchase and Sale

1. In the event of any conflict or inconsistency between any provision of this Schedule "A" and any provision of the Agreement of Purchase and Sale, the provisions of this Schedule "A" shall govern and prevail.
2. The Buyer agrees to pay the balance of the purchase price by cash or certified cheque to the Seller on closing, subject to the usual adjustments.
3. If the transaction is not completed as a result of the Buyer's failure to perform any of its obligations under this Agreement, then the Deposit shall be forfeited to the Seller which shall also retain all of its other rights and remedies against the Buyer available at law or in equity.
4. The Property is being sold and shall be accepted by the Buyer on an "as is, where is" and "without recourse" basis with no representations, warranties or condition, express or implied, statutory or otherwise, of any nature and kind whatsoever as to title, encumbrances, description, present or future use, fitness for use, environmental condition including the existence of hazardous substances, merchantability, quantity, defect (latent or patent), condition, location of structures, zoning or lawful use of the property, rights over adjoining properties and any easements, rights-of-way, rights of re-entry, restrictions and/or covenants which run with or affecting the land, ingress and egress to the property, the condition or state of repair of any chattels, encroachments on the property by adjoining properties or encroachments by the property on adjoining properties, if any, any outstanding work orders, orders to comply, deficiency notices, municipal or other governmental agreements or requirements (including site plan agreements, development agreements, subdivision agreements, building or fire codes, building and zoning by-laws and regulations, development fees, imposts, lot levies and sewer charges) or any other matter or thing whatsoever, either stated or implied. The Buyer acknowledges having reviewed the state of title to the Property and agrees to accept title subject to all of the foregoing.
5. The Seller's obligations contained in this Agreement shall be conditional upon the Seller receiving an order of the Ontario Superior Court of Justice in a form satisfactory to the Seller, acting reasonably, approving the sale of the Property and vesting title thereto in the Buyer, free and clear of all claims and encumbrances against the Property, save for any permitted encumbrances described in paragraph 8 below (the "Court Approval").
6. The Seller covenants and agrees to use reasonable commercial efforts to attempt to obtain the Court Approval. If the sale of the Property is not approved by the Court, this Agreement shall be terminated without any penalty or liability whatsoever to the Seller or the Buyer, other than the return by the Seller to the Buyer of the Deposit, but without cost or other compensation, and each of the Seller and the Buyer shall be released from all other obligations hereunder except for the obligations of the Buyer that are specifically stated herein to survive Closing or other termination of this Agreement.
7. The description of the Property contained in this Agreement is for the purposes of identification only and no representation, warranty or condition has or will be given by the Seller concerning the existence or accuracy of such description.



8. The Buyer shall accept title to the Property subject to, and whether complied with or not, any and all registered restrictions, agreements or covenants which run with the land, registered easements for the supply of utilities and services to the Property or through the Property to adjoining/adjacent properties or other easements, registered leases, rights-of-way, rights of re-entry by-laws, standard subdivision or site plan agreements (including any levies or charges payable thereunder) with the Municipality and/or Public Utility, and any encroachments.
9. The Seller shall not be required to deliver a discharge, release or reassignment of any charge/mortgage of land, assignment, lien or other encumbrance registered against the title to the Property which would be extinguished by an order of the Court referred to in paragraph 5 above.
10. The Seller does not guarantee title to the chattels and does not warrant the condition or state of repair of the chattels. The Buyer must satisfy itself in this regard, and accept the fixtures and chattels on an "as-is, where-is" basis. The Seller shall not provide a bill of sale for any chattels or fixtures, and shall make no further adjustments or abatement in the purchase price with respect thereto. The Seller will not remove and shall not be responsible for the removal of any chattels found on the Property prior to or on the date of closing.
11. The Buyer shall have the right at any time prior to closing to assign this Agreement to a corporation and/or person, and when such assignment shall have been made and written notice thereof shall have been given to the Seller or its solicitors, the assignee shall assume all of the Buyer's rights and obligations hereunder to the same extent and in the same manner as if such assignee had executed this Agreement as Buyer, however Joseph Rancourt shall have personal liability for the Buyer's obligations under this Agreement and shall not be released from his obligations notwithstanding any assignment thereof.
12. Prior to completion, the Seller shall: (a) remove any garbage around and inside the Property and deliver the Property in a broom-swept condition; and (b) provide vacant possession.
13. The Buyer covenants and agrees not to register Notices of this Agreement, assignment thereof, Caution, Certificate of Pending Litigation, or any other instrument or reference to this Agreement or to his/her/its interest in the Property. If any such registration occurs, the Seller may, at its option, terminate this Agreement and all deposit monies shall be forfeited as liquidated damages and not as a penalty. The Buyer hereby irrevocably consents to a court order removing any such registrations and agrees to bear all costs in obtaining such order.

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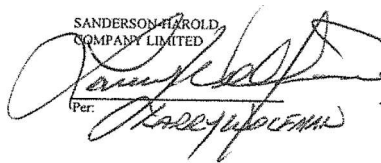
Appendix “D”

Sanderson-Harold Company Limited (o/a Paris Kitchens)
Projected Cash Flow Statement
For the Period Ending November 13, 2022
(Unaudited; \$CAD in 000's)

		Week Ending								
	Note	23-Sep	30-Sep	7-Oct	14-Oct	21-Oct	28-Oct	4-Nov	13-Nov	Total
Receipts										
Accounts receivable collections	2	438	388	473	435	347	346	465	291	3,183
Prepaid sale deposit collections	3	82	70	55	46	24	23	11	-	311
Total Receipts		<u>520</u>	<u>458</u>	<u>528</u>	<u>480</u>	<u>370</u>	<u>369</u>	<u>476</u>	<u>291</u>	<u>3,493</u>
Disbursements										
Operating Disbursements										
Payroll	4	60	203	60	194	60	192	60	168	997
Materials	5	82	75	68	71	64	62	30	30	482
Installation	6	-	140	-	140	-	107	-	125	512
Other	7	54	211	87	112	55	205	104	30	853
Debt Service	8	-	7	-	-	-	7	-	-	14
		<u>196</u>	<u>636</u>	<u>216</u>	<u>516</u>	<u>179</u>	<u>573</u>	<u>194</u>	<u>353</u>	<u>2,862</u>
Other Disbursements										
Professional fees	9	122	-	-	-	150	-	-	-	272
Total Disbursements		<u>318</u>	<u>636</u>	<u>216</u>	<u>516</u>	<u>329</u>	<u>573</u>	<u>194</u>	<u>353</u>	<u>3,134</u>
Net Cash Flow		<u>202</u>	<u>(178)</u>	<u>313</u>	<u>(36)</u>	<u>41</u>	<u>(204)</u>	<u>282</u>	<u>(61)</u>	<u>359</u>
Operating facility, beginning										
Add: Net cash flow		(1,839)	(1,637)	(1,815)	(1,502)	(1,538)	(1,497)	(1,701)	(1,419)	(1,839)
Less: BMO DIP advance		202	(178)	313	(36)	41	(204)	282	(61)	359
Operating facility, ending		<u>(1,637)</u>	<u>(1,815)</u>	<u>(1,502)</u>	<u>(1,538)</u>	<u>(1,497)</u>	<u>(1,701)</u>	<u>(1,419)</u>	<u>(1,480)</u>	<u>(1,480)</u>
DIP facility, beginning										
BMO DIP advance		(134)	(134)	(134)	(134)	(134)	(134)	(134)	(134)	(134)
DIP facility, ending		<u>(134)</u>	<u>(134)</u>	<u>(134)</u>	<u>(134)</u>	<u>(134)</u>	<u>(134)</u>	<u>(134)</u>	<u>(134)</u>	<u>(134)</u>
Operating and DIP facility, ending										
		<u>(1,771)</u>	<u>(1,949)</u>	<u>(1,636)</u>	<u>(1,672)</u>	<u>(1,631)</u>	<u>(1,834)</u>	<u>(1,553)</u>	<u>(1,614)</u>	<u>(1,614)</u>

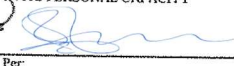
The above financial projections are based on management's assumptions detailed in Appendix "1-1".
The note references correspond to the assumption numbers shown in Appendix "1-1".

SANDERSON-HAROLD
COMPANY LIMITED

Per: 

Date: September 15, 2022

KSV RESTRUCTURING INC.
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL AND NOT
IN ITS PERSONAL CAPACITY

Per: 

Date: September 15, 2022

Purpose and General Assumptions

1. The purpose of the projection is to present a forecast of the cash flow of Sanderson-Harold Company Limited (o/a Paris Kitchens) (the "Company") for the period ending November 13, 2022 (the "Period").

The projected cash flow statement has been prepared based on hypothetical and most probable assumptions developed and prepared by the Company

Hypothetical

2. Represents projected collections of sales and accounts receivables. Excludes proceeds from the projected October 31, 2022 closing of the sale of the property located at 38 Spruce Street.
3. Represents prepaid deposits collected from customers in advance of sales to these customers.

Most Probable

4. Reflects payment of gross payroll and vacation pay.
5. Reflects payments to vendors in respect of materials required to complete sales.
6. Reflects payment of labour to install cabinets.
7. Reflects payment of operating costs, including utilities, trucking, waste removal and insurance.
8. Reflects interest on the operating facility.
9. Reflects estimated professional costs of the Proposal Trustee, its counsel and the Company's counsel.

**Report on Cash Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the BIA)**

The management of The Sanderson-Harold Company Limited, c.o.b. as Paris Kitchens (the "Company") has developed the assumptions and prepared the attached statement of projected cash flow of the Company for the period ending November 13, 2022.

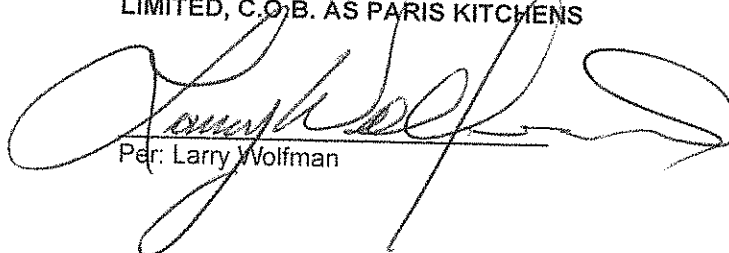
The hypothetical and probable assumptions are suitably supported and consistent with the purpose of the projection and the plans of the Company and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 2 to 9.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in Note 1, using a set of hypothetical and probable assumptions set out in Notes 2 to 9. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, this 15th day of September, 2022.

THE SANDERSON-HAROLD COMPANY
LIMITED, C.O.B. AS PARIS KITCHENS



Per: Larry Wolfman

Appendix “E”

**Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)**

The attached statement of projected cash-flow of The Sanderson-Harold Company Limited, c.o.b. as Paris Kitchens (the "Company"), as of the 15th day of September, 2022, consisting of a weekly cash flow statement for the period September 17, 2022 to November 13, 2022, has been prepared by the management of the insolvent person for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2-9.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

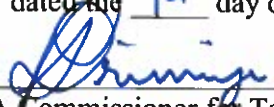
Dated this 15th day of September, 2022.

**KSV RESTRUCTURING INC.
TRUSTEE**



Per: Robert Kofman

This is **EXHIBIT “ D ”**referred to in the
Affidavit of EDELLA (ELLA) PRICE
dated the 15 day of MAY, 2023.



A Commissioner for Taking Oaths, Etc.

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

THE HONOURABLE MR.)	FRIDAY, THE 23 RD DAY
)	
JUSTICE OSBORNE)	DAY OF SEPTEMBER, 2022

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS
IN THE CITY OF VAUGHAN, IN THE PROVINCE OF ONTARIO**

APPROVAL AND VESTING ORDER

THIS MOTION, made by The Sanderson-Harold Company Limited, c.o.b. as Paris Kitchens (the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an Asset Purchase Agreement (the “**Sale Agreement**”) between the Debtor and 2486666 Ontario Inc. (“**248 Ontario**”) entered into on August 26, 2022 and appended to the Third Report of the Proposal Trustee, KSV Restructuring Inc. (the “**Proposal Trustee**”) dated September 16, 2022 (the “**Third Report**”), and assigned by 248 Ontario to 1000296348 Ontario Inc. (the “**Purchaser**”), and vesting in the Purchaser the Debtor’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”), was heard this day at Toronto via video conference.

ON READING the Third Report and the appendices thereto, and on hearing the submissions of counsel for the Proposal Trustee and counsel for the Debtor, and such other counsel as listed on the Participant Information Form, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Antoinette De Pinto sworn September 16, 2022, filed:

1. **THIS COURT ORDERS** that the time for service and filing of the notice of this motion and the motion record of the Debtor is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Debtor is hereby authorized and approved, with such minor amendments as the Debtor and the Proposal Trustee may deem necessary. The Debtor and the Proposal Trustee are 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.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Proposal Trustee's certificate to the Purchaser substantially in the form attached as **Schedule "A"** hereto (the "**Proposal Trustee's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement 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 orders made in this proceeding (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 "B"** hereto); and (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.

4. **THIS COURT DIRECTS** that upon 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 real property described in **Schedule "C"** hereto (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Encumbrances listed in **Schedule "D"** hereto.

5. **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 Proposal Trustee'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.

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

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Debtor is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. 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.

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

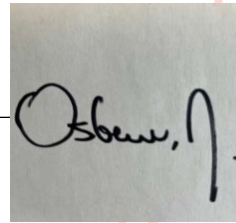
- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made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

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 and shall not be void or voidable by creditors of the Debtor, 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.

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 Proposal Trustee 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 Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Proposal Trustee and its agents in carrying out the terms of this Order.

10. **THIS COURT ORDERS** that this Order is effective from the date it is made and is enforceable without any need for entry and filing.

A rectangular stamp containing a handwritten signature in black ink. The signature appears to be "Osborn, J." written in a cursive style.

2022.09.

23

13:19:18

-04'00'

Schedule A – Form of Proposal Trustee’s Certificate

Court File No. BK-22-02835198-0031

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

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS
IN THE CITY OF VAUGHAN, IN THE PROVINCE OF ONTARIO**

PROPOSAL TRUSTEE’S CERTIFICATE

RECITALS

A. Pursuant to a Notice of Intention to Make a Proposal, filed May 31, 2022, by The Sanderson-Harold Company Limited, c.o.b. as Paris Kitchens (“**the Debtor**”) under Section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, C. B-3, KSV Restructuring Inc. was appointed as the Proposal Trustee in these proceedings (the “**Proposal Trustee**”).

B. Pursuant to an Order of the Honourable Justice Osborne of the Ontario Superior Court of Justice (the “**Court**”) dated September 23, 2022, the Court approved the Asset Purchase Agreement entered into on August 26, 2022 (the “**Sale Agreement**”) between the Debtor and 2486666 Ontario Inc. (“**248 Ontario**”), and assigned by 248 Ontario to 1000296348 Ontario Inc. (the “**Purchaser**”), and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the purchased assets (as described in the Sale Agreement) (the “**Purchased Assets**”), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Proposal Trustee 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 the Sale Agreement have been satisfied or waived; and (iii) the Transaction has been completed to the satisfaction of the Proposal Trustee.

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

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Proposal Trustee has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement.
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived.
3. The Transaction has been completed to the satisfaction of the Proposal Trustee.

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

KSV RESTRUCTURING INC., in its capacity as Proposal Trustee named in the Notice of Intention to Make a Proposal of The Sanderson-Harold Company Limited, c.o.b. as Paris Kitchens, and not in its personal or corporate capacities

Per: _____

Name:

Title:

Schedule B – Permitted Encumbrances, Easements and Restrictive Covenants

No.	Registration No.	Registration Date	Instrument Type	Parties To	PIN
1.	2R4155	1992/03/06	Plan Reference	N/A	33024 – 0741

Schedule C – Real Property

23 Railway Street, Paris, Ontario, legally described as:

PIN	32024 – 0739 LT
DESCRIPTION	PT LT 24, BLK 21, PL 492 PARIS; PT LT 32, CON 1, SOUTH DUMFRIES, AS IN A224350 (SECONDLY) EXCEPT PT 1, 2R7375; COUNTY OF BRANT

PIN	32024 – 0741 LT
DESCRIPTION	PT BLK 6, PL 492 & PT LT 32, CON 1, TOWN OF PARIS, PT 1, 2R4155 EXCEPT PT 2, 2R7375; T/W A418033; COUNTY OF BRANT

Schedule D – Encumbrances to be Deleted and Expunged from Title to the Property

No.	Registration No.	Registration Date	Instrument Type	Parties To	PIN
1.	BC418965	2021/12/10	Charge	Pillar Capital Corp.	32024 – 0739, 32024 – 0741
2.	BC418966	2021/12/10	No Assng Rent Gen	Pillar Capital Corp.	32024 – 0739, 32024 – 0741
3.	BC418985	2021/12/10	Charge	Bank of Montreal	32024 – 0739, 32024 – 0741

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF THE SANDERSON-HAROLD COMPANY
LIMITED, C.O.B. AS PARIS KITCHENS**

Estate/Court File No.: BK-22-02835198-0031

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

APPROVAL AND VESTING ORDER

CHAITONS LLP

5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

George Benchetrit (LSO #34163H)

Tel: (416) 218-1141

E-mail: george@chaitons.com

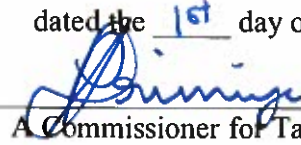
Laura Culleton (LSO #82428R)

Tel: (416) 218-1128

E-mail: laurac@chaitons.com

**Lawyers for The Sanderson-Harold Company
Limited, c.o.b. as Paris Kitchens**

This is **EXHIBIT “ E ”**referred to in the
Affidavit of EDELLA (ELLA) PRICE
dated the 1st day of MAY, 2023.

A handwritten signature in blue ink, appearing to read "D. Price", is written over a horizontal line.

A Commissioner for Taking Oaths, Etc.

COLLECTIVE AGREEMENT

THIS AGREEMENT entered into this 1st day of February 2021

between

**THE SANDERSON-HAROLD COMPANY LIMITED
(Hereinafter known as the “Company”)**

and

**UNITED BROTHERHOOD OF CARPENTERS
AND JOINERS OF AMERICA, Local 1072
(Hereinafter known as the “Union”)**

On Behalf of Carpenters Local 1072

ARTICLE 1 - PURPOSE OF AGREEMENT

- 1.01 The general purpose of this Agreement is to establish mutually satisfactory relations between the Company and its employees, to provide machinery for the prompt and equitable disposition of grievances, and to establish and maintain satisfactory working conditions, hours of work and wages for all employees who are subject to the provisions of this Agreement.
- 1.02 It is the purpose and intent of the Company and the Union in making this agreement to develop, maintain and improve relationships between the Company, the Union and the employees represented by the Union. The mutual interest of the Company, the Union and the employees include the maintenance and improvement of both the quality and quantity of service to our customers so that we may keep and improve our competitive position recognizing that such improvement has been the constant basis of greater stability of employment, creation of new employment and increased general and individual living standards. As such, the parties are committed to the concept of cooperation and working together to improve quality, production of and on time delivery of product to ensure continued customer satisfaction.

ARTICLE 2 – RECOGNITION AND RELATIONSHIP

- 2.01 The Company recognizes the Union as the sole collective bargaining agent for all its employees working in or out of Paris, Ontario, save and except foremen, persons above the rank of foreman, office and sales staff, and students employed during the school vacation period. The Company will advise the Union, on the date of their employment, of the names of those hired as students.
- 2.02 Supervisors shall not replace employees in their positions but they may perform work of the bargaining unit provided such work does not result in a layoff or prevent a recall of a laid off employee who is capable of performing the work.

ARTICLE 3 – UNION SECURITY AND CHECK-OFF

3.01 Probationary Employees

The parties hereto mutually agree that all present employees are Union members and shall maintain their membership and every new employee upon completion of the probationary period (after five hundred and sixty (560) total hours worked), shall join the Union and remain a member of the Union in good standing as a condition of continued employment with the Company.

- 3.02 The Company reserves the right to extend this probationary period up to an additional one hundred and sixty (160) hours should further evaluation be required. The Company must notify the Union and said employee in writing no later than two (2) weeks prior to the end of the probationary period.

3.03 Union Dues

The Company agrees during the term of this Agreement to deduct from the wages of each employee in the bargaining unit who has completed the probationary period an amount equal to the regularly authorized Union dues and to remit to the Financial Secretary of the Union the monies deducted along with a list of names of the employees, their Social Insurance Number and the current address and phone number from whom deductions were made and the amounts so deducted.

- 3.04 The Company further agrees that it will deduct from the wages of new employees upon completion of the probationary period, an amount equal to the regularly authorized Union initiation fee. The amount so deducted shall be remitted to the Financial Secretary of the Union along with the Union dues for that month.
- (a) Upon written notification from the Union, the Company agrees to deduct back dues from employees who were on lay-off, leave of absence, vacation, illness, and remit same to the Financial Secretary together with all other deductions for the current month.
 - (b) The Union agrees to save the Company harmless from any claims having to do with deductions made under this Article.

ARTICLE 4 – UNION REPRESENTATION

4.01 Union Representative

- (a) The Company recognizes the right of the Union to appoint four (4) shop stewards. Three (3) of whom works on days and one (1) of whom works on nights.
 - (b) The said four (4) stewards shall form the Plant Committee and one (1) of them shall be named the Chief Steward. All stewards, including the Chief Steward, shall be regular employees of the Company who have passed their probationary period.
 - (c) The Company will inform the Chief Steward of new hires within three (3) working days of their commencing work with the Employer.
- 4.02 The name of each of the stewards from time to time selected, shall be given to the Company in writing and the Company shall not be required to recognize any such steward until it has been so notified in writing by the Union of the name of same.
- 4.03 The Company undertakes to instruct all members of its supervisory staff to co-operate with the stewards in the carrying out of the terms and requirements of this Agreement.
- 4.04 The Union undertakes to secure from its officers, stewards and members their co-operation with the Company and with all persons representing the Company in a supervisory capacity.
- 4.05 For the purposes of layoff only under this Article the Chief Steward shall be deemed to have seniority equal to his/her actual seniority plus five (5) years, and each steward shall

be deemed to have seniority plus two (2) years. If the Company is placed in a position where it is considering the layoff of the Chief Steward, the Company will notify the Union and meet, if requested, to discuss this layoff. In the event of layoffs, the Chief Steward shall be retained at work, notwithstanding his or her seniority, so long as there is work available for which he or she has the skill, competence, efficiency and reliability to perform.

4.06 If an authorized Union Representative, who is not employed by the Company, wishes to speak to the ~~local~~ Union Chief Steward in the plant about a grievance or other official Union business relating to this Agreement, he/she may do so by first obtaining permission from the Company. Such permission shall not be unreasonably denied.

4.07 The Company agrees to compensate up to, but no more than, three (3) bargaining unit employees their regular rate of pay for up to but not exceeding three days of negotiation. For the purposes of this Article, a day is defined as an eight (8) hour period of time.

4.08 Labour-Management Committee

The parties agree to establish a Labour-Management Committee composed of not more than three (3) members of the Union and not more than three (3) representatives of the Company.

The Committee shall meet upon request for the purpose of discussing issues relating to the workplace which affect either of the parties bound by this Agreement.

ARTICLE 5 – MANAGEMENT RIGHTS

5.01 The Union acknowledges that it is the exclusive function of the Company to hire, promote, demote, classify, transfer and suspend employees and also the right of the Company to discipline or discharge any employee for just cause, provided that a claim by an employee, who has acquired seniority, that he/she has been discharged or disciplined without just reasonable cause may be the subject of a grievance and dealt with as hereinafter provided. For the purpose of clarity, it is understood and agreed that an employee who is accused of a violation of the Company rules and regulations may file a grievance under this Agreement concerning same, or the Union may do so on his/her behalf.

5.02 The Union further recognizes the right of the Company to operate and manage its business in all respects. The location of the plants, the products to be manufactured, the schedules of production, the methods, the processes and means of manufacturing used, the right to decide on the number of employees needed by the Company at any time, the right to use improved methods, machinery and equipment, and jurisdiction over all operations, buildings, machinery and tools, are solely and exclusively the responsibility of the Company. The Company also has the right to make, alter and enforce from time to time reasonable rules and regulations to be observed by the employees. The Company agrees to post a copy of its rules on the Bulletin Board. In the event that an existing rule is altered or a new rule is made, then such will be posted for a period of five (5) working days before it becomes effective, with the exception of Health and Safety Rules, which become effective immediately.

- 5.03 The Company agrees that none of the rights set forth in Article 5 will be exercised in a manner inconsistent with the provisions of this Agreement, or in a manner that is arbitrary, discriminatory or in bad faith.

ARTICLE 6 - NO STRIKES, NO LOCKOUTS

- 6.01 The Union agrees that there shall be no strike and the Company agrees that there shall be no lockouts so long as this Agreement continues to operate. The terms “strike” and “lockout” shall bear the meaning given them in the Ontario Labour Relations Act, 1995, as amended from time to time.

ARTICLE 7 – NO DISCRIMINATION

- 7.01 The Company and the Union agree that there will be no discrimination, interference, intimidation, harassment, restriction or coercion exercised or practiced by any of their representatives with respect to any employee because of his/her membership or non-membership in the Union or lack of activity on behalf of the Union or by reason of exercising his/her rights under this Agreement.
- 7.02 The Union agrees that there will be no Union activity, solicitation for membership, or collection of Union dues on Company premises or during working hours except with the written permission of the Company or as specifically provided for in this Agreement.
- 7.03 The Company is committed to maintaining a workplace where all persons can work together without fear or threat of harassment or discrimination. The Company, the Union and the employees agree that every person has a right to equal treatment with respect to employment without discrimination because of race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, record of offenses, marital status, same-sex partnership status, family status, or disability, or any other ground protected by the Human Rights Code, as these terms are defined by the Ontario Human Rights Code. The parties agree to work cooperatively and to their mutual benefit on matters relating to employee to employee interpersonal strife. It is recognized that a central element of minimizing this problem is the effective application of the Ontario Human Rights Code and Ontario Occupational Health and Safety Act, pertaining to workplace violence.
- 7.04 The use of masculine or feminine gender is used in this Agreement it is for convenience only and shall refer to all genders.

ARTICLE 8 - GRIEVANCE & ARBITRATION PROCEDURE

- 8.01 Any difference between the Parties concerning the interpretation, application, operation or alleged violation of the terms and provision(s) of this Collective Agreement, including any dispute with regard to discipline or discharge (with the exception of probationary employees), shall be considered a grievance and shall be handled with the following procedure.

- 8.02 If an employee or employees has or have any grievance, which he/she or they wish to take up with the Employer, it shall be heard without undue delay in the following manner:

STEP 1

Prior to filing a written grievance, the employee(s) involved must raise the grievance directly with his/her Supervisor within five (5) days of the alleged infraction becoming known to the employee. At his/her option, the employee(s) may be accompanied by his/her Shop Steward. The Supervisor will have five (5) days to respond.

STEP 2

Failing satisfactory settlement at Step 1, the Union (either Shop Steward or Business Representative), on behalf of the employee who has a grievance or a group of employees having a grievance, dealing with the same issue, shall file a written grievance within five (5) days to his/her immediate Supervisor or his/her designate. The immediate Supervisor or his/her designate will then have seven (7) days to respond.

STEP 3

Failing satisfactory settlement at Step 2, the Union (either Shop Steward or Business Representative) and the Plant Manager or designate shall meet to discuss the grievance within ten (10) days after receipt of the Company's denial of the Step 2 grievance. The Plant Manager or designate shall render a decision in writing within ten (10) days after the close of the meeting.

STEP 4

Failing satisfactory settlement at Step 3, the Union may refer the grievance to Arbitration in accordance with Article 8.06.

- 8.03 Any time limits in the grievance proceedings may be extended by mutual agreement in writing. Such request shall not be unduly denied.
- 8.04 The Union shall have the right to initiate a group or policy grievance at Step 3 of the grievance procedure.
- 8.05 Any grievance instituted by management may be referred in writing to the chief steward within five (5) full working days of the occurrence of the circumstances giving rise to this grievance and the Plant Committee shall meet within two (2) working days thereafter with management to consider the grievance. If final settlement of the grievance is not completed within seven (7) working days of such meeting, the grievance may be referred by either party to a single arbitrator as provided in Article 7 at any time within twenty-one (21) calendar days thereafter but not later.

Arbitration

- 8.06 Where a difference arises between the parties relating to the interpretation, application or administration of the Agreement, including any questions as to whether a matter is arbitrable or where an allegation is made that this Agreement has been violated, either of the parties may, after exhausting the grievance procedure, notify the other party in writing of said desire to submit the differences or allegations to Arbitration within fifteen

(15) days of the Company's decision at Step 3 of the Grievance Procedure. At this time both parties will attempt to come to agreement on selecting a single arbitrator.

- 8.07 In the event the parties are unable to agree on a single arbitrator the Minister of Labour shall be asked to appoint one.
- 8.08 The cost and expenses of the Arbitrator shall be borne one-half (½) by the Union and one-half (½) by the Employer and any other costs and expenses of or in connection with any such Arbitration shall be borne by the party which incurs the same.
- 8.09 The Arbitrator shall not be authorized nor shall the Arbitrator assume authority to alter, modify or amend any part of this Agreement, nor to make any decision inconsistent with the provisions thereof.

ARTICLE 9 - DISCHARGE AND DISCIPLINARY CASES

- 9.01 It is recognized that a period of probation is a period during which the Company has the right to assess an employee to determine whether such employee is, in the sole opinion of the Company, acceptable for employment. It is therefore recognized that probationary employees may be released in the sole discretion of the Company during the probationary period and that such release shall be deemed to be for just cause, subject to the Human Rights Code.
- 9.02 A claim by an employee that he/she has been unjustly discharged from his/her employment shall be treated as a grievance if a written statement of such grievance is filed with the Plant Manager within four (4) working days after the employee ceases to work for the Company. All preliminary steps of the Grievance Procedure prior to Step 4 will be omitted in such case.
- 9.03 Such special grievances may be settled by confirming the management's action in regards to the employee, or by reinstating the employee with full compensation for time lost, or by any other arrangement which is just and equitable in the opinion of the conferring parties or a single arbitrator.
- 9.04 When an employee is called in to a meeting with management to be formally disciplined, he/she will be advised of the nature of the meeting prior to it happening and he/she shall have a shop steward of his/her choice present who is available at that time and afterwards have the right to interview his/her steward for a reasonable period of time before leaving the plant premises or returning back to work. For clarity, formal discipline meetings shall not occur without the presence of a shop steward. The disciplinary meeting shall not be unreasonably delayed due to the unavailability of a particular shop steward.
- 9.05 (a) All warnings, and suspensions of less than 2 weeks, which become part of the employee's employment record (excluding Serious Health and Safety Violations) shall not be considered in any disciplinary matter after a period of one (1) year provided there has been no further discipline imposed during that period. All warnings and suspensions of two weeks or more which become part of the employee's employment record (excluding Serious Health and Safety Violations) shall not be considered in any disciplinary matter after a period of eighteen (18)

months provided there has been no further discipline imposed during that period.

- (b) Any serious Health and Safety violations shall remain a part of the employee's employment record and will be considered in any further Health and Safety disciplinary matter.

9.06 In the event an employee is given a suspension, and no grievance is filed, the Company must issue the suspension no later than thirty (30) calendar days after the suspension was first given. In the event the suspension is followed by a grievance, then the suspension does not have to be served until thirty (30) calendar days after the grievance procedure has been exhausted. Should the suspension not be issued within the given time frames, the requirement to serve the suspension is abandoned, but the discipline shall stand as was issued.

ARTICLE 10 - SENIORITY

10.01 Seniority as referred to in this Agreement, shall mean length of continuous service in the employment of the Company and shall be on a plant-wide basis covering the bargaining unit employees working in and out of the Paris, Ontario plant.

10.02 An employee shall accumulate seniority under any of the following conditions:

- (a) While he/she is at work for the Company after he/her has completed his/her probationary period as set out in 15.02;
- (b) During any period when he/she is prevented from performing his/her work for the Company by reason of injury arising out of and in the course of his/her employment for the Company and for which he/she is receiving compensation under the provisions of the *Workplace Safety and Insurance Act* to a maximum of twelve (12) months.
- (c) During the first six (6) calendar months of any absence due to illness, layoff or written leave of absence;
- (d) While on job protected leaves in accordance with the Employment Standards Act.
- (e) Not during any suspension beyond two (2) weeks.

10.03 Seniority, once established for an employee shall be forfeited and the employee's employment shall be deemed to be terminated under the following conditions:

- (a) He/she voluntarily quits resigns or retires;
- (b) If he/she is discharged for just cause and is not reinstated through the grievance procedure;
- (c) Has been on layoff for a continuous period of twelve (12) months;
- (d) Has been on layoff for a continuous period of less than twelve (12) months and

who, when notified by registered mail addressed to the last address he/she has recorded with the Company, or by confirmed e-mail address, fails to notify the Company within seven (7) days of personal notice to the employee or within ten (10) days of the delivery of notice of registered mail to his/her last recorded address;

- (e) Fails to return to work immediately after the expiration of a leave of absence unless prevented from doing so by illness or other cause which is reasonable in the judgment of the Company.

10.04 The seniority list shall include each employee's name, date of employment, and current classification. This list shall be posted in the plant. A second seniority list which includes each employee's name, date of employment, current classification and rate of pay shall be provided to the Union on a semi-annual basis.

10.05 An employee's reinstatement after sick leave of more than three (3) consecutive days, will be conditional upon his/her supplying proof, satisfactory to the Company, that he/she is sufficiently recovered from the sickness which caused his/her absence to perform his/her normal duties, as permissible under the *Employment Standards Act 2000*.

LAY-OFF AND RECALL

10.06 (a) In all cases of layoff probationary employees and temporary employees shall be laid off first provided a seniority employee can perform the available work to a reasonable standard.

- (b) In filling such vacancies as described above, application forms shall be made available to all employees by the Company and can be obtained through Human Resources.

10.07 In all cases of layoff, recalls after layoffs, transfers, promotions to higher paid jobs, other than promotions to positions outside the bargaining unit, Journeyman and lead hand positions, the following factors shall be considered:

- (i) Seniority;
- (ii) Skill, competence, efficiency and reliability;

Where in the judgment of the Company, which shall not be exercised in a discriminatory or arbitrary manner, the qualifications in factor (ii) are relatively equal, seniority shall govern.

10.08 In the event that there is a layoff due to lack of work, the employees affected shall be given sixteen (16) working hours notice or sixteen (16) hours pay in lieu of notice. At the time of notice, the Chief Steward shall receive a list of those employees to be laid off.

10.09 One (1) Working Day Layoff

Subject to Article 10, the Company may layoff any employee for a temporary period not

exceeding one (1) working day as follows:

- (a) On a voluntary basis by offering the one (1) day layoff to all employees in the classification being laid off;
- (b) On the basis of skill, competence, efficiency and reliability. If these factors are relatively equal, reverse order of seniority shall govern, on a rotational basis.

10.10 It is agreed that maintenance is considered non-production work, therefore employees in the Maintenance Department shall be allowed to remain at their jobs throughout any period of layoff in production if the Company considers their continued presence necessary.

ARTICLE 11 - HOURS OF WORK AND OVERTIME

- 11.01 The following paragraphs and sections are intended to define the normal hours of work and shall not be construed as a guarantee of hours of work per day or per week or of days of work per week.
- 11.02 The standard work week shall consist of forty (40) hours per week and for day shift will be comprised of five (5) eight (8) hour days, Monday to Friday. The normal day shift hours commence between 6:30am and 7:30am. The normal start time for the afternoon shift will be between 3:00pm and 4:00pm. The normal split shift will commence between 7:00am and 9:30am.
- 11.03 Overtime at the rate of time and one-half (1 ½) the hourly rate applicable for the job being performed shall be paid for all work performed in excess of the regular scheduled daily shift, provided however, that if an employee works in excess of the said daily hours in any one day but has an unauthorized absence in the scheduled week, then overtime will be calculated on a weekly basis and an employee will be paid at the rate of time and one-half (1 ½) for all work performed in excess of forty (40) hours per week. Hours worked on a Saturday (other than a shift which starts on Friday) shall be paid at the rate of time and one-half (1 ½) provided the employee has had no unauthorized absences in that week.
- 11.04 In the event an employee is required to work on a Sunday or statutory holiday, or such day on which the statutory holiday is celebrated, then he/she shall receive overtime pay at the rate of double the employee's hourly rate for all work performed on such day.
- 11.05 All overtime shall be on a voluntary basis. However, the Company shall have the right to schedule overtime in the Maintenance Department where in its discretion overtime is required. In the case of any individual maintenance employee, the Company will consider any reasonable request to be excused from overtime work on any particular occasion for valid reasons. However, repeated refusal to work overtime when requested will be grounds for disciplinary action.

Overtime outside the Maintenance Department, when available, will be allocated by:

- a) Departmental seniority, skill, competence, efficiency and reliability.

When overtime requirements exceed the capacity of a department, the work, subject to the above noted factors in (a) above, will be allocated on a plant wide basis with respect to those employees who have signed the appropriate plant-wide overtime sign-up sheet. The plant-wide overtime sign-up sheet will be posted for one week immediately prior to each quarter and employees who wish to be considered for such overtime must sign the sheet and indicate the department for which they would like to be considered.

The list will be applicable for the quarter indicated.

Overtime will be paid as per Article 11.03 and Article 11.04.

It is agreed that should an error be made with respect to the allocation of overtime, the entitled employee will receive an alternative overtime opportunity within a reasonable period of time. No money will be payable as a result of the error.

Should an employee who has signed the list refuse overtime twice in a quarter, or accepts an overtime assignment which he/she did not have the skill, competence, efficiency and reliability to perform, his/her name will be removed from the list for the balance of that quarter subject to the grievance and arbitration procedure.

- 11.06 Any worker who leaves the plant for any reason must punch out when leaving and must punch back in on returning to the plant.
- 11.07 Employees posted to specific job functions shall be able to trade shifts with another employee within the same department, providing the trade is pre-approved in writing by the supervisor and, in the supervisor's estimation, ~~they~~ the employee accepting the shift can perform the required job function, ~~and~~ no productivity is lost, and the trade is mutually agreed to by both employees. The supervisor shall respond to all requests in writing within two (2) days.
- 11.08 The Company shall grant two (2) rest periods of ten (10) minutes duration each in each regular shift. The Company reserves the right to designate the time for such rest periods.

All regular eight (8) or ten (10) hour shifts shall be allowed one (1) five (5) minute wash-up period immediately prior to the end of the shift. All employees are required to be productive until the wash-up period begins.

When overtime is scheduled for two (2) or more hours prior to a regular shift starting, there shall be granted a rest period of ten (10) minutes prior to regular shift starting.

When overtime is scheduled for two (2) or more hours after a regular shift's end, there shall be granted a rest period of ten (10) minutes every two (2) hours after the end of the regular shift.

Weekend overtime scheduled for a minimum of four (4) hours shall be granted one rest period of ten (10) minutes after each two (2) hour period.

11.09 Reporting Pay

An employee reporting for work as usual on a regular working day, unless previously notified not to report and for whom no work at his regular job is available, shall be offered at least four (4) hours employment in other work at the employee's current hourly rate of wages, or at the Company's option, will be paid four (4) hours pay in lieu of work. This provision shall not apply if the failure to receive notice was caused by the employee's absence from work or if the failure to provide work is caused by reason of a strike or other work stoppage, machinery breakdown, fire, flood, power failure or other like cause beyond the control of the Company.

11.10 Emergency Call Back

In the event that it is necessary to call an employee back to work in case of an emergency, after he had completed his regular shift that day and returned home, he shall be given the minimum of four (4) hours pay at his regular rate of wages or time and one-half (1½) for the hours worked, whichever is the greater. The provisions of this clause shall not apply to an employee who is called in early prior to his regular shift.

ARTICLE 12 – LEAVE OF ABSENCE

12.01 The Company shall provide to all eligible employees all leaves of absence as set out in the *Employment Standards Act, 2000*. The following leave provisions are in addition to those set out in the Employment Standards Act.

12.02 Bereavement Leave

In the event of the death of an employee's father, mother, brother, sister, mother-in-law, father-in-law, step-father, step-mother, grandparents, grandchildren, the employee will be granted a leave of absence for a period of time not exceeding three (3) working days with pay. In the event of the death of an employee's son-in-law or daughter-in-law, brother-in-law, sister-in-law, the employee will be granted a leave of absence for a period of time not exceeding one (1) working day with pay. In the event of the death of an employee's spouse (including common law spouse), child(ren), the employee will be granted a leave of absence for a period of time not exceeding five (5) calendar days without loss of pay.

12.03 Should an employee request additional time off as a result of the death, an additional personal leave of absence, without pay, will be considered by the Company and not unreasonably denied.

12.04 Jury Duty

The Company shall pay an employee who is required for Jury Service, for each day of service, the difference between his/her average straight time hourly rate for the number of hours he/she normally works on his/her shift, and the payment he/she receives for Jury Service. The employee will present proof of service and the amount of pay received.

12.05 Personal Leave

- (a) Employee's requests for leave of absence must be in writing to the employee's immediate supervisor for referral to senior management. Any leave of absence that may be granted by the Company under this Article shall be without pay. Any leave of absence that exceeds thirty (30) calendar days will be without paid benefits. The employee will be given the opportunity to continue their benefits provided that the employee covers all premium costs to a maximum of three (3) months.
- (b) The Company will grant a leave of absence, without pay, to not more than two (2) employees at any one time, to attend Union conventions and conferences for a period or periods not exceeding in the aggregate fourteen (14) days in any one calendar year; provided that the granting of such leave of absence does not interfere with the efficient operation of the plant.

12.06 Notwithstanding this Article, employees shall be entitled to a leave of absence in legitimate emergencies.

12.07 Any personal leave of absence requested by an employee shall receive a response by the Company within one (1) week from the date the request was made. Confirmation will be in writing.

12.08 PREGNANCY AND PARENTAL LEAVE

Pregnancy and Parental Leave will be in accordance with the Employment Standards Act, 2000, as amended from time to time.

ARTICLE 13 – JOB POSTINGS

- 13.01 (a) The Company agrees to immediately, but in any event no later than within one (1) Week, post on the bulletin board near all employee punch clocks, for a period of three (3) working days, notice of all new jobs created and all permanent vacancies in the bargaining unit (excluding lead hands and journeyman) which are to be filled, and application forms shall be made available by the Company and may be obtained through Human Resources.
- (b) In filling such job vacancies the following factors shall be considered:
 - i. Seniority;
 - ii. Skill, competence, efficiency and reliability.

Where the qualifications in factor (ii) are relatively equal, then seniority shall govern. While it is recognized that the Company is the judge of qualifications in factor (ii) it is agreed that this judgment shall not be exercised in any arbitrary or discriminatory manner.

First preference shall be given to employees who apply. Each unsuccessful applicant will

receive a notice including reasons indicating that his/her application has not been accepted.

- (c) The Company may hire persons from outside the bargaining unit when no qualified employee applies. If the Company does not exercise its option to fill the vacancy by hiring a person(s) from outside the Bargaining Unit within forty-five (45) working days and if the vacancy is not withdrawn, the Company shall re-post the vacancy in accordance with the terms and conditions herein.
- (d) In the event that an employee has been selected to fill such permanent vacancy, then at any time within five (5) working days after being assigned to such vacancy he/she may elect to revert to his/her old classification. If the employee does accept the permanent vacancy he/she shall be precluded from applying for any new vacancy for a period of six (6) months for positions carrying a level 5 or less. For positions carrying a level 6 or greater, the period of preclusion is one (1) year unless said position is an improvement. An employee who has been selected to fill such permanent position shall be placed into the position by no later than eight (8) weeks after being selected. The vacated position shall be posted within one (1) working day. If the Company is unable to fill the vacated position, it shall notify the Union and request an extension. Such request shall not be unreasonable denied by the Union.
- (f) Only the original vacancy and the vacancy of the successful bidder to the original vacancy shall be posted. Any vacancy arising from the filling of the second vacancy will be filled at the discretion of the Company. The name of the person chosen to fill the vacancy will be posted on the bulletin board within one (1) working day of the time of the appointment.

13.02 It is agreed that any serious problems with respect to job postings may be brought directly to the attention of the General Manager by the Chief Steward prior to any grievance being filed and shall be dealt with by the General Manager or his/her designate within forty-eight (48) hours.

13.03 Temporary transfers created for reasons other than illness, accident or leave of absence shall be limited to a maximum of thirty (30) calendar days, after which they shall be posted in accordance with the provisions of Article 15.

13.04 Transfer Outside of Bargaining Unit

In the event that an employee covered by this Agreement should be promoted to a supervisory or confidential position beyond the scope of this Agreement and is later transferred to a position within the scope of this Agreement, he shall retain the seniority previously acquired and shall have added thereto the seniority accumulated while serving in such supervisory or confidential capacity which further accumulation shall not exceed six (6) months or, in the case of filling a position during an *Employment Standards Act, 2000* approved leave, twelve (12) months

ARTICLE 14 – BULLETIN BOARD

- 14.01 The Company agrees to permit the Union to post notices of meetings on Bulletin Boards provided by the Company for such purposes.

ARTICLE 15 – WAGES

- 15.01 Schedule “A” hereto which is hereby made a part of this Agreement sets forth the wage rates and classifications for hourly paid employees and includes the wage increases agreed upon during negotiations.
- 15.02 A shift premium of sixty-five cents (65¢) per hour for each hour worked by an afternoon shift employee and a shift premium of sixty-five cents (65¢) per hour for each hour worked by a night shift employee shall be paid to employees on those shifts. Additional shifts shall be staffed by those employees having skill, competence, and efficiency to perform the necessary work, in order of seniority with the least senior employees being first assigned. If only one person has the skill, competence, efficiency for the work on the additional shift but has more seniority than other employees on day shift, he or she will be assigned to the additional shift for up to two (2) weeks while a less senior employee is trained on the day shift to perform such job. On completion of such training, the trained junior employee will be assigned to the additional shift and the more senior employees shall be returned to the day shift.
- 15.03 All employees shall be merit rated at six (6) month intervals calculated from probation completion date until such time as the employee has reached the maximum rate of his/her classification. In the event that an employee receives a wage increase as a result of the said merit rating, then the increase shall become effective at the beginning of the pay period closest to the day upon which the merit rating was made pursuant to this clause. An employee’s merit rating shall be filed with the Plant Office and an employee, upon request, shall have the right to discuss his/her merit rating with the Production Managers in the presence of the employee’s steward. Any dispute with respect to merit rating, if not resolved as above, may be referred to the Labour-Management Committee in accordance with Article 4.08.
- If the Company fails to do a merit rating for eligible employees every six months, within two (2) weeks of the six-month interval, that employee shall automatically receive one-third (1/3) of the difference between his/her current rate and the maximum rate of his/her classification.
- 15.04 An employee who, for the convenience of the Company, is temporarily transferred for a period of one (1) consecutive working day or longer to another classification in which the rate of pay is different from the employee’s regular classification, shall be paid while so employed as follows:

- (a) If the rate of pay in the classification to which he/she is transferred is less than the employee’s regular rate of pay, he/she shall receive his/her own higher rate of pay.
- (b) If the rate of pay in the classification to which he/she is transferred is higher than the employee’s regular rate of pay, he/she shall receive the pay of the classification to

which he/she is temporarily transferred.

The Company will notify the Chief Steward when temporary transfers exceed three (3) working days.

- 15.05 Any employee who, for the convenience and benefit of the employee, is temporarily transferred to another classification because of layoff in the plant, breakdown of machinery, lack of work in his/her classification or other like cause, shall be paid the applicable classification rate of the classification to which he/she is transferred.
- 15.06 The Company agrees to pay all employees in the bargaining unit weekly by bank transfer no later than 3:30 pm on Thursdays.

ARTICLE 16 – HEALTH AND SAFETY

- 16.01 Both parties hereto will co-operate toward the prevention of accidents and the promotion of safety and health of employees of the Company. It is hereby agreed that it shall be the duty of the employees to make use of all protective devices and equipment made available by the Company.
- 16.02 To further these aims, the Company agrees to meet with the Plant Safety Committee when required under the Occupational Health and Safety Act. The JHSC's functions and duties shall be prescribed by the Occupational Health and Safety Act. The Union shall be notified immediately of each accident or injury. Upon the request of the Union the Company shall provide a copy of the appropriate report or documentation of such injury or accident.
- 16.03 Pay on Day of Injury

Any employee who is injured while at work and is unable to work because of such injuries, shall be paid his/her regular earnings for the balance of the day on which the injury occurs, provided medical attention is necessary and the employee is advised by the doctor not to return to work.

- 16.04 The Company will pay to each employee who has completed their probationary period, up to \$200.00 towards the cost of safety shoes every year and one half, upon proof of purchase. Multiple claims will be allowed up to the \$200.00 maximum. Sprayers and truck delivery personnel shall receive the maximum allowance of \$200 every calendar year. Employees who have not completed their probationary period prior to each applicable period, will receive a pro-rated amount for that period.

ARTICLE 17 – PLANT HOLIDAYS

- 17.01 The following shall be recognized as public holidays to be paid, or to be provided a substitute day off, in accordance with the Public Holidays provisions of the Employment Standards Act, 2000.

New Year's Day
Good Friday
Victoria Day
Canada Day
Civic Holiday

Labour Day
Thanksgiving Day
Christmas Day
Boxing Day
Family Day

17.02 In order to qualify for holiday pay, an employee shall work the last scheduled full working day prior to the holiday, and the first scheduled working day after the holiday. However, an employee who fails to so work shall remain eligible to be paid for a holiday if he/she is absent with a reasonable explanation:

- (1) Being on vacation;
 - (2) Bereavement as set forth under Article 16.01;
 - (3) Jury duty as set forth under Article 18.01;
 - (4) An illness verified to the satisfaction of the Company, which commenced not more than fifteen (15) days immediately prior to the plant holiday;
 - (5) A leave of absence, with permission from the Company which commenced not more than five (5) working days immediately prior to the plant holiday;
 - (6) Layoff, subject to the provisions of the Ontario Employment Standards Act.
 - (7) Lateness, not exceeding forty-five (45) minutes on either the last scheduled working day preceding or the first scheduled working day following such a holiday. This may be extended by the Company (not to exceed a lateness of three (3) hours) if the employee notifies the Company that he will be late prior to the commencement of his scheduled shift and if it is established that such lateness is unavoidable.
- 17.03 When any of the said holidays fall on a Saturday or a Sunday, they shall be deferred to the immediately succeeding work day(s), and the day(s) so designated shall, for the purpose of this Agreement, be deemed to be the plant holiday(s).
- 17.04 If an employee works on one of the above named paid plant holidays, he will receive payment at double time for the hours actually worked by him at the rates of pay applicable for the work performed by him in addition to receiving his holiday pay.
- 17.05 If a holiday falls in an employee's vacation period, then the employee will be granted an extra day's holiday with pay or an extra day's pay in lieu thereof.

ARTICLE 18 – MISCELLANEOUS

- 18.01 The provisions of this Agreement shall be read with all grammatical, singular and plural changes as required by the circumstances.
- 18.02 For the purpose of this Contract, the definition of "days" or "working days" is Company

scheduled working days which includes all days except for Statutory Holidays, weekends, planned shut-down periods and full plant lay-off days.

- 18.03 Prior to implementing any significant changes to rules or policies, which affect employees covered by the Agreement, the Company will provide the changes to the Union. Significant changes include changes in policy or rules which may attract discipline should any individual employee not comply with those standards.
- 18.04 The Company and the Union agree to share the cost of this Agreement being placed in booklet form on a fifty/fifty basis. The Agreement will be distributed to all employees with a sufficient amount to the Company.
- 18.05 If any provisions of this agreement are found to be contrary to the provisions of any law, now or hereafter enacted, this agreement will be subject to such amendment as may be necessary to bring it into conformity with the law.

ARTICLE 19 – VACATIONS WITH PAY

- 19.01 All employees who have been steadily employed by the Company for a period of less than twelve (12) months as of July 1st in any year shall receive as vacation pay an amount equivalent to four percent (4%) of such employee's earnings during the twelve (12) months immediately preceding July 1st in such year, to be paid by July 31st of that year.
- 19.02 All employees who have been steadily employed by the Company for a period of one (1) year but less than five (5) years prior to July 1st in any year shall receive two (2) weeks vacation which shall be taken in accordance with Article 19.06, and shall receive as vacation pay an amount equivalent to four percent (4%) of such employee's earnings during the twelve (12) months immediately preceding July 1st in such year to be paid in accordance with Article 19.07.
- 19.03 All employees who have been steadily employed by the Company for a period of five (5) years but less than twelve (12) years prior to July 1st in any year shall receive three (3) weeks vacation which shall be taken in accordance with Article 19.06 and shall receive as vacation pay an amount equivalent to six percent (6%) of such employee's gross earnings during the twelve (12) months immediately preceding July 1st in such year to be paid in accordance with Article 19.07.
- 19.04 All employees who have been steadily employed by the Company for a period of twelve (12) years but less than twenty-one (21) years prior to July 1st in any year shall receive four (4) weeks vacation which shall be taken in accordance with Article 19.06 and shall receive as vacation pay an amount equivalent to eight percent (8%) of such employee's earnings during the twelve (12) months immediately preceding July 1st in such year to be paid in accordance with Article 19.07.
- 19.05 All employees who have been steadily employed by the Company for a period of twenty-one (21) years or more prior to July 1st in any year shall receive five (5) weeks vacation which shall be taken in accordance with Article 19.06 and shall receive as vacation pay an amount equivalent to ten percent (10%) of such employees earnings during the twelve (12) months immediately preceding July 1st in such year to be paid in accordance with

Article 19.07.

- 19.06 It is understood and agreed that all plant production employees, excluding shipping and trucking, will take one (1) week of their vacation entitlement each year during the last week of July (preceding the August Civic holiday).

Vacation approvals shall be subject to operational requirements. Vacation requests shall not be unreasonably denied. Vacation requests shall be made in writing.

- 19.07 Vacation pay entitlement shall be paid to employees as applied to their vacation time taken. Alternatively, employees can request full payouts of their vacation pay earned to July 1st on the subsequent pay periods closest to either July 15th, or September 15th, or December 15th or March 31st. Special requests for unforeseen circumstances outside of these timelines will be handled on a case by case basis and shall not be unreasonably denied. The Company may request an employee to provide evidence reasonable in the circumstances about the reasons for making the special request.
- 19.08 In computing the actual earnings for vacation pay the following items shall be included: actual wages earned (including overtime payments and paid holidays), but excluding vacation pay for the preceding year.
- 19.09 When an employee who is on vacation suffers a death in the family such that he or she would qualify for bereavement leave under Article 12.02 then the employee shall receive vacation credits at a mutually agreed upon time equaling the amount of bereavement leave he or she would be entitled to under Article 12.02 in these circumstances.

ARTICLE 20 – HEALTH AND WELFARE

- 20.01 The Company agrees to pay one hundred percent (100%) of the premium cost of the following for all active employees who have completed their probationary period:

- (a) Life insurance and AD & D plan will be \$35,000.00 coverage.
- (b) The Company Benefits weekly indemnity Plan is \$350.00 maximum benefit per week with coverage to commence the first day of hospitalization or 7 calendar days following onset of illness. Subject to eligibility, the plan is to incorporate Government Employment Insurance for the legislated coverage period.
- (c) Custom foot orthotics coverage will be a maximum of \$500.00 per year.

NOTE : Prescriptions will be processed on a drug card system with generics preferred and with the employee paying five percent (5%) and with a \$ 10.00 cap on the dispensing fee.

The Company will provide brochures to its employees describing the above benefits.

- 20.02 **DENTAL PLAN**

The Company agrees to pay seventy percent (70%) of the premium cost for all eligible

and active employees. Employees become eligible for dental coverage one year following completion of probationary period as long as they are continuously active at work. Dental plan includes basic and major coverage subject to the existing plan limits and has the following provisions: Twenty-five dollars (\$25.00) deductible for single employees and fifty dollars (\$50.00) deductible for families; and a one (1) year lag in the ODA fee schedule.

20.03 VISION CARE

The Company agrees to pay seventy percent (70%) every two (2) years for all active employees for a vision plan towards the cost of prescription safety glasses and frames to a maximum amount of \$175.00. This plan will also have an element dealing with replacement of same on the above noted formula if a demonstrated need exists for replacement.

The Company further agrees to provide a family vision plan for all active employees who have completed their probationary period. This plan will be one hundred percent (100%) paid by the Company with a \$300.00 maximum per person under this plan every twenty-four (24) months.

ARTICLE 21 - DURATION

21.01 This Agreement shall remain in force February 1, 2021 and including January 31, 2024 and shall continue in force from year to year thereafter unless in any year not more than sixty (60) days, and not less than thirty (30) days before the date of its termination, either party shall furnish the other with notice of termination of or proposed revision to this Agreement.

IN WITNESS WHEREOF each of the parties hereto has caused this Agreement to be signed by its duly authorized representatives in Paris, Ontario, _____ day of 10/6/2021 2021.

FOR THE COMPANY:

DocuSigned by:

Rod Compton
Signature

Print Name

DocuSigned by:

Tom Lacey
Signature

Print Name

FOR THE UNION:

DocuSigned by:

Ed Schug
Signature

Signature

DocuSigned by:

Janet Middleton
Signature

Print Name

DocuSigned by:

Jennifer Bennett
Signature

Signature

Jim Wrecks
Signature

Print Name

SCHEDULE “A”

DEPARTMENT	Job Title	FEB 1, 2021	FEB 1, 2022	FEB 1, 2023
		.10	.35	.45
Assembly	Box Folder	\$16.04 - \$16.68	\$16.39 - \$17.03	\$16.84 - \$17.48
Assembly	Cabinet Assembly Assistant	\$16.04 - \$16.68	\$16.39 - \$17.03	\$16.84 - \$17.48
Packing	Packer Assistant – On Line	\$16.04 - \$16.68	\$16.39 - \$17.03	\$16.84 - \$17.48
Traffic and Distribution	Warehouse Helper	\$16.04 - \$16.68	\$16.39 - \$17.03	\$16.84 - \$17.48
Assembly	Accessory Installer Assistant	\$16.22 - \$16.96	\$16.57 - \$17.31	\$17.02 - \$17.76
Panel Processing	Panel Processing Assistant	\$16.22 - \$16.96	\$16.57 - \$17.31	\$17.02 - \$17.76
Traffic and Distribution	Dock/Truck/Warehouse Helper	\$16.22 - \$16.96	\$16.57 - \$17.31	\$17.02 - \$17.76
Assembly	Accessory Installer	\$16.46 - \$17.38	\$16.81 - \$17.73	\$17.26 - \$18.18
Assembly	Drawer Builder Assistant	\$16.46 - \$17.38	\$16.81 - \$17.73	\$17.26 - \$18.18
Finishing	Junior Sprayer/ Material Handler	\$16.46 - \$17.38	\$16.81 - \$17.73	\$17.26 - \$18.18
Panel Processing	Lift Truck Operator	\$16.46 - \$17.38	\$16.81 - \$17.73	\$17.26 - \$18.18
Packing	Packer – On Line	\$16.71 - \$17.89	\$17.06 - \$18.24	\$17.51 - \$18.69
	Packer – Off Line Crown and Valance	\$16.71 - \$17.89	\$17.06 - \$18.24	\$17.51 - \$18.69
Custom Wood	Assembler	\$16.71 - \$17.89	\$17.06 - \$18.24	\$17.51 - \$18.69
Quality Assurance	Junior Inspector	\$16.71 - \$17.89	\$17.06 - \$18.24	\$17.51 - \$18.69
Order Assembly	Offline Order Preparation	\$16.71 - \$17.89	\$17.06 - \$18.24	\$17.51 - \$18.69
Order Assembly	Sanding Machine Operator	\$16.71 - \$17.89	\$17.06 - \$18.24	\$17.51 - \$18.69
Finishing	Finishing Assistant	\$16.71 - \$17.89	\$17.06 - \$18.24	\$17.51 - \$18.69
Order Assembly	Sander	\$16.71 - \$17.89	\$17.06 - \$18.24	\$17.51 - \$18.69
Assembly	Clamp Coordinator	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Assembly	Component Picker	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Assembly	Cabinet Assembler	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Assembly	Line Floater	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Assembly	Tall Cabinet Assembler	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Assembly	Drawer Builder Coordinator	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Assembly	Door Hinger Coordinator	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Assembly	Special Cabinet Assembler	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Packing	Packer Coordinator	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Custom Wood	Sliding Panel Saw Operator	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Custom Wood	Cabinet Assembler	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Quality Assurance	Senior Inspector Horizontal Panel Saw	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Panel Processing	Operator	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Panel Processing	Vertical Panel Saw Operator Component Distribution	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Panel Processing	Coordinator CNC Boring	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Panel Processing	Routing Machine Operator	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75

Panel Processing	Edgebander Operator Horizontal Drill Dowel	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Panel Processing	Insertion Operator	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Traffic and Distribution	Dock Coordinator	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Traffic and Distribution	Warehouse Coordinator	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Finishing	Workflow Facilitator	\$18.53 - \$19.70	\$18.88 - \$20.05	\$19.33 - \$20.50
Traffic and Distribution	Expeditor	\$18.53 - \$19.70	\$18.88 - \$20.05	\$19.33 - \$20.50
Finishing	Finishing Machine Operator	\$20.44 - \$21.64	\$20.79 - \$21.99	\$21.24 - \$22.44
Traffic and Distribution	Truck Driver	\$20.44 - \$21.64	\$20.79 - \$21.99	\$21.24 - \$22.44
Assembly	Lead Hand	\$21.78 - \$23.14	\$22.13 - \$23.49	\$22.58 - \$23.94
Order Assembly	Lead Hand	\$21.78 - \$23.14	\$22.13 - \$23.49	\$22.58 - \$23.94
Panel Processing	Lead Hand	\$21.78 - \$23.14	\$22.13 - \$23.49	\$22.58 - \$23.94
Traffic and Distribution	Lead hand	\$21.78 - \$23.14	\$22.13 - \$23.49	\$22.58 - \$23.94
Finishing	Senior Sprayer	\$25.10 - \$26.58	\$25.45 - \$26.93	\$25.90 - \$27.38
Custom Wood	Industrial Journeyman	\$25.10 - \$26.58	\$25.45 - \$26.93	\$25.90 - \$27.38
Maintenance	Maintenance “A”	\$25.10 - \$26.58	\$25.45 - \$26.93	\$25.90 - \$27.38
Finishing	Finishing Lead Hand	\$26.10 - \$27.90	\$26.45 - \$28.25	\$26.90 - \$28.70
Traffic and Distribution	Tractor Trailer Driver	\$26.10 - \$27.90	\$26.45 - \$28.25	\$26.90 - \$28.70
Maintenance	Electrician or Millwright	\$35.10 - \$40.10	\$35.45 - \$40.45	\$35.90 - \$40.90

AGREEMENT TO WORK EXCESS HOURS

Between

THE SANDERSON-HAROLD COMPANY LIMITED
(Hereinafter referred to - and as the “Company”)

- and -

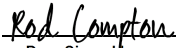

**CARPENTERS’ DISTRICT COUNCIL,
UNITED BROTHERHOOD OF CARPENTERS
AND JOINERS OF AMERICA,
CARPENTERS LOCAL 1072**
(Hereinafter referred to as the “Union”)

In accordance with section 17 of the Employment Standards Act, 2000, the parties agree as follows:

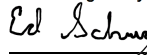
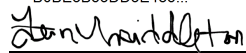
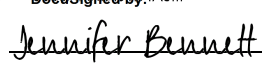
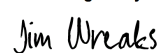
1. Regular Work Day – the regular work day for employees has been established as eight (8) hours per day.
2. Extra Daily Hours – The Union consents on behalf of employees in the bargaining unit to allow them to work beyond their regular work day to the daily maximum allowed by the Act.
3. Extra Weekly Hours – The Union also consents on behalf of employees in the bargaining unit to allow them to work beyond 48 hours in a week, to a maximum of 60 hours in a week.
4. Scheduling – Scheduling of extra hours shall be in accordance with the scheduling provisions of the collective agreement.
5. Term – The parties agree that this agreement may not be revoked prior to the expiry of the term of the collective agreement, except with the parties’ mutual consent.

DATED at Paris, Ontario this ____ day of 10/6/2021 2021.

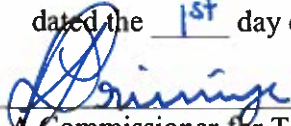
For the Company:

DocuSigned by:

DocuSigned by:

5351AD26A44643D...

For the Union:

DocuSigned by:

DocuSigned by:

DocuSigned by:

634DC053DBDC430...
DocuSigned by:

ADD5C377B577415...

This is **EXHIBIT “ F ”** referred to in the
Affidavit of EDELLA (ELLA) PRICE
dated the 1st day of MAY, 2023.

A handwritten signature in blue ink, appearing to read "Price", is written over a horizontal line.

A Commissioner for Taking Oaths, Etc.



ONTARIO LABOUR RELATIONS BOARD
APPLICATION UNDER SECTION 69 AND/OR
SUBSECTION 1(4) OF THE ACT
(SALE OF BUSINESS AND/OR RELATED EMPLOYER)
Labour Relations Act, 1995

Form A-24

Fields marked with an asterisk (*) are mandatory.

Between: *

United Brotherhood of Carpenters and Joiners of America, Local 1072 ("Local 1072")

Applicant(s)

- and -

The Sanderson-Harold Company Limited, C.O.B. as Paris Kitchens, 2486666 Ontario Inc., and 1000296348 Ontario Inc.

Responding Parties

- Review the Filing Guide and the Board's Rules of Procedure on acceptable methods of delivery and filing **before** completing this form to avoid any delay in processing.
- All forms, Notices, Information Bulletins, the Filing Guide and the Rules of Procedure may be obtained from the Board's website (<http://www.olrb.gov.on.ca>).
- To print a paper copy of this form, use **only** the "Print" buttons located within the form.
- Save a copy of your completed form and any attachments as the Board will not return them to you. To save the form at any time, use the "Save" buttons located within the form.
- If there is insufficient space on the form, attach additional pages clearly identifying the relevant section of the form. For e-filing, you may attach files by selecting the "Attach documents electronically" option.

Part A Contact Information

Instructions

- Provide the contact information for each Applicant, Responding Party and Affected Party below. If you wish to add additional parties, use the "Add" button or attach a separate page if completing the form by hand.
- If a party is an organization, provide the name and contact information of an individual who will be able to respond on behalf of that organization. When adding multiple individuals at the same organization, "Add" an additional contact section, repeat the organization name and provide that individual's contact information (e.g. name, email address, phone number).

1 (a). Applicant**Applicant 1**Type * ☒ Organization ☐ Individual

Organization Name *

United Brotherhood of Carpenters and Joiners of America, Local 1072

First Name Stephen	Last Name Chedas	Position/Title Counsel
-----------------------	---------------------	---------------------------

Full Address (Number, Street, Unit/Apartment, Building Name) 222 Rowntree Dairy Road	Other Address Details (e.g. PO Box, R.R. #, c/o)
---	--

City/Town Woodbridge	Province/State Ontario	Country Canada	Postal/Zip Code L4L 9T2
-------------------------	---------------------------	-------------------	----------------------------

Telephone Number 905-652-4140	Ext.	Fax Number 905-652-5930	Email Address schedas@thecarpentersunion.ca
----------------------------------	------	----------------------------	--

Additional Contact Information, if any (Assistant's Email Address, Alternate Telephone Numbers)

Fabienne Shessel - Delinquency Control Administrator

Email: fshessel@thecarpentersunion.ca

1 (b). Representative/Contact Person for the Applicant**Contact 1**Contact Person for * ☐ All Parties above ☐ Party No.(s) _____Indicate if this person is a ☒ Lawyer ☐ Paralegal

Organization Name

Rousseau Mazzuca LLP

First Name Michael	Last Name * Mazzuca	Position/Title Partner
-----------------------	------------------------	---------------------------

Full Address (Number, Street, Unit/Apartment, Building Name) 65 Queen Street West, Suite 600	Other Address Details (e.g. PO Box, R.R. #, c/o)
---	--

City/Town Toronto	Province/State Ontario	Country Canada	Postal/Zip Code M5H 2M5
----------------------	---------------------------	-------------------	----------------------------

Telephone Number	Ext.	Fax Number	Email Address
------------------	------	------------	---------------

Additional Contact Information, if any (Assistant's Email Address, Alternate Telephone Numbers)

2 (a). Responding Party**Responding Party 1**Type * ☒ Organization ☐ Individual

Organization Name *

The Sanderson-Harold Company Limited c.o.b as Paris Kitchens

First Name Larry	Last Name Wolfman	Position/Title President
---------------------	----------------------	-----------------------------

Full Address (Number, Street, Unit/Apartment, Building Name)	Other Address Details (e.g. PO Box, R.R. #, c/o)
--	--

City/Town	Province/State	Country	Postal/Zip Code
-----------	----------------	---------	-----------------

Telephone Number	Ext.	Fax Number	Email Address
Additional Contact Information, if any (Assistant's Email Address, Alternate Telephone Numbers)			

Responding Party 2

Type * ☒ Organization ☐ Individual

Organization Name *

2486666 Ontario Inc.

First Name Derek	Last Name McGeachie	Position/Title
---------------------	------------------------	----------------

Full Address (Number, Street, Unit/Apartment, Building Name) 1550 Caterpillar Road	Other Address Details (e.g. PO Box, R.R. #, c/o)
---	--

City/Town Mississauga	Province/State Ontario	Country Canada	Postal/Zip Code L4X 1E7
--------------------------	---------------------------	-------------------	----------------------------

Telephone Number 905-848-1550	Ext.	Fax Number	Email Address derek@mi5print.com
----------------------------------	------	------------	-------------------------------------

Additional Contact Information, if any (Assistant's Email Address, Alternate Telephone Numbers)

Responding Party 3

Type * ☒ Organization ☐ Individual

Organization Name *

1000296348 Ontario Inc.

First Name Derek	Last Name McGeachie	Position/Title
---------------------	------------------------	----------------

Full Address (Number, Street, Unit/Apartment, Building Name) 1550 Caterpillar Road	Other Address Details (e.g. PO Box, R.R. #, c/o)
---	--

City/Town Mississauga	Province/State Ontario	Country Canada	Postal/Zip Code L4X 1E7
--------------------------	---------------------------	-------------------	----------------------------

Telephone Number 905-848-1550	Ext.	Fax Number	Email Address derek@mi5print.com
----------------------------------	------	------------	-------------------------------------

Additional Contact Information, if any (Assistant's Email Address, Alternate Telephone Numbers)

2 (b). Representative/Contact Person for the Responding Party, if known

Contact 1

Contact Person for * ☐ All Parties above ☒ Party No.(s) 1 *

Indicate if this person is a ☒ Lawyer ☐ Paralegal

Organization Name

Chaitons LLP

First Name George	Last Name * Benchetrit	Position/Title Lawyer
----------------------	---------------------------	--------------------------

Full Address (Number, Street, Unit/Apartment, Building Name) 5000 Yonge Street, 10th Floor	Other Address Details (e.g. PO Box, R.R. #, c/o)
---	--

City/Town Toronto		Province/State Ontario	Country Canada	Postal/Zip Code M2N 7E9
Telephone Number	Ext.	Fax Number	Email Address george@chaitons.com	

Additional Contact Information, if any (Assistant's Email Address, Alternate Telephone Numbers)

Contact 2

Contact Person for * ☐ All Parties above ☒ Party No.(s) 2 *

Indicate if this person is a ☒ Lawyer ☐ Paralegal

Organization Name

Peter R. Welsh Professional Corporation

First Name Peter	Last Name * Welsh	Position/Title
---------------------	----------------------	----------------

Full Address (Number, Street, Unit/Apartment, Building Name) 1540 Cornwall Road, Suite 203	Other Address Details (e.g. PO Box, R.R. #, c/o)
---	--

City/Town Oakville		Province/State Ontario	Country Canada	Postal/Zip Code L6J 7W5
Telephone Number 905-337-3121	Ext.	Fax Number	Email Address peter@welshlaw.ca	

Additional Contact Information, if any (Assistant's Email Address, Alternate Telephone Numbers)

Contact 3

Contact Person for * ☐ All Parties above ☒ Party No.(s) 3 *

Indicate if this person is a ☐ Lawyer ☐ Paralegal

Organization Name

Stephen Turk Law

First Name Stephen	Last Name * Turk	Position/Title
-----------------------	---------------------	----------------

Full Address (Number, Street, Unit/Apartment, Building Name) 23 Lesmill Road, Suite 200	Other Address Details (e.g. PO Box, R.R. #, c/o)
--	--

City/Town Toronto		Province/State Ontario	Country Canada	Postal/Zip Code M3B 3P6
Telephone Number 416-630-5511	Ext.	Fax Number 416-630-7724	Email Address sturk@stephenturklaw.com	

Additional Contact Information, if any (Assistant's Email Address, Alternate Telephone Numbers)

3 (a). Affected Party – Employer Bargaining Agency

If this application relates to a collective agreement in the industrial, commercial, and institutional sector, complete contact information for the relevant employer bargaining agency must be provided below.

Employer Bargaining Agency 1

Type * ☒ Organization ☐ Individual

Organization Name *			
The Carpenters' Employer Bargaining Agency			
First Name		Last Name	
Tony		Fanelli	
Position/Title			
Executive Director			
Full Address (Number, Street, Unit/Apartment, Building Name)			Other Address Details (e.g. PO Box, R.R. #, c/o)
6299 Airport Road			
City/Town	Province/State	Country	Postal/Zip Code
Mississauga	Ontario	Canada	L4V 1N3
Telephone Number	Ext.	Fax Number	Email Address
905-671-0888		905-671-8212	tfanelli@clrao.ca
Additional Contact Information, if any (Assistant's Email Address, Alternate Telephone Numbers)			

3 (b). Representative/Contact Person for the Employer Bargaining Agency, if known

4 (a). Affected Party – Employee Bargaining Agency

If this application relates to a collective agreement in the industrial, commercial, and institutional sector, complete contact information for the relevant employee bargaining agency must be provided below.

Employee Bargaining Agency 1

Type * ☒ Organization ☐ Individual

Organization Name *			
Carpenters' Regional Council, United Brotherhood of Carpenters and Joiners of America			
First Name		Last Name	
John		Moszynski	
Position/Title			
Senior General Counsel			
Full Address (Number, Street, Unit/Apartment, Building Name)			Other Address Details (e.g. PO Box, R.R. #, c/o)
222 Rowntree Dairy Road			
City/Town	Province/State	Country	Postal/Zip Code
Woodbridge	Ontario	Canada	L4L 9T2
Telephone Number	Ext.	Fax Number	Email Address
905-652-4140		905-652-5930	jmoszynski@thecarpentersunion.ca
Additional Contact Information, if any (Assistant's Email Address, Alternate Telephone Numbers)			

4 (b). Representative/Contact Person for the Employee Bargaining Agency, if known

5 (a). Affected Party – Accredited Employers' Organization

If this application relates to bargaining rights affecting an accredited employers' organization, complete contact information for accredited employers' organization must be provided below.

5 (b). Representative/Contact Person for the Accredited Employers' Organization, if known

6 (a). Other Affected Party

Contact information for any other person, trade union, employer or employers' organization which may be affected by the

application must be completed below.

6 (b). Representative/Contact Person for the Affected Party, if known

6 (c). The person, trade union, employer or employers' organization named above is affected by the application for the following reason(s):

Part B Material Facts and Relief Sought

7. The Applicant applies to the Ontario Labour Relations Board under: *

- ☒ **Subsection 1(4)** of the *Labour Relations Act, 1995* stating that
[2486666 Ontario Inc. and 1000296348 Ontario Inc.](#)

are associated or related businesses or activities under common control or direction
and / or

- ☒ **Section 69** of the *Labour Relations Act, 1995* stating that there has been a sale of a business by the predecessor employer(s):
[The Sanderson-Harold Company Limited, C.O.B. as Paris Kitchens](#)

to the successor employer(s):

[2486666 Ontario Inc. and 1000296348 Ontario Inc.](#)

on the following date : [See Schedule "A"](#)

which has affected the bargaining rights of the trade union: [Local 1072](#)

8. If you are applying under Section 69 of the Act, provide your position on the following:

- Whether the successor employer is bound by a collective agreement entered into by the trade union and the predecessor employer;
- Whether the successor employer is required to bargain with the trade union with a view to making a collective agreement; and/or
- Whether the successor employer is the employer for the purposes of a termination or certification application before the Board.

If you require more space, attach a separate document.

[The successor employer is bound by a collective agreement entered into by the trade union and the predecessor employer](#)

9. Has there been a change in the character of the business of the successor employer so that it is substantially different from the business of the predecessor employer?

☐ Yes

☒ No

10. Has there been an intermingling of employees of one business with employees of another business represented by a trade union?

☐ Yes

☒ No

11. The Applicant makes the following request:

Describe **in detail** what you wish the Board to order as a result of this application. If you require more space, attach a separate document.

[See Schedule "A"](#)

12. In support of its request, the Applicant relies on the following material facts:

Include **all** of the material facts on which you rely. You will not be allowed to present evidence or make any representations about any material fact that was not set out in the application and filed promptly in the way required by the Board's Rules of Procedure, except with the permission of the Board. If you require more space, attach a separate document.

[See Schedule "B"](#)

13. Other relevant statements:

[See Schedules "A" and "B"](#)

14. Attached documents:

Provide a list of the documents you are filing together with this form as instructed below.

Name your documents/attachments so that they are easily identifiable.

If you are e-filing this form, select the "Attach documents electronically" option below and attach each document using the "Add File" button.

If you are filing in a manner other than e-filing, provide the numbered list of documents in the box below.

Note: If your attachments exceed 7MB, you may not e-file. File a paper copy of this form with all attachments using an alternative method permitted by the Board's Rules of Procedure.

No.	File	Description	Size (MB)	
		Total Size	0	
		Total space left over	7	
		Number of attachments	0	

SCHEDULE A

SCHEDULE “A”

Form A-24

To be included with Form A-24
Application under section 69 of the Act (Sale of a Business)
Labour Relations Act, S.O. 1995, c. 1, Sched. A

The Applicant, United Brotherhood of Carpenters and Joiners of America, Local 1072 (the “**Union**”), states that there has been a sale of a business by the Sanderson-Harold Company Limited, C.O.B. as Paris Kitchens (“**SHCL**”) to 2486666 Ontario Inc. (“**248**”), and 1000296348 Ontario Inc. (“**1000**”) in the meaning of 69 of the Ontario *Labour Relations Act, 1995 S.O. 1995, c. 1, Sched. A* (the “**Act**”) and requests the following relief:

- a. A declaration that there has been a sale of business or part of a business from SHCL to 248 and 1000 within the meaning of section 69 of the *Act*;
- b. A declaration that 248 and 1000 are bound and/or party to the Collective Agreement between the Union and SHCL effective February 1, 2021, to January 31, 2024, and renewals thereof (the “**Collective Agreement**”);
- c. An Order that the 248 and 1000 distribute a copy of the decision of the Board to all employees of 248 and 1000 in Paris, Ontario, save and except foremen, persons above the rank of foreman, office and sales staff, and students employed during the school vacation period; and
- d. Any other remedies that the applicant may request and the Board permit.

SCHEDULE B

SCHEDULE “B”

Introduction

1. The Applicant, United Brotherhood of Carpenters and Joiners of America, Local 1072 (the “**Union**”) is a trade union within the meaning of section 1(1) of the *Labour Relations Act, 1995* (the “**Act**”). The Union is an affiliated bargaining agent of the Carpenters Regional Council, United Brotherhood of Carpenters and Joiners of America, which represents employees performing work in industrial facilities.
2. The Sanderson-Harold Company Limited, C.O.B. as Paris Kitchens (“**SHCL**”). SHCL is a privately owned business incorporated pursuant to the laws of Ontario. SHCL is or was a manufacturer of kitchen and bath cabinets and other materials. It began operating in 1902.
3. Local 1072 and SHCL are parties to the Collective Agreement between them, effective February 1, 2021, to January 31, 2024, and renewals thereof (the “**Collective Agreement**”). A copy of the Collective Agreement is attached as **Exhibit “A”**.
4. 2486666 Ontario Inc. (“**248**”) and 1000296348 Ontario Inc. (“**1000**”) are businesses incorporated pursuant to the laws of Ontario. 248 and 1000 are related companies. As discussed further below, on or about December 1, 2022, 248 and/or 1000 purchased the assets of SHCL through court-ordered bankruptcy proceedings.

Background

5. SHCL had a 110,000 square foot manufacturing facility located at 23 Railway Street in Paris, Ontario (the “**Production Facility**”) as well as a much smaller 9,888 square foot storage facility located nearby at 38 Spruce Street, Paris, Ontario (the “**Storage Facility**”).
6. On May 31, 2022, SHCL commenced restructuring proceedings by filing a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to the *Bankruptcy and Insolvency Act* (“**BIA**”).
7. At the commencement of the NOI proceedings, SHCL had approximately 150 full-time employees, approximately half of whom were unionized and represented by the Union.
8. On or about August 26, 2022, 248 made an asset purchase agreement to purchase most of SHCL’s assets, including the Production Facility, though not the Storage Facility. The Storage Facility was sold separately. A copy of the asset purchase agreement is attached as **Exhibit “B”**.
9. 248 assigned the asset purchase agreement to a related company, 1000.
10. The asset sale was approved by the Order of Justice Osbourne on September 23, 2022, with the transaction expected to be completed by December 1, 2022. A copy of the Order of Justice Osbourne of September 23, 2022 is attached as **Exhibit “C”**.
11. Justice Osbourne in a Supplementary Endorsement, also dated September 23, 2022, stated that nothing in his Endorsement or Orders would eliminate or otherwise determine any claims or rights which Local 1072 may have under the Collective Agreement or pursuant to the *Act*

against the purchasers in the sale transactions. A copy of Justice Osbourne's Supplementary Endorsement of September 23, 2022 is attached as **Exhibit "D"**.

12. On October 24, 2022, Derek McGeachie, Principal of 248 and 1000, wrote the proposal trustee as follows:

Goal is to keep existing staff engaged and in the loop so they know what the new Paris Kitchens intentions are, which is to successfully operate at as full an employment level as possible, dependent on what sales volumes can be acquired in the short, medium and long term. Our expectation is to be at the same size or bigger than the former Paris Kitchens within the next 3 years. There will be a re-start and ramp up period with some short term pain as we rebuild sales and operations so we have a strong platform to successfully compete.

A copy of Mr. McGeachie's email of October 24, 2022 is attached as **Exhibit "E"**.

13. On November 23, 2022, SHCL provided the members of Local 1072 with termination letters stating that their employment with SHCL would end on December 1, 2022.

14. During the transition process, 248 and 1000 made several requests to SHCL and its counsel regarding supplier and vendor lists, and other intellectual property.

15. 248 and/or 1000 have recommenced operations at the Production Facility.

16. 248 and/or 1000 are operating:

- a. under the name "Paris Kitchens", formerly used by SHCL,
- b. using suppliers of SHCL,
- c. manufacturing kitchen and bath materials,
- d. at the former SHCL Production Facility,

- e. using machines acquired from SHCL, and
- f. manufacturing for delivery to customers who were customers of SHCL, and
- g. using employees who were Union members employed by SHCL.

17. 248 and/or 1000, operating as “Paris Kitchens (under the new ownership)”, have made individual employment offers to certain members of the Union to work at the Production Facility and in fact have individually hired members of the Union to work at the Production Facility. 248 and/or 1000 advised the Union members that their individual offers of employment – whether or not accepted – are “private, confidential, and privileged” and not to be disclosed to anyone.

18. On April 15, 2023, McGeachie texted Jennifer Bennett, Local Union Coordinator for the Union, as follows:

Jennifer, call me at your earliest opportunity please. I received a serious legal letter from the union this am that I’m hoping we can at least start to deal with this weekend. We have a number of union staff hoping to start with paris next week and the week after but we have to resolve this before we can think about going ahead. I’m largely unavailable next week so this weekend is best. I’ll make myself available to you and your team’s timing. Thanks, Derek

A copy of Mr. McGeachie text message of April 15, 2023 is attached as **Exhibit “F”**.

19. Then, Mr. McGeachie emailed Counsel for the Union, Rousseau Mazzuca LLP, as follows:

I am hopeful that together we will course correct and get off to a good start.... My immediate concern is the unionized staff who wished to start working. We are ready to bring them onboard but we cannot successfully engage in what has become a start up, with all that comes with such an endeavor, with this claim of over a half million dollars in liability hanging over our head – its simply too much exposure and risk of loss for me, a small operator... I am not the enemy nor someone the staff or their union representatives should take legal action against – its too confrontational a way to start a productive

relationship. I'd appreciate an open conversation and your assistance in figuring out what to do next. Working with a union is new to me and I recognize your points about the collective agreement etc. That is something new and different for us and we will adjust as required. There is no truth to us hiring non union people to do union work that I'm aware of though – not sure what that is about. Hopefully this isn't normally how relations are. Lets course correct together – you guys are the lawyers and good at what you do. I am good at sales and hands on managing a high quality production team. Correct me if I'm wrong but the union, their members and I are on the same team at Paris Kitchens. It only makes sense that we sit down, try to work this out and come up with a mutually agreeable go forward plan as soon as possible so we can assure the success of our new and improved Paris Kitchens.

A copy of Mr. McGeachie's email of April 15, 2023 is attached as **Exhibit "G"**.

20. On April 17, 2023, Mr. McGeachie emailed Jennifer Bennett as follows:

Good morning Jennifer,

Please send the acknowledgement agreement you require to be step 1 so we can review and turn it around asap. As discussed we are keen to hire union staff and go forward with this business start up in a reasonable and profitable manner for all parties providing we are not in the line of fire of a potential lawsuit for anything that happened before our start up date, for example before Monday April 24. If there is a real possibility that me or my organizations may be sued by your organization for past events then we'd rather not go forward with kitchen manufacturing – it is not a risk we can take.

A copy of Mr. McGeachie's email of April 17, 2023 is attached as **Exhibit "H"**.

21. A sale of business has occurred within the meaning of sections 69 and/or 1(4) of the *Act*.

EXHIBIT A

COLLECTIVE AGREEMENT

THIS AGREEMENT entered into this 1st day of February 2021

between

**THE SANDERSON-HAROLD COMPANY LIMITED
(Hereinafter known as the “Company”)**

and

**UNITED BROTHERHOOD OF CARPENTERS
AND JOINERS OF AMERICA, Local 1072
(Hereinafter known as the “Union”)**

On Behalf of Carpenters Local 1072

ARTICLE 1 - PURPOSE OF AGREEMENT

- 1.01 The general purpose of this Agreement is to establish mutually satisfactory relations between the Company and its employees, to provide machinery for the prompt and equitable disposition of grievances, and to establish and maintain satisfactory working conditions, hours of work and wages for all employees who are subject to the provisions of this Agreement.
- 1.02 It is the purpose and intent of the Company and the Union in making this agreement to develop, maintain and improve relationships between the Company, the Union and the employees represented by the Union. The mutual interest of the Company, the Union and the employees include the maintenance and improvement of both the quality and quantity of service to our customers so that we may keep and improve our competitive position recognizing that such improvement has been the constant basis of greater stability of employment, creation of new employment and increased general and individual living standards. As such, the parties are committed to the concept of cooperation and working together to improve quality, production of and on time delivery of product to ensure continued customer satisfaction.

ARTICLE 2 – RECOGNITION AND RELATIONSHIP

- 2.01 The Company recognizes the Union as the sole collective bargaining agent for all its employees working in or out of Paris, Ontario, save and except foremen, persons above the rank of foreman, office and sales staff, and students employed during the school vacation period. The Company will advise the Union, on the date of their employment, of the names of those hired as students.
- 2.02 Supervisors shall not replace employees in their positions but they may perform work of the bargaining unit provided such work does not result in a layoff or prevent a recall of a laid off employee who is capable of performing the work.

ARTICLE 3 – UNION SECURITY AND CHECK-OFF

3.01 Probationary Employees

The parties hereto mutually agree that all present employees are Union members and shall maintain their membership and every new employee upon completion of the probationary period (after five hundred and sixty (560) total hours worked), shall join the Union and remain a member of the Union in good standing as a condition of continued employment with the Company.

- 3.02 The Company reserves the right to extend this probationary period up to an additional one hundred and sixty (160) hours should further evaluation be required. The Company must notify the Union and said employee in writing no later than two (2) weeks prior to the end of the probationary period.

3.03 Union Dues

The Company agrees during the term of this Agreement to deduct from the wages of each employee in the bargaining unit who has completed the probationary period an amount equal to the regularly authorized Union dues and to remit to the Financial Secretary of the Union the monies deducted along with a list of names of the employees, their Social Insurance Number and the current address and phone number from whom deductions were made and the amounts so deducted.

- 3.04 The Company further agrees that it will deduct from the wages of new employees upon completion of the probationary period, an amount equal to the regularly authorized Union initiation fee. The amount so deducted shall be remitted to the Financial Secretary of the Union along with the Union dues for that month.
- (a) Upon written notification from the Union, the Company agrees to deduct back dues from employees who were on lay-off, leave of absence, vacation, illness, and remit same to the Financial Secretary together with all other deductions for the current month.
 - (b) The Union agrees to save the Company harmless from any claims having to do with deductions made under this Article.

ARTICLE 4 – UNION REPRESENTATION

4.01 Union Representative

- (a) The Company recognizes the right of the Union to appoint four (4) shop stewards. Three (3) of whom works on days and one (1) of whom works on nights.
 - (b) The said four (4) stewards shall form the Plant Committee and one (1) of them shall be named the Chief Steward. All stewards, including the Chief Steward, shall be regular employees of the Company who have passed their probationary period.
 - (c) The Company will inform the Chief Steward of new hires within three (3) working days of their commencing work with the Employer.
- 4.02 The name of each of the stewards from time to time selected, shall be given to the Company in writing and the Company shall not be required to recognize any such steward until it has been so notified in writing by the Union of the name of same.
- 4.03 The Company undertakes to instruct all members of its supervisory staff to co-operate with the stewards in the carrying out of the terms and requirements of this Agreement.
- 4.04 The Union undertakes to secure from its officers, stewards and members their co-operation with the Company and with all persons representing the Company in a supervisory capacity.
- 4.05 For the purposes of layoff only under this Article the Chief Steward shall be deemed to have seniority equal to his/her actual seniority plus five (5) years, and each steward shall

be deemed to have seniority plus two (2) years. If the Company is placed in a position where it is considering the layoff of the Chief Steward, the Company will notify the Union and meet, if requested, to discuss this layoff. In the event of layoffs, the Chief Steward shall be retained at work, notwithstanding his or her seniority, so long as there is work available for which he or she has the skill, competence, efficiency and reliability to perform.

4.06 If an authorized Union Representative, who is not employed by the Company, wishes to speak to the ~~local~~ Union Chief Steward in the plant about a grievance or other official Union business relating to this Agreement, he/she may do so by first obtaining permission from the Company. Such permission shall not be unreasonably denied.

4.07 The Company agrees to compensate up to, but no more than, three (3) bargaining unit employees their regular rate of pay for up to but not exceeding three days of negotiation. For the purposes of this Article, a day is defined as an eight (8) hour period of time.

4.08 Labour-Management Committee

The parties agree to establish a Labour-Management Committee composed of not more than three (3) members of the Union and not more than three (3) representatives of the Company.

The Committee shall meet upon request for the purpose of discussing issues relating to the workplace which affect either of the parties bound by this Agreement.

ARTICLE 5 – MANAGEMENT RIGHTS

5.01 The Union acknowledges that it is the exclusive function of the Company to hire, promote, demote, classify, transfer and suspend employees and also the right of the Company to discipline or discharge any employee for just cause, provided that a claim by an employee, who has acquired seniority, that he/she has been discharged or disciplined without just reasonable cause may be the subject of a grievance and dealt with as hereinafter provided. For the purpose of clarity, it is understood and agreed that an employee who is accused of a violation of the Company rules and regulations may file a grievance under this Agreement concerning same, or the Union may do so on his/her behalf.

5.02 The Union further recognizes the right of the Company to operate and manage its business in all respects. The location of the plants, the products to be manufactured, the schedules of production, the methods, the processes and means of manufacturing used, the right to decide on the number of employees needed by the Company at any time, the right to use improved methods, machinery and equipment, and jurisdiction over all operations, buildings, machinery and tools, are solely and exclusively the responsibility of the Company. The Company also has the right to make, alter and enforce from time to time reasonable rules and regulations to be observed by the employees. The Company agrees to post a copy of its rules on the Bulletin Board. In the event that an existing rule is altered or a new rule is made, then such will be posted for a period of five (5) working days before it becomes effective, with the exception of Health and Safety Rules, which become effective immediately.

- 5.03 The Company agrees that none of the rights set forth in Article 5 will be exercised in a manner inconsistent with the provisions of this Agreement, or in a manner that is arbitrary, discriminatory or in bad faith.

ARTICLE 6 - NO STRIKES, NO LOCKOUTS

- 6.01 The Union agrees that there shall be no strike and the Company agrees that there shall be no lockouts so long as this Agreement continues to operate. The terms “strike” and “lockout” shall bear the meaning given them in the Ontario Labour Relations Act, 1995, as amended from time to time.

ARTICLE 7 – NO DISCRIMINATION

- 7.01 The Company and the Union agree that there will be no discrimination, interference, intimidation, harassment, restriction or coercion exercised or practiced by any of their representatives with respect to any employee because of his/her membership or non-membership in the Union or lack of activity on behalf of the Union or by reason of exercising his/her rights under this Agreement.
- 7.02 The Union agrees that there will be no Union activity, solicitation for membership, or collection of Union dues on Company premises or during working hours except with the written permission of the Company or as specifically provided for in this Agreement.
- 7.03 The Company is committed to maintaining a workplace where all persons can work together without fear or threat of harassment or discrimination. The Company, the Union and the employees agree that every person has a right to equal treatment with respect to employment without discrimination because of race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, record of offenses, marital status, same-sex partnership status, family status, or disability, or any other ground protected by the Human Rights Code, as these terms are defined by the Ontario Human Rights Code. The parties agree to work cooperatively and to their mutual benefit on matters relating to employee to employee interpersonal strife. It is recognized that a central element of minimizing this problem is the effective application of the Ontario Human Rights Code and Ontario Occupational Health and Safety Act, pertaining to workplace violence.
- 7.04 The use of masculine or feminine gender is used in this Agreement it is for convenience only and shall refer to all genders.

ARTICLE 8 - GRIEVANCE & ARBITRATION PROCEDURE

- 8.01 Any difference between the Parties concerning the interpretation, application, operation or alleged violation of the terms and provision(s) of this Collective Agreement, including any dispute with regard to discipline or discharge (with the exception of probationary employees), shall be considered a grievance and shall be handled with the following procedure.

- 8.02 If an employee or employees has or have any grievance, which he/she or they wish to take up with the Employer, it shall be heard without undue delay in the following manner:

STEP 1

Prior to filing a written grievance, the employee(s) involved must raise the grievance directly with his/her Supervisor within five (5) days of the alleged infraction becoming known to the employee. At his/her option, the employee(s) may be accompanied by his/her Shop Steward. The Supervisor will have five (5) days to respond.

STEP 2

Failing satisfactory settlement at Step 1, the Union (either Shop Steward or Business Representative), on behalf of the employee who has a grievance or a group of employees having a grievance, dealing with the same issue, shall file a written grievance within five (5) days to his/her immediate Supervisor or his/her designate. The immediate Supervisor or his/her designate will then have seven (7) days to respond.

STEP 3

Failing satisfactory settlement at Step 2, the Union (either Shop Steward or Business Representative) and the Plant Manager or designate shall meet to discuss the grievance within ten (10) days after receipt of the Company's denial of the Step 2 grievance. The Plant Manager or designate shall render a decision in writing within ten (10) days after the close of the meeting.

STEP 4

Failing satisfactory settlement at Step 3, the Union may refer the grievance to Arbitration in accordance with Article 8.06.

- 8.03 Any time limits in the grievance proceedings may be extended by mutual agreement in writing. Such request shall not be unduly denied.
- 8.04 The Union shall have the right to initiate a group or policy grievance at Step 3 of the grievance procedure.
- 8.05 Any grievance instituted by management may be referred in writing to the chief steward within five (5) full working days of the occurrence of the circumstances giving rise to this grievance and the Plant Committee shall meet within two (2) working days thereafter with management to consider the grievance. If final settlement of the grievance is not completed within seven (7) working days of such meeting, the grievance may be referred by either party to a single arbitrator as provided in Article 7 at any time within twenty-one (21) calendar days thereafter but not later.

Arbitration

- 8.06 Where a difference arises between the parties relating to the interpretation, application or administration of the Agreement, including any questions as to whether a matter is arbitrable or where an allegation is made that this Agreement has been violated, either of the parties may, after exhausting the grievance procedure, notify the other party in writing of said desire to submit the differences or allegations to Arbitration within fifteen

(15) days of the Company's decision at Step 3 of the Grievance Procedure. At this time both parties will attempt to come to agreement on selecting a single arbitrator.

- 8.07 In the event the parties are unable to agree on a single arbitrator the Minister of Labour shall be asked to appoint one.
- 8.08 The cost and expenses of the Arbitrator shall be borne one-half (½) by the Union and one-half (½) by the Employer and any other costs and expenses of or in connection with any such Arbitration shall be borne by the party which incurs the same.
- 8.09 The Arbitrator shall not be authorized nor shall the Arbitrator assume authority to alter, modify or amend any part of this Agreement, nor to make any decision inconsistent with the provisions thereof.

ARTICLE 9 - DISCHARGE AND DISCIPLINARY CASES

- 9.01 It is recognized that a period of probation is a period during which the Company has the right to assess an employee to determine whether such employee is, in the sole opinion of the Company, acceptable for employment. It is therefore recognized that probationary employees may be released in the sole discretion of the Company during the probationary period and that such release shall be deemed to be for just cause, subject to the Human Rights Code.
- 9.02 A claim by an employee that he/she has been unjustly discharged from his/her employment shall be treated as a grievance if a written statement of such grievance is filed with the Plant Manager within four (4) working days after the employee ceases to work for the Company. All preliminary steps of the Grievance Procedure prior to Step 4 will be omitted in such case.
- 9.03 Such special grievances may be settled by confirming the management's action in regards to the employee, or by reinstating the employee with full compensation for time lost, or by any other arrangement which is just and equitable in the opinion of the conferring parties or a single arbitrator.
- 9.04 When an employee is called in to a meeting with management to be formally disciplined, he/she will be advised of the nature of the meeting prior to it happening and he/she shall have a shop steward of his/her choice present who is available at that time and afterwards have the right to interview his/her steward for a reasonable period of time before leaving the plant premises or returning back to work. For clarity, formal discipline meetings shall not occur without the presence of a shop steward. The disciplinary meeting shall not be unreasonably delayed due to the unavailability of a particular shop steward.
- 9.05 (a) All warnings, and suspensions of less than 2 weeks, which become part of the employee's employment record (excluding Serious Health and Safety Violations) shall not be considered in any disciplinary matter after a period of one (1) year provided there has been no further discipline imposed during that period. All warnings and suspensions of two weeks or more which become part of the employee's employment record (excluding Serious Health and Safety Violations) shall not be considered in any disciplinary matter after a period of eighteen (18)

months provided there has been no further discipline imposed during that period.

- (b) Any serious Health and Safety violations shall remain a part of the employee's employment record and will be considered in any further Health and Safety disciplinary matter.

9.06 In the event an employee is given a suspension, and no grievance is filed, the Company must issue the suspension no later than thirty (30) calendar days after the suspension was first given. In the event the suspension is followed by a grievance, then the suspension does not have to be served until thirty (30) calendar days after the grievance procedure has been exhausted. Should the suspension not be issued within the given time frames, the requirement to serve the suspension is abandoned, but the discipline shall stand as was issued.

ARTICLE 10 - SENIORITY

10.01 Seniority as referred to in this Agreement, shall mean length of continuous service in the employment of the Company and shall be on a plant-wide basis covering the bargaining unit employees working in and out of the Paris, Ontario plant.

10.02 An employee shall accumulate seniority under any of the following conditions:

- (a) While he/she is at work for the Company after he/her has completed his/her probationary period as set out in 15.02;
- (b) During any period when he/she is prevented from performing his/her work for the Company by reason of injury arising out of and in the course of his/her employment for the Company and for which he/she is receiving compensation under the provisions of the *Workplace Safety and Insurance Act* to a maximum of twelve (12) months.
- (c) During the first six (6) calendar months of any absence due to illness, layoff or written leave of absence;
- (d) While on job protected leaves in accordance with the Employment Standards Act.
- (e) Not during any suspension beyond two (2) weeks.

10.03 Seniority, once established for an employee shall be forfeited and the employee's employment shall be deemed to be terminated under the following conditions:

- (a) He/she voluntarily quits resigns or retires;
- (b) If he/she is discharged for just cause and is not reinstated through the grievance procedure;
- (c) Has been on layoff for a continuous period of twelve (12) months;
- (d) Has been on layoff for a continuous period of less than twelve (12) months and

who, when notified by registered mail addressed to the last address he/she has recorded with the Company, or by confirmed e-mail address, fails to notify the Company within seven (7) days of personal notice to the employee or within ten (10) days of the delivery of notice of registered mail to his/her last recorded address;

- (e) Fails to return to work immediately after the expiration of a leave of absence unless prevented from doing so by illness or other cause which is reasonable in the judgment of the Company.

10.04 The seniority list shall include each employee's name, date of employment, and current classification. This list shall be posted in the plant. A second seniority list which includes each employee's name, date of employment, current classification and rate of pay shall be provided to the Union on a semi-annual basis.

10.05 An employee's reinstatement after sick leave of more than three (3) consecutive days, will be conditional upon his/her supplying proof, satisfactory to the Company, that he/she is sufficiently recovered from the sickness which caused his/her absence to perform his/her normal duties, as permissible under the *Employment Standards Act 2000*.

LAY-OFF AND RECALL

10.06 (a) In all cases of layoff probationary employees and temporary employees shall be laid off first provided a seniority employee can perform the available work to a reasonable standard.

- (b) In filling such vacancies as described above, application forms shall be made available to all employees by the Company and can be obtained through Human Resources.

10.07 In all cases of layoff, recalls after layoffs, transfers, promotions to higher paid jobs, other than promotions to positions outside the bargaining unit, Journeyman and lead hand positions, the following factors shall be considered:

- (i) Seniority;
- (ii) Skill, competence, efficiency and reliability;

Where in the judgment of the Company, which shall not be exercised in a discriminatory or arbitrary manner, the qualifications in factor (ii) are relatively equal, seniority shall govern.

10.08 In the event that there is a layoff due to lack of work, the employees affected shall be given sixteen (16) working hours notice or sixteen (16) hours pay in lieu of notice. At the time of notice, the Chief Steward shall receive a list of those employees to be laid off.

10.09 One (1) Working Day Layoff

Subject to Article 10, the Company may layoff any employee for a temporary period not

exceeding one (1) working day as follows:

- (a) On a voluntary basis by offering the one (1) day layoff to all employees in the classification being laid off;
- (b) On the basis of skill, competence, efficiency and reliability. If these factors are relatively equal, reverse order of seniority shall govern, on a rotational basis.

10.10 It is agreed that maintenance is considered non-production work, therefore employees in the Maintenance Department shall be allowed to remain at their jobs throughout any period of layoff in production if the Company considers their continued presence necessary.

ARTICLE 11 - HOURS OF WORK AND OVERTIME

- 11.01 The following paragraphs and sections are intended to define the normal hours of work and shall not be construed as a guarantee of hours of work per day or per week or of days of work per week.
- 11.02 The standard work week shall consist of forty (40) hours per week and for day shift will be comprised of five (5) eight (8) hour days, Monday to Friday. The normal day shift hours commence between 6:30am and 7:30am. The normal start time for the afternoon shift will be between 3:00pm and 4:00pm. The normal split shift will commence between 7:00am and 9:30am.
- 11.03 Overtime at the rate of time and one-half (1 ½) the hourly rate applicable for the job being performed shall be paid for all work performed in excess of the regular scheduled daily shift, provided however, that if an employee works in excess of the said daily hours in any one day but has an unauthorized absence in the scheduled week, then overtime will be calculated on a weekly basis and an employee will be paid at the rate of time and one-half (1 ½) for all work performed in excess of forty (40) hours per week. Hours worked on a Saturday (other than a shift which starts on Friday) shall be paid at the rate of time and one-half (1 ½) provided the employee has had no unauthorized absences in that week.
- 11.04 In the event an employee is required to work on a Sunday or statutory holiday, or such day on which the statutory holiday is celebrated, then he/she shall receive overtime pay at the rate of double the employee's hourly rate for all work performed on such day.
- 11.05 All overtime shall be on a voluntary basis. However, the Company shall have the right to schedule overtime in the Maintenance Department where in its discretion overtime is required. In the case of any individual maintenance employee, the Company will consider any reasonable request to be excused from overtime work on any particular occasion for valid reasons. However, repeated refusal to work overtime when requested will be grounds for disciplinary action.

Overtime outside the Maintenance Department, when available, will be allocated by:

- a) Departmental seniority, skill, competence, efficiency and reliability.

When overtime requirements exceed the capacity of a department, the work, subject to the above noted factors in (a) above, will be allocated on a plant wide basis with respect to those employees who have signed the appropriate plant-wide overtime sign-up sheet. The plant-wide overtime sign-up sheet will be posted for one week immediately prior to each quarter and employees who wish to be considered for such overtime must sign the sheet and indicate the department for which they would like to be considered.

The list will be applicable for the quarter indicated.

Overtime will be paid as per Article 11.03 and Article 11.04.

It is agreed that should an error be made with respect to the allocation of overtime, the entitled employee will receive an alternative overtime opportunity within a reasonable period of time. No money will be payable as a result of the error.

Should an employee who has signed the list refuse overtime twice in a quarter, or accepts an overtime assignment which he/she did not have the skill, competence, efficiency and reliability to perform, his/her name will be removed from the list for the balance of that quarter subject to the grievance and arbitration procedure.

- 11.06 Any worker who leaves the plant for any reason must punch out when leaving and must punch back in on returning to the plant.
- 11.07 Employees posted to specific job functions shall be able to trade shifts with another employee within the same department, providing the trade is pre-approved in writing by the supervisor and, in the supervisor's estimation, ~~they~~ the employee accepting the shift can perform the required job function, ~~and~~ no productivity is lost, and the trade is mutually agreed to by both employees. The supervisor shall respond to all requests in writing within two (2) days.
- 11.08 The Company shall grant two (2) rest periods of ten (10) minutes duration each in each regular shift. The Company reserves the right to designate the time for such rest periods.

All regular eight (8) or ten (10) hour shifts shall be allowed one (1) five (5) minute wash-up period immediately prior to the end of the shift. All employees are required to be productive until the wash-up period begins.

When overtime is scheduled for two (2) or more hours prior to a regular shift starting, there shall be granted a rest period of ten (10) minutes prior to regular shift starting.

When overtime is scheduled for two (2) or more hours after a regular shift's end, there shall be granted a rest period of ten (10) minutes every two (2) hours after the end of the regular shift.

Weekend overtime scheduled for a minimum of four (4) hours shall be granted one rest period of ten (10) minutes after each two (2) hour period.

11.09 Reporting Pay

An employee reporting for work as usual on a regular working day, unless previously notified not to report and for whom no work at his regular job is available, shall be offered at least four (4) hours employment in other work at the employee's current hourly rate of wages, or at the Company's option, will be paid four (4) hours pay in lieu of work. This provision shall not apply if the failure to receive notice was caused by the employee's absence from work or if the failure to provide work is caused by reason of a strike or other work stoppage, machinery breakdown, fire, flood, power failure or other like cause beyond the control of the Company.

11.10 Emergency Call Back

In the event that it is necessary to call an employee back to work in case of an emergency, after he had completed his regular shift that day and returned home, he shall be given the minimum of four (4) hours pay at his regular rate of wages or time and one-half (1½) for the hours worked, whichever is the greater. The provisions of this clause shall not apply to an employee who is called in early prior to his regular shift.

ARTICLE 12 – LEAVE OF ABSENCE

12.01 The Company shall provide to all eligible employees all leaves of absence as set out in the *Employment Standards Act, 2000*. The following leave provisions are in addition to those set out in the Employment Standards Act.

12.02 Bereavement Leave

In the event of the death of an employee's father, mother, brother, sister, mother-in-law, father-in-law, step-father, step-mother, grandparents, grandchildren, the employee will be granted a leave of absence for a period of time not exceeding three (3) working days with pay. In the event of the death of an employee's son-in-law or daughter-in-law, brother-in-law, sister-in-law, the employee will be granted a leave of absence for a period of time not exceeding one (1) working day with pay. In the event of the death of an employee's spouse (including common law spouse), child(ren), the employee will be granted a leave of absence for a period of time not exceeding five (5) calendar days without loss of pay.

12.03 Should an employee request additional time off as a result of the death, an additional personal leave of absence, without pay, will be considered by the Company and not unreasonably denied.

12.04 Jury Duty

The Company shall pay an employee who is required for Jury Service, for each day of service, the difference between his/her average straight time hourly rate for the number of hours he/she normally works on his/her shift, and the payment he/she receives for Jury Service. The employee will present proof of service and the amount of pay received.

12.05 Personal Leave

- (a) Employee's requests for leave of absence must be in writing to the employee's immediate supervisor for referral to senior management. Any leave of absence that may be granted by the Company under this Article shall be without pay. Any leave of absence that exceeds thirty (30) calendar days will be without paid benefits. The employee will be given the opportunity to continue their benefits provided that the employee covers all premium costs to a maximum of three (3) months.
- (b) The Company will grant a leave of absence, without pay, to not more than two (2) employees at any one time, to attend Union conventions and conferences for a period or periods not exceeding in the aggregate fourteen (14) days in any one calendar year; provided that the granting of such leave of absence does not interfere with the efficient operation of the plant.

12.06 Notwithstanding this Article, employees shall be entitled to a leave of absence in legitimate emergencies.

12.07 Any personal leave of absence requested by an employee shall receive a response by the Company within one (1) week from the date the request was made. Confirmation will be in writing.

12.08 PREGNANCY AND PARENTAL LEAVE

Pregnancy and Parental Leave will be in accordance with the Employment Standards Act, 2000, as amended from time to time.

ARTICLE 13 – JOB POSTINGS

- 13.01 (a) The Company agrees to immediately, but in any event no later than within one (1) Week, post on the bulletin board near all employee punch clocks, for a period of three (3) working days, notice of all new jobs created and all permanent vacancies in the bargaining unit (excluding lead hands and journeyman) which are to be filled, and application forms shall be made available by the Company and may be obtained through Human Resources.
- (b) In filling such job vacancies the following factors shall be considered:
 - i. Seniority;
 - ii. Skill, competence, efficiency and reliability.

Where the qualifications in factor (ii) are relatively equal, then seniority shall govern. While it is recognized that the Company is the judge of qualifications in factor (ii) it is agreed that this judgment shall not be exercised in any arbitrary or discriminatory manner.

First preference shall be given to employees who apply. Each unsuccessful applicant will

receive a notice including reasons indicating that his/her application has not been accepted.

- (c) The Company may hire persons from outside the bargaining unit when no qualified employee applies. If the Company does not exercise its option to fill the vacancy by hiring a person(s) from outside the Bargaining Unit within forty-five (45) working days and if the vacancy is not withdrawn, the Company shall re-post the vacancy in accordance with the terms and conditions herein.
- (d) In the event that an employee has been selected to fill such permanent vacancy, then at any time within five (5) working days after being assigned to such vacancy he/she may elect to revert to his/her old classification. If the employee does accept the permanent vacancy he/she shall be precluded from applying for any new vacancy for a period of six (6) months for positions carrying a level 5 or less. For positions carrying a level 6 or greater, the period of preclusion is one (1) year unless said position is an improvement. An employee who has been selected to fill such permanent position shall be placed into the position by no later than eight (8) weeks after being selected. The vacated position shall be posted within one (1) working day. If the Company is unable to fill the vacated position, it shall notify the Union and request an extension. Such request shall not be unreasonable denied by the Union.
- (f) Only the original vacancy and the vacancy of the successful bidder to the original vacancy shall be posted. Any vacancy arising from the filling of the second vacancy will be filled at the discretion of the Company. The name of the person chosen to fill the vacancy will be posted on the bulletin board within one (1) working day of the time of the appointment.

13.02 It is agreed that any serious problems with respect to job postings may be brought directly to the attention of the General Manager by the Chief Steward prior to any grievance being filed and shall be dealt with by the General Manager or his/her designate within forty-eight (48) hours.

13.03 Temporary transfers created for reasons other than illness, accident or leave of absence shall be limited to a maximum of thirty (30) calendar days, after which they shall be posted in accordance with the provisions of Article 15.

13.04 Transfer Outside of Bargaining Unit

In the event that an employee covered by this Agreement should be promoted to a supervisory or confidential position beyond the scope of this Agreement and is later transferred to a position within the scope of this Agreement, he shall retain the seniority previously acquired and shall have added thereto the seniority accumulated while serving in such supervisory or confidential capacity which further accumulation shall not exceed six (6) months or, in the case of filling a position during an *Employment Standards Act, 2000* approved leave, twelve (12) months

ARTICLE 14 – BULLETIN BOARD

- 14.01 The Company agrees to permit the Union to post notices of meetings on Bulletin Boards provided by the Company for such purposes.

ARTICLE 15 – WAGES

- 15.01 Schedule “A” hereto which is hereby made a part of this Agreement sets forth the wage rates and classifications for hourly paid employees and includes the wage increases agreed upon during negotiations.
- 15.02 A shift premium of sixty-five cents (65¢) per hour for each hour worked by an afternoon shift employee and a shift premium of sixty-five cents (65¢) per hour for each hour worked by a night shift employee shall be paid to employees on those shifts. Additional shifts shall be staffed by those employees having skill, competence, and efficiency to perform the necessary work, in order of seniority with the least senior employees being first assigned. If only one person has the skill, competence, efficiency for the work on the additional shift but has more seniority than other employees on day shift, he or she will be assigned to the additional shift for up to two (2) weeks while a less senior employee is trained on the day shift to perform such job. On completion of such training, the trained junior employee will be assigned to the additional shift and the more senior employees shall be returned to the day shift.
- 15.03 All employees shall be merit rated at six (6) month intervals calculated from probation completion date until such time as the employee has reached the maximum rate of his/her classification. In the event that an employee receives a wage increase as a result of the said merit rating, then the increase shall become effective at the beginning of the pay period closest to the day upon which the merit rating was made pursuant to this clause. An employee’s merit rating shall be filed with the Plant Office and an employee, upon request, shall have the right to discuss his/her merit rating with the Production Managers in the presence of the employee’s steward. Any dispute with respect to merit rating, if not resolved as above, may be referred to the Labour-Management Committee in accordance with Article 4.08.

If the Company fails to do a merit rating for eligible employees every six months, within two (2) weeks of the six-month interval, that employee shall automatically receive one-third (1/3) of the difference between his/her current rate and the maximum rate of his/her classification.

- 15.04 An employee who, for the convenience of the Company, is temporarily transferred for a period of one (1) consecutive working day or longer to another classification in which the rate of pay is different from the employee’s regular classification, shall be paid while so employed as follows:
- (a) If the rate of pay in the classification to which he/she is transferred is less than the employee’s regular rate of pay, he/she shall receive his/her own higher rate of pay.
 - (b) If the rate of pay in the classification to which he/she is transferred is higher than the employee’s regular rate of pay, he/she shall receive the pay of the classification to

which he/she is temporarily transferred.

The Company will notify the Chief Steward when temporary transfers exceed three (3) working days.

- 15.05 Any employee who, for the convenience and benefit of the employee, is temporarily transferred to another classification because of layoff in the plant, breakdown of machinery, lack of work in his/her classification or other like cause, shall be paid the applicable classification rate of the classification to which he/she is transferred.
- 15.06 The Company agrees to pay all employees in the bargaining unit weekly by bank transfer no later than 3:30 pm on Thursdays.

ARTICLE 16 – HEALTH AND SAFETY

- 16.01 Both parties hereto will co-operate toward the prevention of accidents and the promotion of safety and health of employees of the Company. It is hereby agreed that it shall be the duty of the employees to make use of all protective devices and equipment made available by the Company.
- 16.02 To further these aims, the Company agrees to meet with the Plant Safety Committee when required under the Occupational Health and Safety Act. The JHSC's functions and duties shall be prescribed by the Occupational Health and Safety Act. The Union shall be notified immediately of each accident or injury. Upon the request of the Union the Company shall provide a copy of the appropriate report or documentation of such injury or accident.
- 16.03 Pay on Day of Injury

Any employee who is injured while at work and is unable to work because of such injuries, shall be paid his/her regular earnings for the balance of the day on which the injury occurs, provided medical attention is necessary and the employee is advised by the doctor not to return to work.

- 16.04 The Company will pay to each employee who has completed their probationary period, up to \$200.00 towards the cost of safety shoes every year and one half, upon proof of purchase. Multiple claims will be allowed up to the \$200.00 maximum. Sprayers and truck delivery personnel shall receive the maximum allowance of \$200 every calendar year. Employees who have not completed their probationary period prior to each applicable period, will receive a pro-rated amount for that period.

ARTICLE 17 – PLANT HOLIDAYS

- 17.01 The following shall be recognized as public holidays to be paid, or to be provided a substitute day off, in accordance with the Public Holidays provisions of the Employment Standards Act, 2000.

New Year's Day
Good Friday
Victoria Day
Canada Day
Civic Holiday

Labour Day
Thanksgiving Day
Christmas Day
Boxing Day
Family Day

17.02 In order to qualify for holiday pay, an employee shall work the last scheduled full working day prior to the holiday, and the first scheduled working day after the holiday. However, an employee who fails to so work shall remain eligible to be paid for a holiday if he/she is absent with a reasonable explanation:

- (1) Being on vacation;
 - (2) Bereavement as set forth under Article 16.01;
 - (3) Jury duty as set forth under Article 18.01;
 - (4) An illness verified to the satisfaction of the Company, which commenced not more than fifteen (15) days immediately prior to the plant holiday;
 - (5) A leave of absence, with permission from the Company which commenced not more than five (5) working days immediately prior to the plant holiday;
 - (6) Layoff, subject to the provisions of the Ontario Employment Standards Act.
 - (7) Lateness, not exceeding forty-five (45) minutes on either the last scheduled working day preceding or the first scheduled working day following such a holiday. This may be extended by the Company (not to exceed a lateness of three (3) hours) if the employee notifies the Company that he will be late prior to the commencement of his scheduled shift and if it is established that such lateness is unavoidable.
- 17.03 When any of the said holidays fall on a Saturday or a Sunday, they shall be deferred to the immediately succeeding work day(s), and the day(s) so designated shall, for the purpose of this Agreement, be deemed to be the plant holiday(s).
- 17.04 If an employee works on one of the above named paid plant holidays, he will receive payment at double time for the hours actually worked by him at the rates of pay applicable for the work performed by him in addition to receiving his holiday pay.
- 17.05 If a holiday falls in an employee's vacation period, then the employee will be granted an extra day's holiday with pay or an extra day's pay in lieu thereof.

ARTICLE 18 – MISCELLANEOUS

- 18.01 The provisions of this Agreement shall be read with all grammatical, singular and plural changes as required by the circumstances.
- 18.02 For the purpose of this Contract, the definition of "days" or "working days" is Company

scheduled working days which includes all days except for Statutory Holidays, weekends, planned shut-down periods and full plant lay-off days.

- 18.03 Prior to implementing any significant changes to rules or policies, which affect employees covered by the Agreement, the Company will provide the changes to the Union. Significant changes include changes in policy or rules which may attract discipline should any individual employee not comply with those standards.
- 18.04 The Company and the Union agree to share the cost of this Agreement being placed in booklet form on a fifty/fifty basis. The Agreement will be distributed to all employees with a sufficient amount to the Company.
- 18.05 If any provisions of this agreement are found to be contrary to the provisions of any law, now or hereafter enacted, this agreement will be subject to such amendment as may be necessary to bring it into conformity with the law.

ARTICLE 19 – VACATIONS WITH PAY

- 19.01 All employees who have been steadily employed by the Company for a period of less than twelve (12) months as of July 1st in any year shall receive as vacation pay an amount equivalent to four percent (4%) of such employee's earnings during the twelve (12) months immediately preceding July 1st in such year, to be paid by July 31st of that year.
- 19.02 All employees who have been steadily employed by the Company for a period of one (1) year but less than five (5) years prior to July 1st in any year shall receive two (2) weeks vacation which shall be taken in accordance with Article 19.06, and shall receive as vacation pay an amount equivalent to four percent (4%) of such employee's earnings during the twelve (12) months immediately preceding July 1st in such year to be paid in accordance with Article 19.07.
- 19.03 All employees who have been steadily employed by the Company for a period of five (5) years but less than twelve (12) years prior to July 1st in any year shall receive three (3) weeks vacation which shall be taken in accordance with Article 19.06 and shall receive as vacation pay an amount equivalent to six percent (6%) of such employee's gross earnings during the twelve (12) months immediately preceding July 1st in such year to be paid in accordance with Article 19.07.
- 19.04 All employees who have been steadily employed by the Company for a period of twelve (12) years but less than twenty-one (21) years prior to July 1st in any year shall receive four (4) weeks vacation which shall be taken in accordance with Article 19.06 and shall receive as vacation pay an amount equivalent to eight percent (8%) of such employee's earnings during the twelve (12) months immediately preceding July 1st in such year to be paid in accordance with Article 19.07.
- 19.05 All employees who have been steadily employed by the Company for a period of twenty-one (21) years or more prior to July 1st in any year shall receive five (5) weeks vacation which shall be taken in accordance with Article 19.06 and shall receive as vacation pay an amount equivalent to ten percent (10%) of such employees earnings during the twelve (12) months immediately preceding July 1st in such year to be paid in accordance with

Article 19.07.

- 19.06 It is understood and agreed that all plant production employees, excluding shipping and trucking, will take one (1) week of their vacation entitlement each year during the last week of July (preceding the August Civic holiday).

Vacation approvals shall be subject to operational requirements. Vacation requests shall not be unreasonably denied. Vacation requests shall be made in writing.

- 19.07 Vacation pay entitlement shall be paid to employees as applied to their vacation time taken. Alternatively, employees can request full payouts of their vacation pay earned to July 1st on the subsequent pay periods closest to either July 15th, or September 15th, or December 15th or March 31st. Special requests for unforeseen circumstances outside of these timelines will be handled on a case by case basis and shall not be unreasonably denied. The Company may request an employee to provide evidence reasonable in the circumstances about the reasons for making the special request.
- 19.08 In computing the actual earnings for vacation pay the following items shall be included: actual wages earned (including overtime payments and paid holidays), but excluding vacation pay for the preceding year.
- 19.09 When an employee who is on vacation suffers a death in the family such that he or she would qualify for bereavement leave under Article 12.02 then the employee shall receive vacation credits at a mutually agreed upon time equaling the amount of bereavement leave he or she would be entitled to under Article 12.02 in these circumstances.

ARTICLE 20 – HEALTH AND WELFARE

- 20.01 The Company agrees to pay one hundred percent (100%) of the premium cost of the following for all active employees who have completed their probationary period:

- (a) Life insurance and AD & D plan will be \$35,000.00 coverage.
- (b) The Company Benefits weekly indemnity Plan is \$350.00 maximum benefit per week with coverage to commence the first day of hospitalization or 7 calendar days following onset of illness. Subject to eligibility, the plan is to incorporate Government Employment Insurance for the legislated coverage period.
- (c) Custom foot orthotics coverage will be a maximum of \$500.00 per year.

NOTE : Prescriptions will be processed on a drug card system with generics preferred and with the employee paying five percent (5%) and with a \$ 10.00 cap on the dispensing fee.

The Company will provide brochures to its employees describing the above benefits.

20.02 **DENTAL PLAN**

The Company agrees to pay seventy percent (70%) of the premium cost for all eligible

and active employees. Employees become eligible for dental coverage one year following completion of probationary period as long as they are continuously active at work. Dental plan includes basic and major coverage subject to the existing plan limits and has the following provisions: Twenty-five dollars (\$25.00) deductible for single employees and fifty dollars (\$50.00) deductible for families; and a one (1) year lag in the ODA fee schedule.

20.03 VISION CARE

The Company agrees to pay seventy percent (70%) every two (2) years for all active employees for a vision plan towards the cost of prescription safety glasses and frames to a maximum amount of \$175.00. This plan will also have an element dealing with replacement of same on the above noted formula if a demonstrated need exists for replacement.

The Company further agrees to provide a family vision plan for all active employees who have completed their probationary period. This plan will be one hundred percent (100%) paid by the Company with a \$300.00 maximum per person under this plan every twenty-four (24) months.

ARTICLE 21 - DURATION

21.01 This Agreement shall remain in force February 1, 2021 and including January 31, 2024 and shall continue in force from year to year thereafter unless in any year not more than sixty (60) days, and not less than thirty (30) days before the date of its termination, either party shall furnish the other with notice of termination of or proposed revision to this Agreement.

IN WITNESS WHEREOF each of the parties hereto has caused this Agreement to be signed by its duly authorized representatives in Paris, Ontario, _____ day of 10/6/2021 2021.

FOR THE COMPANY:

DocuSigned by:

Rod Compton
Signature

Print Name

DocuSigned by:

Tom Lacey
Signature

Print Name

FOR THE UNION:

DocuSigned by:

Ed Schug
Signature

Signature

DocuSigned by:

Janet Middleton
Signature

Print Name

DocuSigned by:

Jennifer Bennett
Signature

Signature

Jim Wrecks
Signature

Print Name

SCHEDULE “A”

DEPARTMENT	Job Title	FEB 1, 2021	FEB 1, 2022	FEB 1, 2023
		.10	.35	.45
Assembly	Box Folder	\$16.04 - \$16.68	\$16.39 - \$17.03	\$16.84 - \$17.48
Assembly	Cabinet Assembly Assistant	\$16.04 - \$16.68	\$16.39 - \$17.03	\$16.84 - \$17.48
Packing	Packer Assistant – On Line	\$16.04 - \$16.68	\$16.39 - \$17.03	\$16.84 - \$17.48
Traffic and Distribution	Warehouse Helper	\$16.04 - \$16.68	\$16.39 - \$17.03	\$16.84 - \$17.48
Assembly	Accessory Installer Assistant	\$16.22 - \$16.96	\$16.57 - \$17.31	\$17.02 - \$17.76
Panel Processing	Panel Processing Assistant	\$16.22 - \$16.96	\$16.57 - \$17.31	\$17.02 - \$17.76
Traffic and Distribution	Dock/Truck/Warehouse Helper	\$16.22 - \$16.96	\$16.57 - \$17.31	\$17.02 - \$17.76
Assembly	Accessory Installer	\$16.46 - \$17.38	\$16.81 - \$17.73	\$17.26 - \$18.18
Assembly	Drawer Builder Assistant	\$16.46 - \$17.38	\$16.81 - \$17.73	\$17.26 - \$18.18
Finishing	Junior Sprayer/ Material Handler	\$16.46 - \$17.38	\$16.81 - \$17.73	\$17.26 - \$18.18
Panel Processing	Lift Truck Operator	\$16.46 - \$17.38	\$16.81 - \$17.73	\$17.26 - \$18.18
Packing	Packer – On Line	\$16.71 - \$17.89	\$17.06 - \$18.24	\$17.51 - \$18.69
	Packer – Off Line Crown and Valance	\$16.71 - \$17.89	\$17.06 - \$18.24	\$17.51 - \$18.69
Packing	Assembler	\$16.71 - \$17.89	\$17.06 - \$18.24	\$17.51 - \$18.69
Custom Wood	Junior Inspector	\$16.71 - \$17.89	\$17.06 - \$18.24	\$17.51 - \$18.69
Quality Assurance	Offline Order Preparation	\$16.71 - \$17.89	\$17.06 - \$18.24	\$17.51 - \$18.69
Order Assembly	Sanding Machine Operator	\$16.71 - \$17.89	\$17.06 - \$18.24	\$17.51 - \$18.69
Order Assembly	Finishing Assistant	\$16.71 - \$17.89	\$17.06 - \$18.24	\$17.51 - \$18.69
Finishing	Sander	\$16.71 - \$17.89	\$17.06 - \$18.24	\$17.51 - \$18.69
Assembly	Clamp Coordinator	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Assembly	Component Picker	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Assembly	Cabinet Assembler	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Assembly	Line Floater	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Assembly	Tall Cabinet Assembler	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Assembly	Drawer Builder Coordinator	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Assembly	Door Hinger Coordinator	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Assembly	Special Cabinet Assembler	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Packing	Packer Coordinator	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Custom Wood	Sliding Panel Saw Operator	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Custom Wood	Cabinet Assembler	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Quality Assurance	Senior Inspector Horizontal Panel Saw	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Panel Processing	Operator	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Panel Processing	Vertical Panel Saw Operator Component Distribution	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Panel Processing	Coordinator CNC Boring	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Panel Processing	Routing Machine Operator	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75

Panel Processing	Edgebander Operator Horizontal Drill Dowel	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Panel Processing	Insertion Operator	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Traffic and Distribution	Dock Coordinator	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Traffic and Distribution	Warehouse Coordinator	\$17.75 - \$18.95	\$18.10 - \$19.30	\$18.55 - \$19.75
Finishing	Workflow Facilitator	\$18.53 - \$19.70	\$18.88 - \$20.05	\$19.33 - \$20.50
Traffic and Distribution	Expeditor	\$18.53 - \$19.70	\$18.88 - \$20.05	\$19.33 - \$20.50
Finishing	Finishing Machine Operator	\$20.44 - \$21.64	\$20.79 - \$21.99	\$21.24 - \$22.44
Traffic and Distribution	Truck Driver	\$20.44 - \$21.64	\$20.79 - \$21.99	\$21.24 - \$22.44
Assembly	Lead Hand	\$21.78 - \$23.14	\$22.13 - \$23.49	\$22.58 - \$23.94
Order Assembly	Lead Hand	\$21.78 - \$23.14	\$22.13 - \$23.49	\$22.58 - \$23.94
Panel Processing	Lead Hand	\$21.78 - \$23.14	\$22.13 - \$23.49	\$22.58 - \$23.94
Traffic and Distribution	Lead hand	\$21.78 - \$23.14	\$22.13 - \$23.49	\$22.58 - \$23.94
Finishing	Senior Sprayer	\$25.10 - \$26.58	\$25.45 - \$26.93	\$25.90 - \$27.38
Custom Wood	Industrial Journeyman	\$25.10 - \$26.58	\$25.45 - \$26.93	\$25.90 - \$27.38
Maintenance	Maintenance “A”	\$25.10 - \$26.58	\$25.45 - \$26.93	\$25.90 - \$27.38
Finishing	Finishing Lead Hand	\$26.10 - \$27.90	\$26.45 - \$28.25	\$26.90 - \$28.70
Traffic and Distribution	Tractor Trailer Driver	\$26.10 - \$27.90	\$26.45 - \$28.25	\$26.90 - \$28.70
Maintenance	Electrician or Millwright	\$35.10 - \$40.10	\$35.45 - \$40.45	\$35.90 - \$40.90

AGREEMENT TO WORK EXCESS HOURS

Between

THE SANDERSON-HAROLD COMPANY LIMITED
(Hereinafter referred to - and as the “Company”)

- and -

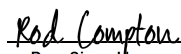

**CARPENTERS’ DISTRICT COUNCIL,
UNITED BROTHERHOOD OF CARPENTERS
AND JOINERS OF AMERICA,
CARPENTERS LOCAL 1072**
(Hereinafter referred to as the “Union”)

In accordance with section 17 of the Employment Standards Act, 2000, the parties agree as follows:

1. Regular Work Day – the regular work day for employees has been established as eight (8) hours per day.
2. Extra Daily Hours – The Union consents on behalf of employees in the bargaining unit to allow them to work beyond their regular work day to the daily maximum allowed by the Act.
3. Extra Weekly Hours – The Union also consents on behalf of employees in the bargaining unit to allow them to work beyond 48 hours in a week, to a maximum of 60 hours in a week.
4. Scheduling – Scheduling of extra hours shall be in accordance with the scheduling provisions of the collective agreement.
5. Term – The parties agree that this agreement may not be revoked prior to the expiry of the term of the collective agreement, except with the parties’ mutual consent.

DATED at Paris, Ontario this ____ day of 10/6/2021 2021.

For the Company:

DocuSigned by:

DocuSigned by:

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For the Union:

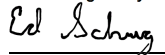
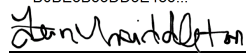
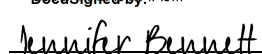
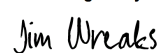
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EXHIBIT B

ASSET PURCHASE AGREEMENT

This Agreement dated ●day, August ●, 2022 is made,

B E T W E E N:

THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS

(hereinafter referred to as the “**Company**” or the “**Vendor**”)

-and-

2486666 ONTARIO INC., a corporation incorporated under the laws of Ontario

In trust for a Corporation to be incorporated (hereinafter referred to as the “**Purchaser**”)

RECITALS

WHEREAS the Company filed a Notice of Intention to File a Proposal (“**NOI**”) under the *Bankruptcy and Insolvency Act* (Canada) on May 31, 2022;

AND WHEREAS KSV Restructuring Inc.(“**KSV**”) is the trustee in the NOI proceeding (“**Proposal Trustee**”);

AND WHEREAS the Purchaser wishes to purchase the assets and property of the Company in accordance with the terms of this Agreement;

NOW THEREFORE, in consideration of the promises and mutual covenants and agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties hereto agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 **Definitions.**

In this Agreement, the following terms shall have the meanings set out below unless the context requires otherwise:

- (1) “**Acquired Contracts**” means the Contracts listed in Schedule 1.1(1).
- (2) “**Acquired Personal Property Leases**” means the Personal Property Leases listed in Schedule 1.1(2).
- (3) “**Agreement**” means this Agreement, including the Schedules to this Agreement, as it or they may be amended or supplemented from time to time, and the expressions “hereof”, “herein”,

“hereto”, “hereunder”, “hereby” and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement.

(4) “**Applicable Law**” means, with respect to any Person, property, transaction, event or other matter, any Law relating or applicable to such Person, property, transaction, event or other matter. Applicable Law also includes, where appropriate, any interpretation of the Law (or any part) by any Person having jurisdiction over it, or charged with its administration or interpretation.

(5) “**Assumed Liabilities**” means only the Liabilities incurred under or in respect of (i) the Permitted Liens; (ii) the Acquired Contracts listed in Schedule 1.1(1); (iii) the Acquired Personal Property Leases listed in Schedule 1.1(2); and (iv) the Transferred Employees, in each case in respect of the period commencing at the Closing Time.

(6) “**Books and Records**” means all books, records, files and papers, including computer programs (including source and object code), software programs, manuals and data, sales and advertising materials, lists of present and former customers and suppliers, personnel, employment and other records related to Transferred Employees, and all copies and recordings of the foregoing.

(7) “**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.

(8) “**Canadian Dollars**” means the lawful currency of Canada.

(9) “**Closing**” means the completion of the purchase and sale of the Purchased Assets in accordance with the provisions of this Agreement.

(10) “**Closing Date**” has the meaning given in Section 3.2.

(11) “**Closing Time**” means the time of closing on the Closing Date provided for in Section 3.1.

(12) “**Company**” has the meaning ascribed thereto in the recitals above;

(13) “**Contracts**” means all rights and interests of the Company to and in all executory contracts, agreements and arrangements whether or not signed to which either of them is a party and/or by which any of the Purchased Assets is bound.

(14) “**Court**” means the Ontario Superior Court of Justice, Commercial List.

(15) “**Deposit**” has the meaning given in Section 2.3.

(16) “**Employee**” means an individual who is employed in the Company’s business on the date immediately prior to the Closing.

(17) “**Environmental Law**” means any and all applicable international, federal, provincial, municipal or local laws, by-laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives and all authorizations relating to the environment, occupational health and safety, health protection or any Hazardous Materials.

(18) “**Excluded Assets**” means only the following assets, property, or undertaking of the Company:

- (a) all goods, machinery and equipment subject to true operating leases;
- (b) the right to receive insurance recoveries under any insurance policies in existence on the date hereof in respect only of any claims with respect to Excluded Assets;
- (c) cash, bank balances, moneys in possession of banks and other depositories, term or time deposits and similar cash items of, owned or held by or for the account of any Company;
- (d) the real property municipally known as 38 Spruce Street, Paris, Ontario;
- (e) the Inventories;
- (f) the Receivables; and
- (g) any other assets that the Purchaser elects to exclude in writing prior to Closing in accordance with the terms of this Agreement.

(19) **“Governmental Entity”** means any federal, provincial, or municipal court, board, tribunal, arbitrator or arbitral panel, administrative agency or commission or other governmental or regulatory agency, ministry, department or authority.

(20) **“Hazardous Materials”** means any contaminants, pollutants, substances or materials that, when released to the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, whether or not such contaminants, pollutants, substances or materials are or shall become prohibited, controlled or regulated by any Governmental Authority and any **“Contaminants”**, **“Dangerous Substances”**, **“Hazardous Materials”**, **“Hazardous Substances”**, **“Hazardous Wastes”**, **“Industrial Wastes”**, **“Liquid Wastes”**, **“Pollutants”** and **“Toxic Substances”**, all as defined in, referred to or contemplated in federal, provincial and/or municipal legislation, regulations, orders and/or ordinances relating to environmental, health and/or safety matters and, not to limit the generality of the foregoing, includes asbestos, urea formaldehyde foam insulation and mono or polychlorinated biphenyl wastes.

(21) **“HST”** means the harmonized sales tax imposed under the *Excise Tax Act* (Canada).

(22) **“Intellectual Property”** means any or all of the following items, wherever located: all patents and patent rights, trademarks and trademark rights, trade names and trade name rights, service marks and service mark rights, service names and service name rights, copyrights and copyright rights, brand names, trade dress, business and product names, domain names, corporate names, logos, slogans, trade secrets, inventions, processes, formulae, industrial models, designs, specifications, data, technology, methodologies, computer programs (including all source code), confidential and proprietary information, whether or not subject to statutory registration, all related technical information, manufacturing, engineering and technical drawings, know how, all pending applications for and registrations of patents, trademarks, service marks and copyrights, including all obligations of third parties relating to the protection of the foregoing, the goodwill associated with the foregoing, and the right to sue for past payment, if any, in connection with any of the foregoing, and all documents, disks and other media on which any of the foregoing is stored.

(23) **“Inventories”** means all inventories of stock-in-trade and merchandise including materials, supplies, work-in-progress and purchased finished goods (including those in possession of suppliers, customers and other third parties).

(24) **“Law”** means common law, order, judgment, decree, law, statute, rule, or regulation of any Governmental Entity.

(25) **“Liabilities”** means all costs, expenses, charges, debts, liabilities, claims, demands and obligations, whether primary or secondary, direct or indirect, fixed, contingent, absolute or otherwise, under or in respect of any contract, agreement, arrangement, lease, commitment or undertaking, Applicable Law and Taxes.

(26) **“Lien”** means any lien, mortgage, charge, hypothec, pledge, security interest, prior assignment, option, warrant, lease, sublease, right to possession, encumbrance, claim, right or restriction which affects, by way of a conflicting ownership interest or otherwise, the right, title or interest in or to any particular property.

(27) **“Party”** means a party to this Agreement and any reference to a Party includes its successors and permitted assigns; **“Parties”** means every Party.

(28) **“Permitted Liens”** means the security interests listed in Schedule 1.1(28).

(29) **“Person”** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity.

(30) **“Personal Property”** means all machinery, equipment, furniture, computer hardware and other chattels (including those in possession of third parties).

(31) **“Personal Property Leases”** means chattel leases, equipment leases, rental agreements and conditional sales contracts.

(32) **“Purchased Assets”** means all the right, title and interest of the Company in and to the following assets, but excluding the Excluded Assets:

- (a) the Acquired Contracts;
- (b) the Acquired Personal Property Leases;
- (c) the Books and Records;
- (d) the Intellectual Property;
- (e) the Personal Property; and
- (f) the Real Property.

(33) **“Purchase Price”** has the meaning given in Section 2.2.

(34) **“Purchaser”** has the meaning given in the recitals above.

(35) “**Real Property**” means the lands and premises municipally known as 23 Railway Street, Paris, Ontario, and legally described in Schedule 1.1(35), together with all buildings, improvements and structures thereon and the fixtures (other than trade fixtures) affixed thereto.

(36) “**Receivables**” means all accounts receivable, bills receivable, trade accounts, book debts, insurance claims and other amounts owed to the Company, including recoverable deposits.

(37) “**Related to the Business**” means, directly or indirectly, used in, arising from, or relating in any manner to the business of the Company.

(38) “**Rights**” has the meaning given in Section 3.5.

(39) “**Taxes**” means all taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, land transfer, real property and personal property taxes, and any other taxes, customs duties, fees, assessments or similar charges in the nature of a tax including Canada Pension Plan and provincial pension plan contributions, employment insurance payments and workers compensation premiums, together with any instalments with respect thereto, and any interest, fines and penalties, imposed by any governmental authority (including federal, state, provincial, municipal and foreign governmental authorities), and whether disputed or not.

(40) “**Transaction**” means the transaction of purchase and sale contemplated by this Agreement.

(41) “**Transferred Employees**” means Employees who have accepted an offer of employment from the Purchaser as of the Closing.

(42) “**Vendor**” has the meaning given in the recitals above.

(43) “**Vendor’s Solicitors**” means Chaitons LLP.

(44) “**Vesting Order**” means an order made by the Court vesting in the Purchaser all the right, title and interest of the Company in the Purchased Assets free and clear of all Liens (except the Permitted Liens). For greater certainty, the Vesting Order shall be substantially in the form of the model order approved by the “Ontario Commercial List Users Committee”.

1.2 **Headings and Table of Contents.**

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 **No Strict Construction.**

The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.4 **Number and Gender.**

Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders. Where the word “including” or “includes” is used in this Agreement, it means “including (or includes) without limitation”.

1.5 **Business Days.**

If any payment is required to be made or other action 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 made or taken on the next Business Day.

1.6 **Currency and Payment Obligations.**

Except as otherwise expressly provided in this Agreement:

- (a) all dollar amounts referred to in this Agreement are stated in Canadian Dollars; and
- (b) any payment contemplated by this Agreement shall be made by cash, certified cheque or any other method that provides immediately available funds.

1.7 **Statute References.**

Any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time.

1.8 **Section and Schedule References.**

Unless the context requires otherwise, references in this Agreement to Sections or Schedules are to Sections or Schedules of this Agreement. The Schedules to this Agreement, listed as follows, are an integral part of this Agreement:

Schedule 1.1(1)	Acquired Contracts
Schedule 1.1(2)	Acquired Personal Property Leases
Schedule 1.1(28)	Permitted Liens
Schedule 1.1(35)	Real Property
Schedule 2.2	Allocation of Purchase Price

ARTICLE 2

PURCHASE OF ASSETS

2.1 **Agreement to Purchase and Sell.**

Subject to the terms and conditions of this Agreement, the Vendor shall sell and the Purchaser shall purchase the Purchased Assets.

2.2 **Amount of Purchase Price.**

The purchase price payable by the Purchaser to the Vendor for the Purchased Assets (the “**Purchase Price**”) shall be [REDACTED] allocated among the Purchased Assets as set out in Schedule 2.2.

2.3 **Deposit.**

Concurrently with the execution of this Agreement, the Purchaser shall pay to KSV, in its capacity as Proposal Trustee, the sum of SEVEN HUNDRED THOUSAND DOLLARS (\$700,000.00) as a deposit (the “**Deposit**”). KSV shall invest the Deposit in an interest-bearing account of a Canadian chartered bank or trust company, in trust, to be disbursed in accordance with the following provisions:

- (1) if the purchase and sale of the Purchased Assets is completed in accordance with the terms of this Agreement, then the Deposit shall be released from trust with interest and applied towards payment of the Purchase Price;
- (2) if the purchase and sale of the Purchased Assets is not completed in accordance with the terms of this Agreement, then the deposit shall be dealt with in accordance with the provisions of Article 4.

2.4 **Payment of Purchase Price.**

The Purchase Price shall be paid and satisfied by the Purchaser at the Closing as follows:

- (1) the Deposit shall be paid to the Vendor and credited against the Purchase Price in accordance with Section 2.3(1); and
- (2) the balance shall be paid to the Vendor by way of certified cheque, bank draft or wire transfer, or as the Vendor may direct in writing.

2.5 **Allocation of Purchase Price.**

Notwithstanding the allocation provided by the Purchaser as Schedule 2.2, the Purchase Price shall be allocated among the Purchased Assets in the manner agreed to by the Purchaser and Vendor prior to Closing (acting reasonably) and the Parties shall file their respective income tax returns prepared in accordance with such allocations.

2.6 **HST Election.**

At the Closing, the Vendor and the Purchaser shall execute jointly an election under Section 167 of the *Excise Tax Act* (Canada) to have the sale of the Purchased Assets take place on a HST-free basis under Part IX of the *Excise Tax Act* (Canada) and the Purchaser shall file such election with its HST return for the reporting period in which the sale of the Purchased Assets takes place.

2.7 **Section 22 Election.**

The Purchaser and the Vendor shall execute jointly an election in prescribed form under Section 22 of the *Income Tax Act* (Canada) in respect of the Receivables and shall each file such election with their respective tax returns for their respective taxation years that include the Closing Date.

2.8 **Excluded Liabilities.**

Other than the Assumed Liabilities, the Purchaser shall not assume and shall not be liable for any debts, liabilities or other obligations of any Company.

2.9 **Excluded Assets.**

Notwithstanding anything to the contrary in this Agreement, the Purchaser may, at its option, exclude any of the Purchased Assets from the Transaction prior to the Time of Closing, whereupon such Purchased Assets shall be Excluded Assets, provided, however, that there shall be no adjustment in the Purchase Price.

ARTICLE 3

CLOSING ARRANGEMENTS

3.1 **Closing.**

The Closing shall take place at 10:00 a.m. on the Closing Date at the offices of the Vendor's solicitors, or at such other time on the Closing Date or such other place as may be agreed orally or in writing by the Vendor and the Purchaser.

3.2 **Closing Date.**

The Transaction shall be completed by the Parties three (3) Business Days following the date on which the Vesting Order shall have been obtained, or such other date as may be agreed between the parties hereto in writing (the "**Closing Date**"), provided that in any event the Closing Date shall not be earlier than October 31, 2022 nor after November 30, 2022. If, prior to the Closing, the Vesting Order shall have been appealed or a proceeding shall have been commenced to restrain or prevent the completion of the Transaction, then the Closing Date may be extended by the Vendor, in which case the Closing Date shall mean the day that is ten (10) Business Days after the date on which any such appeals and/or proceedings are dismissed.

3.3 **Vendor's Closing Deliveries.**

At the Closing, the Vendor shall deliver or cause to be delivered to the Purchaser the following documents:

- (1) the elections referred to in Sections 2.6 and 2.7;
- (2) a certificate, dated as of the Closing Date, confirming that (i) all of the representations and warranties of the Vendor contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date and (ii) that each of the conditions precedent in Section 4.3 of this Agreement have been fulfilled, performed or waived as of the Closing Date;

- (3) the Vesting Order(s) and the vesting certificate relating thereto; and
- (4) all deeds of conveyance, bills of sale, assurances, transfers, assignments, consents, and such other agreements, documents and instruments as may be reasonably requested by the Purchaser to complete the Transaction.

3.4 **Purchaser's Closing Deliveries.**

At the Closing, the Purchaser shall deliver or cause to be delivered to the Vendor the following documents and payments:

- (1) the payments referred to in Sections 2.4(1) and 2.4(2);
- (2) the elections referred to in Sections 2.6 and 2.7;
- (3) a certificate, dated as of the Closing Date, confirming that (i) all of the representations and warranties of the Purchaser contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date and (ii) that each of the conditions precedent in Section 4.1 of this Agreement have been fulfilled, performed or waived as of the Closing Date;
- (4) all such other agreements, documents and instruments as may be reasonably requested by the Vendor to complete the Transaction.

3.5 **Non-Transferable and Non-Assignable Purchased Assets.**

To the extent that any of the Purchased Assets to be transferred to the Purchaser on the Closing, or any claim, right or benefit arising under or resulting from such Purchased Assets (collectively, the “Rights”), is not capable of being transferred without the approval, consent or waiver of any third Person, or if the transfer of a Right would constitute a breach of any obligation under, or a violation of, any Applicable Law unless the approval, consent or waiver of such third Person is obtained, then, except as expressly otherwise provided in this Agreement and without limiting the rights and remedies of the Purchaser contained elsewhere in this Agreement, this Agreement shall not constitute an agreement to transfer such Rights unless and until such approval, consent or waiver has been obtained. After the Closing and for a period of ten (10) days following the Closing, or such later date as the Parties may agree, the Vendor shall:

- (a) hold the Rights in trust for the Purchaser;
- (b) comply with the terms and provisions of the Rights as agent for the Purchaser at the Purchaser's cost and for the Purchaser's benefit;
- (c) cooperate with the Purchaser in any reasonable and lawful arrangements designed to provide the benefits of such Rights to the Purchaser; and
- (d) enforce, at the reasonable request of the Purchaser and at the expense and for the account of the Purchaser, any rights of the Vendor arising from such Rights against any third Person, including the right to elect to terminate any such rights in accordance with the terms of such rights upon the written direction of the Purchaser.

In order that the full value of the Rights may be realized for the benefit of the Purchaser, the Vendor shall, at the request and expense and under the direction of the Purchaser, in the name of the Vendor or otherwise as the Purchaser may specify, take all such action and do or cause to be done all such things as are, in the reasonable opinion of the Purchaser, necessary or proper in order that the obligations of any Company under such Rights may be performed in such manner that the value of such Rights is preserved and enures to the benefit of the Purchaser, and that any moneys due and payable and to become due and payable to the Purchaser in and under the Rights are received by the Purchaser. The Vendor shall promptly pay to the Purchaser all moneys collected by or paid to the Vendor in respect of every such Right. To the extent that such approval, consent or waiver has not been obtained by the tenth (10th) day following the Closing, or such later date as the Parties may agree, such Right shall be deemed to be an Excluded Purchased Asset and the Vendor may terminate any agreement pertaining to such Right. The Purchaser shall indemnify and hold the Vendor harmless from and against any claim or liability under or in respect of such Rights arising because of any action of the Vendor taken in accordance with this Section.

3.6 **Risk.**

The Purchased Assets are and shall remain at the Vendor's risk until Closing, and the Vendor shall hold all insurance policies and the proceeds thereunder, in trust, for the Parties as their respective interests may appear pending Closing. From and after Closing, the Purchased Assets shall be at the risk of the Purchaser. In the event that any or all the Purchased Assets shall be materially damaged prior to Closing, then the Vendor shall advise the Purchaser, in writing, within two (2) Business Days of the Vendor learning of same. If the cost of rectifying such damage exceeds One Million Dollars (\$1,000,000), as determined by a third-party expert appointed by the Vendor, then the Vendor shall be entitled, in its sole and absolute discretion, to elect to terminate this Agreement by notice, in writing, to the Purchaser and in such event the Parties hereto shall be released from all obligations and liabilities hereunder. If the Vendor shall not elect to terminate this Agreement as set out above, or if the cost of rectifying such damage does not exceed One Million Dollars (\$1,000,000), then the Transaction shall be completed.

ARTICLE 4 **CONDITIONS OF CLOSING**

4.1 **Purchaser's Conditions.**

The Purchaser shall not be obliged to complete the purchase and sale of the Purchased Assets pursuant to this Agreement unless, at or before the Closing Time, each of the following conditions has been satisfied, it being understood that the following conditions are included for the exclusive benefit of the Purchaser and may be waived, in whole or in part, in writing by the Purchaser at any time; and the Vendor agrees with the Purchaser to take all such actions, steps and proceedings within its reasonable control as may be necessary to ensure that the following conditions are fulfilled at or before the Closing Time:

- (1) *Representations and Warranties.* The representations and warranties of the Vendor in Section 5.1 shall be true and correct at the Closing.
- (2) *Vendor's Compliance.* The Vendor shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before Closing and 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 3.2 or elsewhere in this Agreement.

- (3) *No Litigation.* There shall be no litigation or proceedings pending against any of the Parties hereto, or involving the Business or any of the Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper.
- (4) *Vesting Order(s).* The Vesting Order shall have been obtained and shall not have been stayed, varied or set aside.

4.2 **Condition not Fulfilled.**

If any condition in Section 4.1 has not been fulfilled at or before the Closing Time, then the Purchaser in its sole discretion may either:

- (1) terminate this Agreement by notice to the Vendor, in which event the Purchaser shall be released from its obligations under this Agreement and the Deposit and all accrued interest shall be promptly returned to the Purchaser; or
- (2) waive compliance with any such condition without prejudice to its right of termination in the event of non-fulfillment of any other condition.

4.3 **Vendor's Conditions.**

The Vendor shall not be obliged to complete the Transaction unless, at or before the Closing Time, each of the following conditions has been satisfied, it being understood that the following conditions are included for the exclusive benefit of the Vendor, and may be waived, in whole or in part, in writing by the Vendor at any time; and the Purchaser agrees with the Vendor to take all such actions, steps and proceedings within the Purchaser's reasonable control as may be necessary to ensure that the following conditions are fulfilled at or before the Closing Time:

- (1) *Purchaser's Compliance.* The Purchaser shall have performed and complied with all of the terms and conditions in this Agreement on its part to be to be performed by or complied with at or before the Closing Time and shall have executed and delivered or caused to have been executed and delivered to the Vendor at the Closing Time all the documents contemplated in Section 3.4 or elsewhere in this Agreement.
- (2) *Vesting Order.* The Vesting Order shall have been obtained and shall not have been stayed, varied or set aside.
- (3) *No Litigation.* There shall be no litigation or proceedings pending against any of the Parties hereto, or involving the Business or any of the Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper.

4.4 **Condition not Fulfilled.**

If any condition in Section 4.3 shall not have been fulfilled at or before the Closing Time, then the Vendor in its sole discretion may, without limiting any rights or remedies available to the Vendor at law or in equity, either:

- (1) terminate this Agreement by notice to the Purchaser in which event the Vendor shall be released from all obligations under this Agreement and, if the condition that was not fulfilled was contained

in Section 4.1, the Deposit and all accrued interest thereon shall be promptly returned to the Purchaser and the Purchaser shall be released from all obligations under this Agreement; or

- (2) waive compliance with any such condition without prejudice to its right of termination in the event of non-fulfillment of any other condition.

4.5 **Default.**

If the Transaction is not completed as a result of Purchaser's failure to perform any of its obligations under this Agreement, then the Deposit shall be forfeited to the Vendor which shall also retain all of its other rights and remedies against the Purchaser available at law or in equity.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES

5.1 **Representations and Warranties of the Purchaser.**

As a material inducement to the Vendor's entering into this Agreement and completing the Transaction 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 Power.* The Purchaser is a corporation duly incorporated under the laws of the jurisdiction of its incorporation and is duly organized, validly subsisting and in good standing under such laws.
- (2) *Due Authorization.* The Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by it as contemplated by this Agreement and to carry out its obligations under this Agreement and such other agreements and instruments. The execution and delivery of this Agreement and such other agreements and instruments and the completion of the Transaction and such other agreements and instruments have been duly authorized by all necessary corporate action on the part of the Purchaser.
- (3) *Enforceability of Obligations.* This Agreement constitutes a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms subject, however, to limitations on enforcement imposed by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of the rights of creditors or others and to the extent that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought.
- (4) *Financial Ability.* The Purchaser has the financial ability through its own resources or through financing that has been arranged with a recognized financial lending institution, to close the Transaction and pay the balance of the Purchase Price on the Closing Date. The Purchaser confirms that it shall deliver to the Vendor, upon request, evidence of such financial ability by way of a copy of a binding commitment letter or letter from its banking institution confirming the foregoing, or such other evidence as the Vendor may deem appropriate.

- (5) *HST/GST*. The Purchaser is a “registrant” under Part IX of the *Excise Tax Act* (Canada) and its registration number is R● or the Purchaser will be such a “registrant” at the Closing Time and will notify the Vendor of its registration number prior to such time.

5.2 **Representations and Warranties of the Vendor.**

As a material inducement to the Purchaser’s entering into this Agreement and completing the Transaction 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) *Non-Residency*: The Vendor is not now and does not intend to become, prior to Closing, a non-resident of Canada within the meaning and purpose of Section 116 of the *Income Tax Act* (Canada).
- (2) *Authority to Sell*: Subject to obtaining the Vesting Order prior to Closing, on Closing the Vendor shall have the power and authority to sell the Purchased Assets, in accordance with the terms and conditions of this Agreement and the Vesting Order.

5.3 **Survival of Representations and Warranties.**

The representations and warranties of the Purchaser and Vendor contained in Sections 5.1 and 5.2, respectively, or any other agreement, certificate or instrument delivered pursuant to this Agreement shall survive the termination of this Agreement and the completion of the Transaction.

5.4 **“As is, Where is”.**

The Purchaser acknowledges that the Vendor is selling the Purchased Assets on an “as is, where is” and “without recourse” basis as they shall exist on the Closing Date. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Purchased Assets and that the Purchaser has conducted such inspections of the condition of and title to the Purchased Assets as it deemed appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Vendor to sell or assign same save and except as expressly represented or warranted herein. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation do not apply hereto and have been waived by the Purchaser. Without limiting the generality of the foregoing, the Purchaser acknowledges having conducted its own due diligence and investigations in respect of the environmental state of the Real Property, the existence, nature, kind, state or identity of any Hazardous Materials on, under, or about the Real Property, the existence, state, nature, kind, identity, extent and effect of any administrative order, control order, stop order, compliance order or any other orders, proceedings or actions under any Environmental Law, and the existence, nature, kind, state or identity, extent and effect of any liability to fulfill any obligation to compensate any third party for any costs incurred in connection with or damages suffered as a result of any discharge of any Hazardous Materials whether on, under or about the Real Property or elsewhere. The description of the Purchased Assets contained in the Schedules hereto is for the purpose of identification only. No representation, warranty or condition has or will be given by the Vendor concerning completeness or the accuracy of such descriptions. The Purchaser further acknowledges that all written and oral information (including, without limitation, analyses, financial information and projections, compilations and studies) obtained by the Purchaser from the Vendor with respect to the Purchased Assets or otherwise relating to the Transaction

has been obtained for the convenience of the Purchaser only and is not warranted to be accurate or complete. The Purchaser further acknowledges that the Vendor shall be under no obligation to deliver the Purchased Assets to the Purchaser and that it shall be the Purchaser's responsibility to take possession of the Purchased Assets. The Purchaser Acknowledges that the Vendor may leave any unwanted inventory at the Premises on Closing at no cost to the Vendor.

5.5 **Encroachments.**

The Purchaser agrees that the Vendor shall not be responsible for any matters relating to encroachments on or to the Real Property, or encroachments onto adjoining lands, or to remove same, or for any matters relating to any applicable zoning regulations or by-laws in existence now or in the future affecting any of the Real Property, and accepts that title shall be conveyed subject to the Permitted Encumbrances

5.6 **Employees.**

The Purchaser may offer employment, as of the Closing Time, to those Employees it so wishes to employ on terms and conditions of employment which are substantially similar to the current terms provided. For greater certainty, the Purchaser shall not be obligated to offer employment to any Employee. The Purchaser shall provide the Vendor with the names of Employees who will not be offered employment or who have not accepted an offer of employment by no later than five (5) Business Days prior to Closing. For greater certainty, any Employees not terminated prior to Closing shall remain Employees of the Vendor until terminated by the Vendor.

ARTICLE 6 POST-CLOSING MATTERS

6.1 **Access**

The Purchaser shall provide the Vendor with access to the Books and Records for a period of six (6) years after Closing. The Purchaser shall not destroy the Company's books and records without providing the Vendor with thirty (30) days' written notice of the Purchaser's intention to destroy such books and records. If the Vendor objects to the destruction of any or all of the Books and Records within thirty (30) days of receiving such notice, the Vendor shall be responsible to collect such Books and Records from the Purchaser at a mutually agreeable date and time, failing which the Purchaser may proceed to destroy such Books and Records.

6.2 **Short-Term Lease of Real Property**

The Vendor shall have an option to occupy the Real Property for a period of up to 60 days after closing for a total payment to the Purchaser of \$50,000 based on occupation for the full 60-day period, plus payment of all charges for utilities consumed during such occupancy along with pro-rated (on a daily basis) real property taxes and any other taxes payable by a Tenant in occupancy or payable by the Vendor in operation of the Real Property. If the Vendor exercises that option:

- (a) the Vendor may vacate the Real Property at any time by giving 10 Business Days' notice to the Purchaser, and shall only be responsible for payment of a pro-rated amount of occupation rent based on the actual period of occupation. Any prepaid rent paid to the Purchaser by the Vendor for the unoccupied period shall be refunded by the Purchaser to the Vendor within two business days;

- (b) the Purchaser may begin to move into the Real Property provided that it does not interfere with the Vendor's operations.

6.3 **Non-Merger.**

Each party hereby agrees that all provisions of this Agreement, other than the conditions in Article 4, shall forever survive the execution, delivery and performance of this Agreement, Closing and the execution, delivery and performance of any and all documents delivered in connection with this Agreement.

6.4 **Further Assurances.**

Each Party shall promptly do, execute, deliver or cause to be done, executed and delivered all further acts, documents and things in connection with this Agreement that the other Party may reasonably require, for the purposes of giving effect to this Agreement.

ARTICLE 7 **GENERAL**

7.1 **Expenses.**

Each Party shall be responsible for its own legal and other expenses (including any Taxes imposed on such expenses) incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the Transaction and for the payment of any broker's commission, finder's fee or like payment payable by it in respect of the purchase and sale of the Purchased Assets pursuant to this Agreement.

7.2 **Payment of Taxes.**

Except as otherwise provided in this Agreement, the Purchaser shall pay all Taxes applicable to, or resulting from Transaction (other than Taxes payable under applicable legislation by the Vendor) and any filing or recording fees payable in connection with the instruments of transfer provided for in this Agreement. The Purchaser shall indemnify and save the Vendor harmless from and against any and all costs, expenses, liabilities and damages incurred or suffered by the Vendor as a result of the failure of the Purchaser to pay any Taxes.

7.3 **Electronic Registration.**

The Purchaser agrees to cause all necessary procedures to be taken, as may be required by the Vendor or the Vendor's solicitors, to complete the Transaction using the system for electronic registration ("**Ereg**") that is operative and mandatory in the applicable land registry office for the Real Property, in accordance with the Law Society of Ontario's guidelines. If Ereg is operative on the Closing Date, (i) the Purchaser agrees to use a lawyer authorized to use Ereg and who is in good standing with the Law Society of Ontario, (ii) the Purchaser's solicitors will enter into the Vendor's solicitors' standard form of escrow closing agreement or document registration agreement, which will establish the procedures for closing the Transaction provided same are in accordance with Law Society guidelines, and (iii) if the Purchaser's Solicitors are unwilling or unable to complete the Transaction using Ereg, then the Purchaser's Solicitors must attend at the Vendor's Solicitors' office or at another location designated by the Vendor's Solicitors at such time on Closing as directed by the Vendor's Solicitors to complete the Transaction using Ereg

utilizing the Vendor's Solicitors' computer facilities, in which event, the Purchaser shall pay to the Vendor's Solicitors a reasonable fee therefor.

7.4 **Announcements.**

Except as required by law, all public announcements concerning the Transaction or contemplated by this Agreement shall be jointly approved as to form, substance and timing by the parties to this Agreement after consultation.

7.5 **Notices.**

- (1) Any notice, 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 mail, or (iii) sent prepaid by fax or other similar means of electronic communication, in each case to the applicable address set out below:

- (i) if to the Vendor, to:

THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS
245 West Beaver Creek Rd, Unit 2
Richmond Hill, Ontario L4B 1L1

Attention: Larry Wolfman
Email: larrywolfman@pariskitchens.ca

with a copy to:

Chaitons LLP
5000 Yonge St, 10th Floor
Toronto, Ontario M2N 7E9

Attention: George Benchetrit
Email: george@chaitons.com

- (ii) if to the Purchaser, to:

2486666 Ontario Inc.
1550 Caterpillar Rd
Mississauga, ON
L4X1E7

Attention: Derek McGeachie
Email: derek@mi5print.com

with a copy to:

Peter R Welsh Professional Corporation
Suite 203-1540 Cornwall Road
Oakville, Ontario L6J 7W5
Email: peter@welshlaw.ca

Tel: (905) 337-3121
Fax: (905) 337-3272

- (iii) all notices shall also be sent to:

KSV RESTRUCTURING INC.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

Attention: Robert D. Kofman
Email: bkofman@ksvadvisory.com

with a copy to:

AIRD & BERLIS LLP
181 Bay Street, Suite 1800
Toronto, Ontario M5J 2T9

Attention: Kyle Plunkett
Email: kplunkett@airdberlis.com

- (2) 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 sending by electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 4:30 p.m. 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. Any such communication sent by mail shall be deemed to have been given and made and to have been received on the fifth (5th) Business Day following the mailing thereof; provided however that no such communication shall be mailed during any actual or apprehended disruption of postal services. Any such communication given or made in any other manner shall be deemed to have been given or made and to have been received only upon actual receipt.
- (3) Any Party may from time to time change its address under this Section 7.5 by notice to the other Party given in the manner provided by this Section.

7.6 **Time of Essence.**

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

7.7 **Time Periods.**

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

7.8 **Entire Agreement.**

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions, understandings and agreements between the Parties pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, oral or written, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

7.9 **Amendments and Waiver.**

No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Purchaser and the Vendor. The Vendor and the Purchaser may consent to any such amendment at any time prior to the Closing with the prior authorization of their respective boards of directors. No waiver by either Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

7.10 **Severability.**

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall 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.

7.11 **Language.**

The Parties have required that this Agreement and all deeds, documents and notices relating to this Agreement be drawn up in the English language.

7.12 **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 in that Province and shall be treated, in all respects, as a Ontario contract.

7.13 **Successors and Assigns.**

No party to this Agreement shall have the right to assign any of its rights and obligations hereunder without the prior written consent of the other party hereto which consent shall not be unreasonably withheld. The Purchaser may assign its rights and obligations under this Agreement to an affiliate of the Purchaser, provided that the Purchaser remains liable, jointly, with such affiliate for all the obligations of the Purchaser hereunder. To the extent that any such assignment occurs, this Agreement and all provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

7.14 **No Third Party Beneficiaries.**

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns or as specifically referred to herein.

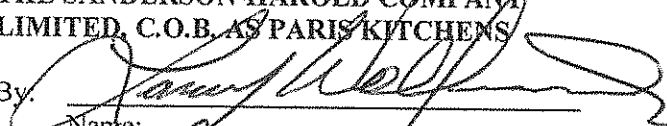
7.15 **Counterparts.**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original, faxed or email PDF form and the parties adopt any signatures received by a receiving fax machine or email PDF as original signatures of the parties; provided, however, that any party providing its signature in such manner shall promptly forward to the other party an original of the signed copy of this Agreement which was so faxed or emailed.

[remainder of page intentionally left blank]


IN WITNESS WHEREOF the parties have executed this Agreement.

THE SANDERSON-HAROLD COMPANY
LIMITED, C.O.B. AS PARIS KITCHENS

By: 
Name:
Title:

I have authority to bind the corporation.

2486666 ONTARIO INC.

By: 
Name: Derek McGeachie
Title: President

I have authority to bind the corporation

SCHEDULE 1.1(1)

Acquired Contracts

SCHEDULE 1.1(2)

Acquired Personal Property Leases

SCHEDULE 1.1(28)

Permitted Liens

SCHEDULE 1.1(35)

REAL PROPERTY

PIN	32024 – 0739 LT
DESCRIPTION	PT LT 24, BLK 21, PL 492 PARIS; PT LT 32, CON 1, SOUTH DUMFRIES, AS IN A224350 (SECONDLY) EXCEPT PT 1, 2R7375; COUNTY OF BRANT

PIN	32024 – 0741 LT
DESCRIPTION	PT BLK 6, PL 492 & PT LT 32, CON 1, TOWN OF PARIS, PT 1, 2R4155 EXCEPT PT 2, 2R7375; T/W A418033; COUNTY OF BRANT

SCHEDULE 2.2

Allocation of Purchase Price

[REDACTED]

[REDACTED]

EXHIBIT C



SUPERIOR COURT OF JUSTICE

COUNSEL SLIP / ENDORSEMENT

COURT FILE NO.: BK-22-0285198-0031 DATE: September 23, 2022

NO. ON LIST: 1

TITLE OF PROCEEDING: **THE SANDERSON-HAROLD COMPANY LIMITED et al**

BEFORE JUSTICE: **OSBORNE**

PARTICIPANT INFORMATION

For Moving Party:

Name of Person Appearing	Name of Party	Contact Info
George Benchetrit	The Sanderson-Harold Company Limited c.o.b. as Paris Kitchens, applicant	george@chaitons.com
Laura Culleton	The Sanderson-Harold Company Limited c.o.b. as Paris Kitchens, applicant	laurac@chaitons.com

For Responding Parties:

Name of Person Appearing	Name of Party	Contact Info
Tamie Dolny	KSV Restructuring Inc., Proposal Trustee	tdolny@airdberlis.com
Monique Sassi	Bank of Montreal	msassi@cassels.com
Thomas Gertner	Pillar Capital Corp.	Thomas.gertner@gowlingwlg.com
Michael Mazzuca	U.B.C. Ontario Industrial Council; Carpenters Local 1072	michael@rousseau Mazzuca.com
Jordan Cantor	U.B.C. Ontario Industrial Council; Carpenters Local 1072	jcantor@rousseau Mazzuca.com
Stephen M. Turk	1000296348 Ontario Inc.	sturk@stephenturklaw.com

For Other:

Name of Person Appearing	Name of Party	Contact Info
Bobby Kofman	KSV Restructuring Inc.	bkofman@ksvadvisory.com

SUPPLEMENTARY ENDORSEMENT OF JUSTICE OSBORNE:

1. This Supplementary Endorsement is further to the Endorsement and orders I released earlier today.
2. For greater certainty, and on the consent of all parties present, nothing in the orders I have made today in this proceeding eliminates or otherwise determines any claims or rights which the Carpenters Union Local 1072 may have under the collective agreement or pursuant to the *Labour Relations Act* against the purchasers in the sale transactions approved today.

Osborne, J.

EXHIBIT D

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

THE HONOURABLE MR.)	FRIDAY, THE 23 RD DAY
)	
JUSTICE OSBORNE)	DAY OF SEPTEMBER, 2022

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS
IN THE CITY OF VAUGHAN, IN THE PROVINCE OF ONTARIO**

APPROVAL AND VESTING ORDER

THIS MOTION, made by The Sanderson-Harold Company Limited, c.o.b. as Paris Kitchens (the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an Asset Purchase Agreement (the “**Sale Agreement**”) between the Debtor and 2486666 Ontario Inc. (“**248 Ontario**”) entered into on August 26, 2022 and appended to the Third Report of the Proposal Trustee, KSV Restructuring Inc. (the “**Proposal Trustee**”) dated September 16, 2022 (the “**Third Report**”), and assigned by 248 Ontario to 1000296348 Ontario Inc. (the “**Purchaser**”), and vesting in the Purchaser the Debtor’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”), was heard this day at Toronto via video conference.

ON READING the Third Report and the appendices thereto, and on hearing the submissions of counsel for the Proposal Trustee and counsel for the Debtor, and such other counsel as listed on the Participant Information Form, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Antoinette De Pinto sworn September 16, 2022, filed:

1. **THIS COURT ORDERS** that the time for service and filing of the notice of this motion and the motion record of the Debtor is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Debtor is hereby authorized and approved, with such minor amendments as the Debtor and the Proposal Trustee may deem necessary. The Debtor and the Proposal Trustee are 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.
3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Proposal Trustee's certificate to the Purchaser substantially in the form attached as **Schedule "A"** hereto (the "**Proposal Trustee's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement 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 orders made in this proceeding (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 "B"** hereto); and (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.
4. **THIS COURT DIRECTS** that upon 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 real property described in **Schedule "C"** hereto (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Encumbrances listed in **Schedule "D"** hereto.

5. **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 Proposal Trustee'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.

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

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Debtor is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. 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.

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

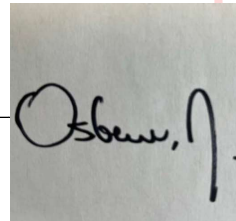
- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made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

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 and shall not be void or voidable by creditors of the Debtor, 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.

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 Proposal Trustee 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 Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Proposal Trustee and its agents in carrying out the terms of this Order.

10. **THIS COURT ORDERS** that this Order is effective from the date it is made and is enforceable without any need for entry and filing.

A rectangular box containing a handwritten signature in black ink, which appears to read "Osburn, J.". The signature is written over a horizontal line.

2022.09.

23

13:19:18

-04'00'

Schedule A – Form of Proposal Trustee’s Certificate

Court File No. BK-22-02835198-0031

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

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS
IN THE CITY OF VAUGHAN, IN THE PROVINCE OF ONTARIO**

PROPOSAL TRUSTEE’S CERTIFICATE

RECITALS

A. Pursuant to a Notice of Intention to Make a Proposal, filed May 31, 2022, by The Sanderson-Harold Company Limited, c.o.b. as Paris Kitchens (“**the Debtor**”) under Section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, C. B-3, KSV Restructuring Inc. was appointed as the Proposal Trustee in these proceedings (the “**Proposal Trustee**”).

B. Pursuant to an Order of the Honourable Justice Osborne of the Ontario Superior Court of Justice (the “**Court**”) dated September 23, 2022, the Court approved the Asset Purchase Agreement entered into on August 26, 2022 (the “**Sale Agreement**”) between the Debtor and 2486666 Ontario Inc. (“**248 Ontario**”), and assigned by 248 Ontario to 1000296348 Ontario Inc. (the “**Purchaser**”), and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the purchased assets (as described in the Sale Agreement) (the “**Purchased Assets**”), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Proposal Trustee 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 the Sale Agreement have been satisfied or waived; and (iii) the Transaction has been completed to the satisfaction of the Proposal Trustee.

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

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Proposal Trustee has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement.
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived.
3. The Transaction has been completed to the satisfaction of the Proposal Trustee.

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

KSV RESTRUCTURING INC., in its capacity as Proposal Trustee named in the Notice of Intention to Make a Proposal of The Sanderson-Harold Company Limited, c.o.b. as Paris Kitchens, and not in its personal or corporate capacities

Per: _____

Name:

Title:

Schedule B – Permitted Encumbrances, Easements and Restrictive Covenants

No.	Registration No.	Registration Date	Instrument Type	Parties To	PIN
1.	2R4155	1992/03/06	Plan Reference	N/A	33024 – 0741

Schedule C – Real Property

23 Railway Street, Paris, Ontario, legally described as:

PIN	32024 – 0739 LT
DESCRIPTION	PT LT 24, BLK 21, PL 492 PARIS; PT LT 32, CON 1, SOUTH DUMFRIES, AS IN A224350 (SECONDLY) EXCEPT PT 1, 2R7375; COUNTY OF BRANT

PIN	32024 – 0741 LT
DESCRIPTION	PT BLK 6, PL 492 & PT LT 32, CON 1, TOWN OF PARIS, PT 1, 2R4155 EXCEPT PT 2, 2R7375; T/W A418033; COUNTY OF BRANT

Schedule D – Encumbrances to be Deleted and Expunged from Title to the Property

No.	Registration No.	Registration Date	Instrument Type	Parties To	PIN
1.	BC418965	2021/12/10	Charge	Pillar Capital Corp.	32024 – 0739, 32024 – 0741
2.	BC418966	2021/12/10	No Assng Rent Gen	Pillar Capital Corp.	32024 – 0739, 32024 – 0741
3.	BC418985	2021/12/10	Charge	Bank of Montreal	32024 – 0739, 32024 – 0741

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF THE SANDERSON-HAROLD COMPANY
LIMITED, C.O.B. AS PARIS KITCHENS**

Estate/Court File No.: BK-22-02835198-0031

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

APPROVAL AND VESTING ORDER

CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

George Benchetrit (LSO #34163H)
Tel: (416) 218-1141
E-mail: george@chaitons.com

Laura Culleton (LSO #82428R)
Tel: (416) 218-1128
E-mail: laurac@chaitons.com

**Lawyers for The Sanderson-Harold Company
Limited, c.o.b. as Paris Kitchens**

EXHIBIT E

From: Bobby Kofman
Sent: October 24, 2022 11:31 AM
To: Derek McGeachie <derek@mi5print.com>; George Benchetrit <George@chaitons.com>
Cc: carolyn@pariskitchens.ca; Kyle Plunkett <kplunkett@airdberlis.com>; Sam Chehab <sam.chehab22@gmail.com>
Subject: RE: Paris
Importance: High

Derek,

We need to close before you are on site.

We need to have a discussion before there is a townhall.

Please do not plan anything prior to closing and our discussion.

Bobby



Bobby Kofman
President and Managing Director

T 416.932.6228
M 647.282.6228
W www.ksvadvisory.com

From: Derek McGeachie <derek@mi5print.com>
Sent: October 24, 2022 11:17 AM
To: Bobby Kofman <bkofman@ksvadvisory.com>; George Benchetrit <George@chaitons.com>
Cc: carolyn@pariskitchens.ca; Kyle Plunkett <kplunkett@airdberlis.com>; Sam Chehab <sam.chehab22@gmail.com>
Subject: RE: Paris

I understand your concern and am happy to have alignment on the message. Goal is to keep existing staff engaged and in the loop so they know what the new Paris Kitchens intentions are, which is to successfully operate at as full an employment level as possible, dependent on what sales volumes can be acquired in the short, medium and long term. Our expectation is to be at the same size or bigger than the former Paris Kitchens within the next 3 years. There will be a re-start and ramp up period with some short term pain as we rebuild sales and operations so we have a strong platform to successfully compete.

I will be onsite tomorrow arranging for quotes for a new dust collection system, space planning, and meeting more staff with a goal make some employment offers sooner than later. It would be good to have a town hall as well if possible.

Derek McGeachie | President
Mi5 Print & Digital www.mi5print.com m: 416-728-7551

From: Bobby Kofman <bkofman@ksvadvisory.com>
Sent: October 24, 2022 9:28 AM
To: George Benchetrit <George@chaitons.com>; Derek McGeachie <derek@mi5print.com>
Cc: carolyn@pariskitchens.ca; Kyle Plunkett <kplunkett@airdberlis.com>
Subject: RE: Paris
Importance: High

I'd like to understand the message before there is an agreement to have a plant meeting. This could affect the ability of Paris to continue to operate if the message is not well received. Please do not schedule this until this is addressed.



Bobby Kofman
President and Managing Director

T 416.932.6228
M 647.282.6228
W www.ksvadvisory.com

From: George Benchetrit <George@chaitons.com>
Sent: October 24, 2022 8:50 AM
To: Derek McGeachie <derek@mi5print.com>; Bobby Kofman <bkofman@ksvadvisory.com>
Cc: carolyn@pariskitchens.ca; Kyle Plunkett <kplunkett@airdberlis.com>
Subject: Re: Paris

Derek,

Is this request conditioned on the transaction being completed today?

George Benchetrit | Partner*
*Denotes Professional Corporation
Chaitons LLP | T: 416.218.1141

From: Derek McGeachie <derek@mi5print.com>
Sent: Monday, October 24, 2022 8:38:06 AM
To: Bobby Kofman <bkofman@ksvadvisory.com>
Cc: George Benchetrit <George@chaitons.com>; carolyn@pariskitchens.ca <carolyn@pariskitchens.ca>; Kyle Plunkett <kplunkett@airdberlis.com>
Subject: RE: Paris

CAUTION: [External]

Hi all

We'd like to have a town hall meeting with the plant staff tomorrow, ideally at 11am. Happy to discuss beforehand

Derek McGeachie | President
Mi5 Print & Digital www.mi5print.com m: 416-728-7551

From: Bobby Kofman <bkofman@ksvadvisory.com>
Sent: October 21, 2022 4:46 PM
To: Derek McGeachie <derek@mi5print.com>
Cc: George Benchetrit (george@chaitons.com) <george@chaitons.com>; carolyn@pariskitchens.ca; Kyle Plunkett <kplunkett@airdberlis.com>
Subject: Paris

Derek,

Our counsel (not George) and I just had a call with the Union rep and the Union's counsel. Can you please tell us if you have an intention to meet with the Railway employees and if so, when. That should be coordinated with Carolyn and PK, if it is going to happen.

Bobby



Bobby Kofman
President

T	416.932.6228
M	647.282.6228
E	bkofman@ksvadvisory.com

KSV Advisory Inc.
150 King Street West
Suite 2308, Box 42
Toronto, Ontario, M5H 1J9

T 416.932.6262 | F 416.932.6266 | www.ksvadvisory.com

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EXHIBIT F

5:18



2 People >

iMessage
Today 11:51 AM

Derek McGeachie

Jennifer, call me at your earliest opportunity please. I received a serious legal letter from the union this am that I'm hoping we can at least start to deal with this weekend. We have a number of union staff hoping to start with paris next week and the week after but we have to resolve this before we can think about going ahead. I'm largely unavailable next week so this weekend is best. I'll make myself available to you and your team's timing.

DM

Thanks, Derek



EXHIBIT G

From: [Derek McGeachie](#)
To: [Aaron Rousseau](#)
Cc: [Ella Price](#); [Michael Mazzuca](#); [Tory Millar](#)
Subject: RE: United Brotherhood of Carpenters and Joiners of America, Local 1072 Grievance re Paris Kitchens
Date: Saturday, April 15, 2023 10:42:40 AM
Attachments: [image001.png](#)

Good morning, are you available to discuss and work towards a satisfactory resolution today or tomorrow? I called Jennifer as well per your letter. Your email is obviously serious and an existential issue for the Paris Kitchens team that must be resolved, the sooner the better. I am hopeful that together we will course correct and get off to a good start. Unfortunately I'm booked Monday and Tuesday, I go to hospital on Wednesday for a procedure that will apparently make me groggy/out of it until Friday. So its either meet this weekend (best) or we postpone to next weekend or the week of Monday April 24 which is not ideal. My immediate concern is the unionized staff who wished to start working. We are ready to bring them onboard but we cannot successfully engage in what has become a start up, with all that comes with such an endeavor, with this claim of over a half million dollars in liability hanging over our head – its simply too much exposure and risk of loss for me, a small operator. I've already taken too many unexpected hits spinning costly wheels and financing this company purchase which was legally required to close 5 months before it did. Without authorization or legal grounds the sellers have taken more than they should have from me – I've already contributed more than my share and more than I agreed to for the past which I was not a part of. I am not the enemy nor someone the staff or their union representatives should take legal action against – its too confrontational a way to start a productive relationship. I'd appreciate an open conversation and your assistance in figuring out what to do next. Working with a union is new to me and I recognize your points about the collective agreement etc. That is something new and different for us and we will adjust as required. There is no truth to us hiring non union people to do union work that I'm aware of though – not sure what that is about. Hopefully this isn't normally how relations are. Lets course correct together – you guys are the lawyers and good at what you do. I am good at sales and hands on managing a high quality production team. Correct me if I'm wrong but the union, their members and I are on the same team at Paris Kitchens. It only makes sense that we sit down, try to work this out and come up with a mutually agreeable go forward plan as soon as possible so we can assure the success of our new and improved Paris Kitchens.



Derek McGeachie | President

PARIS KITCHENS Est. 1902

23 Railway St. Paris, ON

T: 416.728.7551 www.pariskitchens.com

From: Aaron Rousseau <Aaron@RousseauMazzuca.com>

Sent: Friday, April 14, 2023 2:05 PM

To: derek@mi5sprint.com

Cc: Ella Price <Ella@RousseauMazzuca.com>; Michael Mazzuca <Michael@RousseauMazzuca.com>; tory.millar@mi5sprint.com; Aaron Rousseau <Aaron@RousseauMazzuca.com>

Subject: United Brotherhood of Carpenters and Joiners of America, Local 1072 Grievance re Paris Kitchens

Dear Mr. McGeachie,

Please see the attached correspondence sent on behalf of our client, the United Brotherhood of Carpenters and Joiners of America, Local 1072.

Yours truly,



Aaron Rousseau

Partner

Rousseau Mazzuca LLP

T: 416.304.9899 ext. 2001

F: 437.800.1453

E: aaron@rousseaumazzuca.com

65 Queen Street West, Suite 600

Toronto, Ontario M5H 2M5

www.rousseaumazzuca.com

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From: [Derek McGeachie](#)
To: [Jennifer Bennett](#)
Cc: [Ella Price](#); [Michael Mazzuca](#); [Tory Millar](#); [Aaron Rousseau](#)
Subject: RE: United Brotherhood of Carpenters and Joiners of America, Local 1072 Grievance re Paris Kitchens
Date: Monday, April 17, 2023 7:56:43 AM
Attachments: [image003.png](#)

Good morning Jennifer,

Please send the acknowledgement agreement you require to be step 1 so we can review and turn it around asap. As discussed we are keen to hire union staff and go forward with this business start up in a reasonable and profitable manner for all parties providing we are not in the line of fire of a potential lawsuit for anything that happened before our start up date, for example before Monday April 24. If there is a real possibility that me or my organizations may be sued by your organization for past events then we'd rather not go forward with kitchen manufacturing – it is not a risk we can take.

Sincerely,



Derek McGeachie | President

PARIS KITCHENS Est. 1902

23 Railway St. Paris, ON

T: 416.728.7551 www.pariskitchens.com

From: Aaron Rousseau <Aaron@RousseauMazzuca.com>
Sent: Friday, April 14, 2023 2:05 PM
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Cc: Ella Price <Ella@RousseauMazzuca.com>; Michael Mazzuca <Michael@RousseauMazzuca.com>; tory.millar@mi5print.com; Aaron Rousseau <Aaron@RousseauMazzuca.com>
Subject: United Brotherhood of Carpenters and Joiners of America, Local 1072 Grievance re Paris Kitchens

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Yours truly,

Aaron Rousseau

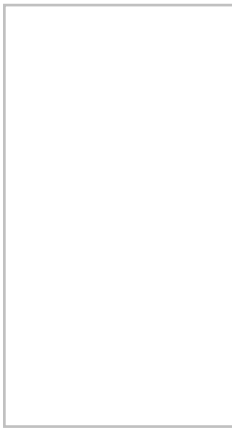
Partner

Rousseau Mazzuca LLP

T: 416.304.9899 ext. 2001

F: 437.800.1453

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EXHIBIT H

From: [Derek McGeachie](#)
To: [Jennifer Bennett](#)
Cc: [Ella Price](#); [Michael Mazzuca](#); [Tory Millar](#); [Aaron Rousseau](#)
Subject: RE: United Brotherhood of Carpenters and Joiners of America, Local 1072 Grievance re Paris Kitchens
Date: Monday, April 17, 2023 7:56:43 AM
Attachments: [image003.png](#)

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Sincerely,



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From: Aaron Rousseau <Aaron@RousseauMazzuca.com>
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Cc: Ella Price <Ella@RousseauMazzuca.com>; Michael Mazzuca <Michael@RousseauMazzuca.com>; tory.millar@mi5print.com; Aaron Rousseau <Aaron@RousseauMazzuca.com>
Subject: United Brotherhood of Carpenters and Joiners of America, Local 1072 Grievance re Paris Kitchens

Dear Mr. McGeachie,

Please see the attached correspondence sent on behalf of our client, the United Brotherhood of Carpenters and Joiners of America, Local 1072.

Yours truly,

Aaron Rousseau

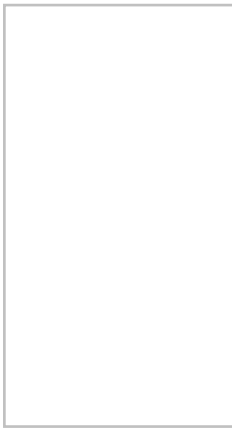
Partner

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TAB 3

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

IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE) FRIDAY, THE DAY
)
JUSTICE) OF MAY, 2023
)

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS,
IN THE CITY OF VAUGHAN, IN THE PROVINCE OF ONTARIO**

ORDER

THIS MOTION, made by the United Brotherhood of Carpenters and Joiners of America, Local 1072 (“**Local 1072**”), for an Order pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”) lifting the stay of proceedings (the “**Stay of Proceedings**”) under Section 69(4) of the BIA proceeded by way of judicial videoconference.

ON READING the affidavit of Ella Price, sworn May 1, 2023 and the exhibits thereto, the Motion Record of Local 1072, dated May 1, 2023, and on hearing the submissions of counsel for Local 1072, the Sanderson-Harold Company Limited, C.O.B as Paris Kitchens (“**SHCL**”), KSV Restructuring Inc., and 1000296348 Ontario Inc., and no one else appearing although served.

1. **THIS COURT ORDERS** that any prior delay for the presentation of the Motion is hereby abridged and validated and the Court hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the Stay of Proceedings established by section 69(1) of the BIA shall be and is hereby lifted for the sole purpose of permitting Local 1072 to commence and as applicable continue an application to the Ontario Labour Relations Board under the sale of business provisions under the *Ontario Labour Relations Act, 1995* (the “**LRA**”) naming SHCL as a Responding Party. However, absent further order of the Court, Local 1072’s sole recourse with respect to any such application as against SHCL shall be a declaration that there has been a sale of business or part of a business from SHCL to 2486666 Ontario Inc. and 1000296348 Ontario Inc. within the meaning of section 69 of the LRA.

3. **THIS COURT ORDERS** that Local 1072 shall not seek any oral or documentary production or discovery against SHCL or KSV Restructuring Inc. in its personal capacity or in its capacity as trustee in the BIA proposal of SHCL or as trustee in bankruptcy of SHCL, without a further Order of the Court, and none of these parties shall be required to incur any costs or take any steps to defend the application by Local 1072.

4. **THIS COURT ORDERS** that, this order is effective from today’s date and is not required to be entered and filed.

5. **THIS COURT ORDERS** that _____ shall pay costs of this motion to _____ in the amount of _____ within 30 days.

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF THE SANDERSON-HAROLD COMPANY LIMITED,
C.O.B. AS PARIS KITCHENS**

Estate/Court File No.: 31-2835198

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

PROCEEDING COMMENCED AT
TORONTO

ORDER

ROUSSEAU MAZZUCA LLP

65 Queen Street West, #600
Toronto, Ontario M5H 2M5

Michael Mazzuca (LSO# 56238V)

Tel: (416) 304-9899 Ext.2002

E-mail: michael@rousseaumazzuca.com

Aaron Rousseau (LSO# 53833E)

Tel: (416) 304-9899 Ext. 2001

E-mail: aaron@rousseaumazzuca.com

**Lawyers for United Brotherhood of Carpenters and
Joiners of America, Local 1072**

TAB 4

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

IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE) FRIDAY, THE DAY
)
JUSTICE) OF MAY, 2023
)

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS,
IN THE CITY OF VAUGHAN, IN THE PROVINCE OF ONTARIO**

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1. **THIS COURT ORDERS** that any prior delay for the presentation of the Motion is hereby abridged and validated and the Court hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the Stay of Proceedings established by section 69(1) of the BIA shall be and is hereby lifted for the sole purpose of permitting Local 1072 to commence and as applicable continue an application to the Ontario Labour Relations Board under the sale of business provisions under the *Ontario Labour Relations Act, 1995* (the “**LRA**”) naming SHCL as a Responding Party.

3. **THIS COURT ORDERS** that, this order is effective from today’s date and is not required to be entered and filed.

4. **THIS COURT ORDERS** that _____ shall pay costs of this motion to _____ in the amount of _____ within 30 days.

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF THE SANDERSON-HAROLD COMPANY LIMITED,
C.O.B. AS PARIS KITCHENS**

Estate/Court File No.: 31-2835198

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

PROCEEDING COMMENCED AT
TORONTO

ORDER

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E-mail: aaron@rousseaumazzuca.com

**Lawyers for United Brotherhood of Carpenters and
Joiners of America, Local 1072**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF THE SANDERSON-HAROLD COMPANY LIMITED,
C.O.B. AS PARIS KITCHENS**

Estate/Court File No.: 31-2835198

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

**PROCEEDING COMMENCED AT
TORONTO**

MOTION RECORD

ROUSSEAU MAZZUCA LLP

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Toronto, Ontario M5H 2M5

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**Lawyers for United Brotherhood of Carpenters and
Joiners of America, Local 1072**