



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

November 1, 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

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

November 1, 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 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”).

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Company;
 - b) provide background information about the sale process that was carried out by the Proposal Trustee (the “Sale Process”) for the Company’s business and assets;
 - c) discuss a dispute that has arisen between 1000296348 Ontario Inc., the purchaser (the “Purchaser¹”) of the Railway Property (as defined below), being the Company’s production facility, and certain other assets, including books and records and intellectual property (the “Purchased Assets”);

¹ The Purchaser took an assignment of the purchase agreement from the entity that submitted the offer.

- d) direct the Purchaser to respect the terms of the Railway APA (as defined below), including, but not limited, paragraph 6.2, which sets out the terms pursuant to which the Company is permitted to occupy the Railway Property until it completes production, which is projected to be on or about December 1, 2022;
- e) direct the Purchaser to negotiate a protocol to transition the Purchased Assets from the Company to the Purchaser on an orderly basis; and
- f) support any necessary relief to prevent the Purchaser from interfering with the Company's operations as it completes the wind-down of its business.

1.2 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.

1.3 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. Larry Wolfman ("Wolfman") is the Company's President, having held that position since 2019, when he took over from his father.
3. The Company is a manufacturer of medium to high-end kitchen and bathroom cabinets. It designs, manufactures, and services custom kitchen and bathroom cabinetry for many of the most prominent and reputable residential low-rise and high-rise builders in the Greater Toronto Area and Southern Ontario. Cabinet manufacturing is performed at the Railway Property.

4. The Company's head office is located at 245 West Beaver Creek Road, Richmond Hill, Ontario ("WBC"), which is leased from a non-arm's length party, Diazo Investment Limited ("Diazo"). Diazo is not subject to these NOI proceedings or any insolvency process. Diazo is also a secured creditor of the Company. The amounts owing to Diazo remain outstanding.
5. The Company has fixed assets at the Railway Property and at WBC. The Company has a fixed asset list for the fixed assets at the Railway Property. There is no fixed asset list for the Company's fixed assets at WBC. The assets at WBC consist primarily of used office furniture and equipment, sample kitchens and personal items. The books and records related to the Company's business are maintained at WBC. Electronic records are maintained on servers at both locations.
6. At the commencement of the NOI proceedings, the Company had approximately 150 full-time employees, approximately half of whom are unionized and work at the Railway Property. Many of the hourly and staff continue to be employed by the Company so that the Company can complete an orderly wind-down of its business.
7. The unionized employees are members of United Brotherhood of Carpenters Ontario Industrial Counsel, Carpenters Local 1072 (the "Union"). Foremen, persons ranked above foreman, office and sales staff are not union members.
8. Additional information about the Company and its background is included in the [Affidavit of Larry Wolfman](#) sworn May 31, 2022.

3.0 Events Leading to the Railway APA

1. The primary purpose of the NOI proceedings was to create a stabilized environment to provide the Company with the opportunity to conduct the Sale Process for its business and assets. The Sale Process commenced prior to the NOI proceedings and continued until late August 2022.
2. The Sale Process initially focused on finding a going-concern buyer. When it became apparent that a going-concern transaction could not be completed, the Company, with the assistance of the Proposal Trustee, engaged Colliers to market the Company's real property for sale, being the real property located at 23 Railway Street, Paris, Ontario (the "Railway Property") and another parcel of real property located nearby. The latter real property is not relevant to the issues discussed in this Report as it was not purchased by the Purchaser.
3. The Sale Process for the Company's real property was highly competitive. Several parties submitted offers for the Railway Property and there were multiple rounds of bidding. Bidders were advised by the Proposal Trustee that offers should be submitted on an unconditional basis using a template asset purchase agreement that was made available to purchasers in a virtual data room or by Colliers (the "Template APA").

4. Interested parties were advised that (a) the Company was in the process of winding down its operations so that it would satisfy its contractual commitments to its customers to complete kitchen and bathroom cabinets; (b) the Company would require use of the Railway Property and the equipment at the Railway Property for the wind-down; and (c) the wind-down process may take several months. The orderly wind-down process was (and is) integral to maximizing recoveries for the Company's creditors.
5. For greater clarity, pursuant to various contractual obligations between the Company and its customers, including arrangements made during the NOI Proceedings, the Company is obligated to complete kitchen and bathroom cabinets, which are one of the last items installed as part of a new home construction before a closing takes place. Delays installing these cabinets could result in closing delays, which, if they occur, would put at risk the receivables owing from customers. As such, delivering these cabinets is integral to the collection of accounts receivable (book value of approximately \$3.8 million as at the date of this Report) and the sale of remaining inventory (book value of approximately \$1.6 million as at September 30, 2022). The Company has projected that cabinet production and service work will continue at the Railway Property until or around December 1, 2022. Thereafter, some service, maintenance and accounting work will continue at WBC until all accounts receivable are collected.
6. The Company requires peaceful enjoyment and unimpaired access to its books and records for wind-down purposes. The Purchaser acquired these books and records pursuant to the APA, as well as electronic records. An orderly transition process is required to allow the Company to continue to use these records to complete its wind-down.
7. As a result of the orderly realization process and the sale of the Company's real property, all secured creditors are expected to be repaid in full and there is a strong possibility of a material distribution to unsecured creditors. Bank of Montreal and Pillar Capital Corp, the Company's two senior lenders, have already been fully repaid. Diazo is the Company's only remaining secured creditor. The Company intends to file a proposal to creditors prior to the expiration of the NOI proceedings, which is November 13, 2022. Any disruption in the orderly wind-down process will put at risk the Company's ability to maximize distributions to creditors.
8. Pursuant to the Railway Transaction, the Company has the right to occupy the Railway Property to complete production for 60 days following closing. This was a critical provision of the Railway APA. The Proposal Trustee discussed with the Purchaser and its main representative, Derek McGeachie ("McGeachie"), the need for an orderly wind down of the Company's business before the Railway APA was finalized. A copy of the entire text exchange (which pre-dates the date of the Railway APA) between McGeachie and the Proposal Trustee is provided in Appendix "A".²

² Many of the communications between McGeachie and the Proposal Trustee were by text because McGeachie explained to the Proposal Trustee that he receives a large number of emails and he is more responsive to text messages.

9. The Purchaser's offer was submitted in the form of the Template APA, with the only mark-ups being for the date of the agreement, the purchase price, the amount of the deposit and the purchase price allocation. The Purchaser's final offer was amended for clarifications that the Proposal Trustee sought from certain bidders for the Company's real property. After multiple rounds of bidding, the Purchaser's final offer submitted on August 26, 2022 was accepted as it was the highest and best offer, but by a very nominal amount. In fact, within minutes of the Proposal Trustee's verbal acceptance of the Purchaser's offer, the bidder with the next best offer improved its offer so that it had a higher purchase price than the Purchaser's offer. As the Proposal Trustee had already accepted the Purchaser's offer, the Proposal Trustee moved forward with the Purchaser. An extract of the summary of the offers which compares the two highest bids received in the Sale Process is provided in Appendix "B",
10. The Purchaser has no experience in the cabinet making business. During discussions between the Proposal Trustee and McGeachie prior to the bid deadline in the Sale Process, McGeachie explained to the Proposal Trustee that a related company operates a printing business (McGeachie's main business), he has a large printing press that he cannot fit into his existing facility, and, as such, he required additional space for the printing press on an urgent basis. This was the initial reason that McGeachie was interested in the Railway Property.
11. During the evening of August 25, 2022, being the day prior to the expected execution of the purchase agreement, McGeachie sent an email to the Proposal Trustee requesting several changes to his offer, many of which would have reduced the value of his offer, such that it would no longer be the best offer if the changes were accepted. The Proposal Trustee rejected substantially all requested changes. The email exchange between the Proposal Trustee and the Purchaser is provided in Appendix "C". As detailed below, the Purchaser has, in effect, attempted to renegotiate the Railway APA until the date of this Report notwithstanding many of the same requests were rejected prior to execution of the Railway APA on August 26, 2022.
12. On August 26, 2022, there was a video conference among the Proposal Trustee, the Company's legal counsel, namely Chaitons, McGeachie and three lawyers that he had retained that morning. McGeachie did not retain counsel for the purpose of submitting his bid. The lawyers retained by the Purchaser advised that they were not familiar with the transaction. At the time of the videoconference, the Proposal Trustee sent a text message to Chaitons so that they would have a record of this if there were issues with the Purchaser down the road. A copy of this text message is provided in Appendix "D".³ The email exchange referenced in paragraph 11 above includes a comment by the Proposal Trustee to McGeachie that he cannot complete a transaction like this without legal counsel.
13. On September 23, 2022, the Court issued a number of Orders, including an Approval and Vesting Order (the "[Railway AVO](#)") approving the sale of the Purchased Assets to the Purchaser pursuant to the terms of the Railway APA. A copy of the Railway APA is provided in Appendix "E".

³ As is evident from this email and will be discussed further below, during the call one of McGeachie's lawyers (his employment counsel) made specific reference to an interim lease and recommended one not be negotiated.

14. The Railway APA contemplated a closing date between October 31, 2022 and November 30, 2022 and a right to occupy the Railway Property for a subsequent 60-day period for fixed compensation of \$50,000 which was to be pre-paid by the Company, and payment of utilities and certain other specified expenses. These provisions were included to allow the Company to complete its wind-down. In late September, the Proposal Trustee asked the Purchaser if it wanted to accelerate the closing date, which had benefits to the Purchaser given its desire to install its printing press. Closing early also had benefits for the Company as it created liquidity. It was agreed in writing between the Company and the Purchaser that closing would be scheduled for October 17, 2022. Notwithstanding that agreement, the Purchaser was not ready, willing and able to complete the transaction on October 17, 2022. The Purchaser asked for multiple extensions to October 24, 2022 for reasons that are not fully known to the Proposal Trustee or the Company. As the Purchaser did not appear prepared or able to close at the date agreed, the Proposal Trustee advised the Purchaser that his deposit would be at risk if it did not close. During that time, the Purchaser, through his lawyer, continued to attempt to re-negotiate certain terms of the Railway APA, including the occupation terms in paragraph 6.2 of the Railway APA. This paragraph is provided below.

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;

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15

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

15. Prior to submitting its offers, the Purchaser performed nominal due diligence. A summary of the Purchaser's review of the information in the data room is provided in Appendix "F". As is evident from this information, the Purchaser's review of the data room information appears to have been limited to historical financial statements.

16. Since first engaging with the Purchaser, the Proposal Trustee has asked the Purchaser numerous times whether it intends to operate a cabinet making business from the Railway Property. This was (and is) important to the Proposal Trustee because it wanted to preserve as many jobs at the Railway Property as possible. McGeachie advised the Proposal Trustee that he was considering doing so and that he had spoken with some of the Company's customers. The Purchaser also spoke with some of the Company's employees; however, it did not make any offers of employment to the Company's employees prior to closing, as specifically contemplated under the Railway APA. As of the date of this Report, the Purchaser has still not made any offers of employment to any of the Company's employees.
17. McGeachie has had at least one telephone discussion with the Company's Union representative, and the Proposal Trustee participated on that call. During that call, the Union representative did not provide assurances asked of her by McGeachie regarding the potential unionization of any printing operations conducted at the Railway Property.
18. On October 24, 2022, prior to closing which happened later on that date, the Purchaser requested a townhall meeting be organized with Union employees. The Proposal Trustee asked for a summary of the proposed message to employees. The Company and the Proposal Trustee were aware that employees at the Railway Property were looking for employment commitments given the uncertainty resulting from these proceedings. As the Purchaser's intended message did not provide certainty regarding future employment opportunities or specific job offers, the Proposal Trustee advised that this requires further discussion. The email exchange in this regard is provided in Appendix "G".
19. McGeachie has now advised that the Purchaser intends to imminently recommence kitchen cabinetry manufacturing operations. The Proposal Trustee notes that he has not hired any of the Company employees and he has not negotiated with the Union. It is unclear how, in light of these (and other) factors, the Purchaser believes that he can immediately recommence cabinet production. In any event, he is precluded from doing so until at least December 1, 2022 as the Company negotiated for the uninterrupted use of the Railway Property under paragraph 6.2 of the Railway APA.
20. The following is a summary of events since the closing of the Railway Transaction on October 24, 2022.

(a) Unlawful Removal of Property from WBC

On October 25, 2022, the day following closing, the Purchaser attended at WBC unannounced, and occupied one of the offices at WBC. Wolfman and Carolyn Iyer ("Iyer"), the Company's Chief Operating Officer, had a discussion with McGeachie shortly following his arrival. McGeachie told Wolfman and Iyer that, paraphrasing, "everything in this place is mine, including the coffee mug" on Wolfman's desk. Notwithstanding the conversation with Wolfman and Iyer, McGeachie did not advise them that he planned to have a team of people imminently start removing property from WBC. As that was happening, there was a heated phone discussion with McGeachie, his lawyer, Company management, Chaitons and the Proposal Trustee. McGeachie's team removed consigned appliances (subsequently returned), third-party owned customer property (still in the Purchaser's possession) and other furniture and fixtures for which there is no clear record reflecting ownership by the

Company⁴ (still in the Purchaser's possession). These events left the Company's staff agitated and concerned for their physical safety. A summary of these events is provided in an email from Iyer dated October 29, 2022 found in Appendix "H".

(b) Cancellation of Insurance

The Company required an amendment to its insurance policy for the Railway Property to add the Purchaser and its lender as loss payees. The Purchaser's lawyer (Peter Welsh) engaged in direct discussions with the Company's insurance brokers, without the Company's authorization, demanding certain adjustments to an acknowledgement required by the insurer that the Purchaser would not install or operate a printing press at the Railway Property prior to the conclusion of the wind-down. Notwithstanding that paragraph 6.2(b) of the Railway APA requires the Purchaser not to interfere with the Company's business, the Purchaser would not sign the required acknowledgement. This resulted in the cancellation of insurance coverage on October 26, 2022, which was later resolved by the Proposal Trustee. A copy of an email from the insurance agent cancelling coverage is provided in Appendix "I".

(c) The Company's Attempt to Discuss Transition Issues

Following the events of October 25, 2022 at WBC, a call was scheduled for October 26, 2022 among the Purchaser, its counsel and Chaitons to address transitional issues. It was agreed during this call that Chaitons would provide a list of transition issues for comments and/or approval by the Purchaser. The email exchange and the issues list prepared by Chaitons is provided in Appendix "J". The Purchaser never provided feedback on the transition list.

(d) Threats of Interference with Manufacturing Operations

On October 27 and 28, 2022, counsel for the Purchaser and a representative of the Purchaser, Tory Millar ("Millar"), among other things, sent emails insisting that the Company immediately sign an "Equipment Lease" dealing with "personal property" located at the Railway Property and elsewhere for compensation that could be several hundred thousand dollars, and which also included other terms which McGeachie had previously tried to negotiate (unsuccessfully). The email from Millar states that **"After Sat Oct 29th, NewCo cannot allow the use of the equipment without the lease in place."** If McGeachie had included these terms in his offer submitted in the Sale Process, the Purchaser's offer would not have been accepted as it would have been financially inferior to other unconditional offers submitted in the Sale Process. Copies of these emails are provided in Appendix "K".

As a result of Millar's threats to restrict access to the equipment at the Railway Property and other ongoing tensions with the Purchaser, Chaitons notified that it intended to arrange a case conference with a Commercial List judge during the week of October 31 to deal with the disputed issues. A copy of the email from Chaitons is provided in Appendix "L".

⁴ As stated above, there is no fixed asset listing for the Company's property at WBC.

(e) Request to Remove Additional Property from WBC

Late on October 28, 2022, Millar presented a proposal to move the Company's property immediately from WBC to "Newco's head office". The Proposal Trustee responded to Millar advising of the Proposal Trustee's view that these matters should be addressed in court. This email exchange is provided in Appendix "M".

(f) Requests for Information

On Saturday October 29, 2022, McGeachie addressed an email to Chaitons and the Proposal Trustee asking for certain additional information, including a vendor list with addresses. The Proposal Trustee responded asking McGeachie to return the items the Purchaser removed from WBC on October 25, 2022, but advised that a vendor list requested by McGeachie would be provided on Monday. The Proposal Trustee repeated in that email its prior comments it had made to the Purchaser that, while some of the assets at WBC are property of the Company, an orderly transition is required to identify those assets. A copy of this email exchange is provided in Appendix "N".

The Company has continued to provide the Purchaser with information it has requested. The Purchaser has complained about the pace and usability of some of the information. The vendor list was not sent by the Company to the Purchaser on October 31, 2022 as a result of the events detailed in paragraph 19(h) below.

(g) Attendances at Railway Property on October 31

As a result of the Purchaser's threat to prevent the Company from using its equipment at the Railway Property, the events at WBC on October 25th, and personal safety concerns expressed several times by certain of the Company's employees to the Proposal Trustee and Chaitons, security guards were hired to attend at the opening of business on October 31, 2022 at WBC and the Railway Property.

On October 31, 2022, a representative of the Purchaser was prevented from accessing the Railway Property by the security guard for a few minutes. This person was permitted access as soon as the issue was brought to the Proposal Trustee's attention, which was six minutes after the email was sent to the Proposal Trustee. The email exchange in this regard is provided in Appendix "O". Also on October 31, 2022, Mr. Millar showed up again at WBC. Although he did not try to enter the WBC facility, he loitered outside the location causing employees to call the Proposal Trustee and Chaitons to express concerns, again, about their personal safety. Additionally, the Purchaser's representatives have been directed to stop communicating directly with Company employees and to deal through Chaitons or the Proposal Trustee. The Purchaser's representatives have disregarded these requests.

(h) Power Shutdown by 1000 Co. on October 31

On October 31, 2022 at approximately 4:49 PM, Millar sent an email to Chaitons and the Proposal Trustee indicating that **"As of this afternoon power has been disabled and equipment locked out at the 23 Railway St. location. We are seeking resolution to the items outlined below. We remain willing to enter into a contractual arrangement to operate the machinery on behalf of OldCo."**

The Proposal Trustee subsequently learned that McGeachie personally attended at the Railway Property with one of his delegates, entered the electrical room, shut down the power (possibly while employees were operating manufacturing equipment) and placed locks on the electrical boxes. Pictures of these locks taken during the evening of October 31 are provided as Appendix "P". This had the effect of, among other things: cutting off all power to the property and equipment located thereon; bringing manufacturing to a halt; and cutting off access to the Company's servers, thereby interfering with its payroll, payable and receivable functions. This conduct could very well cause millions of dollars in damages to the Company and its stakeholders, including its employees, customers and unpaid creditors. Urgent resolution is required.

At 11:34 PM, McGeachie wrote to three Company employees explaining that "that power went out today due to non payment of utilities. The new Paris Kitchens company is responsible for all utility costs as of a week ago despite not having control of the operation and the former Paris Kitchens co is supposed to pay in advance for utilities and taxes while they control the operation due to their bankruptcy situation." A copy of this email is provided in Appendix "Q". McGeachie is aware that Chaitons is holding a deposit for all utilities and that arrangements had been agreed for payment of same. Additionally, the Company is current on all utility payments. To the Proposal Trustee's knowledge, the Company has always paid its utility bills on a timely basis.

4.0 Conclusion and Recommendation

1. The Purchaser performed limited due diligence on the Company's business prior to closing. It retained counsel for the first time on the date the Railway APA was to be signed. It took no steps prior to closing to discuss transitional issues with the Company or the Proposal Trustee. It has repeatedly tried to renegotiate the transaction, including on insisting on a new lease. It has no agreement with the Union. Its actions have disrupted and continue to disrupt the Company's operations, and the Company's employees are concerned for their safety.
2. The Company is ready, willing and able to negotiate an orderly transition that provides the Purchaser with the Purchased Assets, on a basis consistent with the terms of the Railway APA, including allowing the Company to complete its wind-down without disruption.

* * *

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**

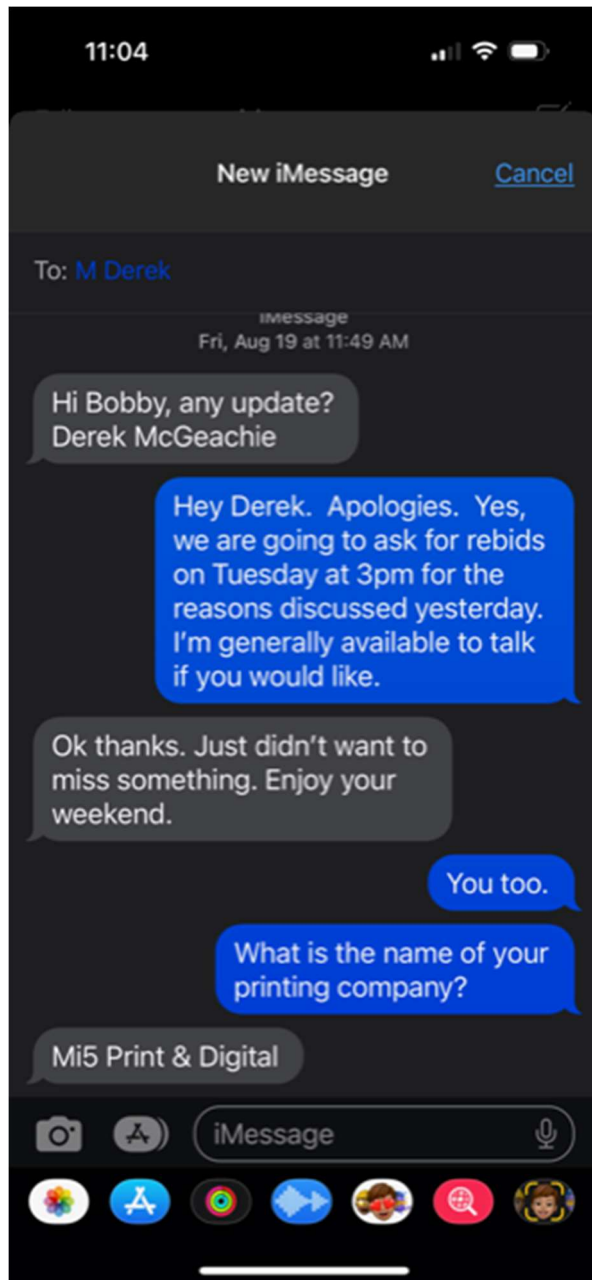
Appendix “A”

From: Robert Kofman <bobbykofman@icloud.com>

Sent: Friday, October 28, 2022 11:09:49 PM

To: Bobby Kofman <bkofman@ksvadvisory.com>

Subject: Texts with Derek



11:05



New iMessage

[Cancel](#)

To: [M Derek](#)

Thanks.

Thu, Aug 25 at 6:12 PM

Hi Derek. Can you give me an update please.

Going well. Almost done reviewing Doc

Just sent you an email

Thu, Aug 25 at 8:56 PM

I responded in an email.

The changes largely do not work.

Fri, Aug 26 at 6:55 AM

You should have a teams meeting invite for the call. I



iMessage



11:05



New iMessage

[Cancel](#)

To: M Derek

You should have a teams meeting invite for the call. I have invited the company's lawyer and you should have yours on too.

Got it

Fri, Aug 26 at 4:32 PM

Can I call you later?

Sure

On a call...

Thu, Sep 1 at 11:00 AM

Derek - you should have received an email on August 24th about the printing opportunity. Please check



iMessage



11:05



New iMessage

[Cancel](#)

To: M Derek

Derek - you should have received an email on August 24th about the printing opportunity. Please check your emails.

You hopefully will get a phone today.

Mon, Sep 12 at 10:33 PM

Can we touch base tomorrow at some point to understand where you are on your diligence on PK and what your thoughts are for the plant.

Tue, Sep 13 at 1:13 PM

Are you available to speak at some point re PK?

Tue, Sep 20 at 7:00 AM



iMessage



11:05



New iMessage

[Cancel](#)

To: [M Derek](#)

Tue, Sep 20 at 7:00 AM

Hi. Is there any possibility that you will not be in a position to close by November 30th? I ask because of insurance issues for PK.

Are you doing anything re the cabinet making business and hiring of employees? Have you been to the plant?

Morning. We are ready to close anytime, sooner is better.

Yes I want to keep the cabinet business running and will hire some employees. I still have to meet with some key accounts to figure out how many staff to keep. I've been



iMessage



11:05



New iMessage

[Cancel](#)

To: M Derek

Yes I want to keep the cabinet business running and will hire some employees. I still have to meet with some key accounts to figure out how many staff to keep. I've been to the plant and am interviewing some key staff tomorrow about taking a leadership position at the company. I like Larry but he doesn't really want to be involved and that's understandable and ok.

Thanks

Wed, Sep 21 at 12:30 PM

Can I arrange a call or meeting between you and the Union leadership. They are asking questions about your



iMessage



11:05



New iMessage

[Cancel](#)

To: M Derek

Can I arrange a call or meeting between you and the Union leadership. They are asking questions about your plans that I can't answer.

Yes, thanks. I'm available this Friday at 4pm or Monday between noon and 4pm

Friday at 430? In person or video

Wed, Sep 21 at 3:53 PM

Video

Thu, Sep 22 at 6:05 AM

Let me know when you hear from BMO about an earlier closing



iMessage



11:05



New iMessage

[Cancel](#)

To: [M Derek](#)

Will do. Have a meeting setup with them for 4pm today

Thanks. Let me know earliest possible date and then I will figure out if we can make that happen.

I am leaning that way. Just have to figure out if there are any logistical issues, including anything you may want because PK needs to be able to make kitchens for another 6 or 7 weeks.

Ok. My wants:
A) whatever we can do to help PK manufacture great kitchens with great service and quality so the company and the staff team can continue intact as much as



iMessage



11:05



New iMessage

[Cancel](#)

To: [M Derek](#)

Ok. My wants:

A) whatever we can do to help PK manufacture great kitchens with great service and quality so the company and the staff team can continue intact as much as possible. For example I can help fix the edge bander equipment problem. If you and others can point out other things we can all do to assist then great - my team will help implement.

B) Providing it doesn't negatively affect PK operations,
- ability to move some of my printing equipment and raw material in during Oct
- ability to cut the concrete and pour a press pad during



iMessage



11:05



New iMessage

[Cancel](#)

To: [M Derek](#)

B) Providing it doesn't negatively affect PK operations,
- ability to move some of my printing equipment and raw material in during Oct
- ability to cut the concrete and pour a press pad during Oct
I need about 3,000 sqft in new area and 3,000 sqft in old area.

As long as it doesn't affect our ability to complete kitchens, I don't really care. My objective is to complete the commitments made to the customers of PK. I also don't want to screw anything up for you. So whatever we do, I



iMessage



11:06



New iMessage

[Cancel](#)

To: M Derek

As long as it doesn't affect our ability to complete kitchens, I don't really care. My objective is to complete the commitments made to the customers of PK. I also don't want to screw anything up for you. So whatever we do, I want to do with a view the making sure we don't have any friction. If we can accomplish those goals, I'm probably fine to close earlier.

I'm fully aligned with that. I'm confident that me moving in early will help you and PK

Is there a particular reason or benefit to close in 1 week rather than 2?



iMessage



11:06



New iMessage

[Cancel](#)

To: [M Derek](#)

Easier to explain on the phone. Let's start with figuring out what the Bank can do.

Ok will get back to you soon

Fri, Sep 23 at 8:22 AM

We can close early but bmo says the best they can do is week of oct 10.

Im heading to Paris today to address the staff for a pep talk - get them invested and excited for both of us

Another contact at BMO just told me they should be able to close between September 30 and October 7 so that's better



iMessage



11:06



New iMessage

[Cancel](#)

To: M Derek

Another contact at BMO just told me they should be able to close between September 30 and October 7 so that's better news. If you tell them that the receivership will keep more money for creditors by closing early that may help.

You're meeting with all staff?
Huh? Who suggested that?
Please call me.

Sat, Sep 24 at 10:52 AM

Derek - we're suggesting a closing date of October 17th. Please let me know if that works for you.

That works



iMessage



11:06



New iMessage

[Cancel](#)

To: M Derek

Please let your lawyers know so that George can coordinate and we can advise lenders.

Ok

Mon, Sep 26 at 5:29 PM

Did that call change your thinking at all?

Mon, Sep 26 at 9:19 PM

I'm speaking with a labour law lawyer tomorrow am before I can answer your question with confidence

Ok. If you are moving ahead, then we should arrange a meeting sooner than later.



iMessage



11:06



New iMessage

[Cancel](#)

To: M Derek

Any update?

Thu, Oct 6 at 6:26 AM

Hi Derek. A couple of things this morning. 1) checking in to see how closing is coming along. 2) do you intend to meet with the employees at Railway? Please get back to me on these pts.

Morning. Closing coming along fine as far as I can tell. I have a call with my bank tmo to make sure all is aligned. Let's chat about the employee meeting to make sure we handle it as best as possible.

When do you want to chat?



iMessage



11:06



New iMessage

[Cancel](#)

To: M Derek

Also, we should discuss whether you intend to acquire the samples and any remaining inventory and if so, the related purchase price.

Thu, Oct 6 at 12:38 PM

I think I get the remaining inventory correct?

No. We just don't have an obligation to remove it

Fri, Oct 14 at 4:51 PM

Hi Bobby we should have a call to discuss the lease, how long you'll stay operating, and employees - when I should take them over from you. I assume it's after you're



iMessage



11:06



New iMessage

[Cancel](#)

To: [M Derek](#)

Hi Bobby we should have a call to discuss the lease, how long you'll stay operating, and employees - when I should take them over from you. I assume it's after you're finished, correct?

I'm off to a wedding. Let's chat over the weekend.



Mon, Oct 17 at 8:47 AM

Apologies. Weekend got away from me. I'm in court from 930 for the morning. We can talk this pm.



iMessage



11:07



New iMessage

[Cancel](#)

To: [M Derek](#)

Np. Talk to you later

Mon, Oct 17 at 4:01 PM

Doesn't look like we are closing today. What is the holdup on the money?

Mon, Oct 17 at 7:44 PM

I don't know what Walsh is doing but he is putting the deal at risk.

It will be ok. Money is sitting there waiting. Walsh had a trial on Friday. Hopefully we close tmo or wed.

Has to get done tomorrow

Affecting a number of issues.

Don't know what their reason



iMessage



11:07



New iMessage

[Cancel](#)

To: M Derek

Has to get done tomorrow

Affecting a number of issues.
Banks both need their money

Tue, Oct 18 at 5:59 AM

Please see email I sent you

Tue, Oct 18 at 10:07 AM

Saw it. Working through
things w my lawyer

Can I call you later?

I don't know what your lawyer
is doing. You are causing us
major issues.

I thought he was working "all
weekend".



iMessage



11:07



New iMessage

[Cancel](#)

To: [M Derek](#)

That's what he said. He said he's up to 60hrs billable as of Monday noon so he's been putting the time in. It should be done by now, not sure what's holding things up. I've asked to go to his office this aft and sit w him until everything he owes everyone else is completed so he/I are not the hold up. Lots of finger pointing going on. Not sure what else I can do from my side. Let me know if you see something else I can do to help speed this up.

Tue, Oct 18 at 8:37 PM

Please see email chain just sent to you.



iMessage



11:07



New iMessage

[Cancel](#)

To: [M Derek](#)

Just replied. Message was old because he wasn't on wifi until he got home. Kind of like a pigeon.

Wed, Oct 19 at 2:16 PM

I understand you intend to go to the plant on Tuesday for a town hall. We discussed last night that is a bad idea. We do not want that happening. Call me to discuss.

You agreed it was a bad idea.

Are we closing today? What is the holdup. Please clarify.

On a call, will call you next

Fri, Oct 21 at 5:03 PM



iMessage



11:07



New iMessage

[Cancel](#)

To: M Derek

Can I call you later?

Can you call me please, asap

Call me back

Monday 11:35 AM

Please look at the letter from the insurer that I just sent you.

Tuesday 11:24 AM

Can you do a call at 1145 with George and Peter to discuss transitional issues.

Yes

I'll have him send an invite

Please join the call



iMessage



11:07



New iMessage

[Cancel](#)

To: M Derek

You're needed on this call.

iMessage
Wednesday 3:35 AM

Thanks for the email re insurance that you sent last night.

Please let me know if you are open to discussion just with me where you and I can resolve the transition issues so you can be successful and PK can complete its wind-down. I believe this is not complicated and can be resolved.

I know you have a call scheduled for 3pm. My view is that this call will assist that one.



iMessage



11:07



New iMessage

[Cancel](#)

To: M Derek

Wednesday 6:37 PM

A serious insurance issue has arisen in the last few minutes. George is writing to you and Peter. I'm texting you because you look at your texts more frequently. The issue needs to be resolved. I will also forward you your email to me last night agreeing to the insurers terms.

I'll do my best to help it get sorted out asap tmo

I think it's very resolvable

Thank you. I think the main issue is that letter. I'm thinking about ways to address the issue as well.



iMessage



11:07



New iMessage

[Cancel](#)

To: M Derek

Wednesday 8:29 PM

Please do your best to address this first thing tomorrow. This could be a very challenging issue that has very adverse consequences. I want to avoid that.

Yesterday 5:49 AM

Derek - please do not have Peter deal directly with Lisa Cook, the insurance broker. Please have Peter communicate with Lisa. There can only be one line of communication with the broker so there is a consistent message. We are in communication with her and do not want Peter saying



iMessage



11:08



New iMessage

[Cancel](#)

To: M Derek

Yesterday 5:49 AM

Derek - please do not have Peter deal directly with Lisa Cook, the insurance broker. Please have Peter communicate with Lisa. There can only be one line of communication with the broker so there is a consistent message. We are in communication with her and do not want Peter saying anything inconsistent with our discussions. Lisa has been provided a copy of your email to me agreeing to her email at 4:05 pm on October 25th.

Sorry, please have Peter communicate with Lisa through George.



iMessage



11:08



New iMessage

[Cancel](#)

To: [M Derek](#)

Yesterday 8:39 AM

I'll ask Peter to stand down. It will just be me representing me from now on unless we have an obvious need for a lawyer. That will work best if everyone acts reasonably to help each other.

We are committed to finding a solution. It's unfortunate we're in this boat. I never thought this would happen. Thank you.

Carolyn is in Paris today. She is still upset abt Tuesday's events. I think you have people there, which is your right. If there is a confrontation or issue there today, please let me know. I'm



iMessage



11:08



New iMessage

[Cancel](#)

To: M Derek

Carolyn is in Paris today. She is still upset abt Tuesday's events. I think you have people there, which is your right. If there is a confrontation or issue there today, please let me know. I'm hoping everyone remains calm from here forward.

I have also asked the company the easiest way to get you a copy of their books and records. As this is an asset purchase, and newco will have fresh start accounting, it would be helpful for me to know your priorities.

Yesterday 12:23 PM



iMessage



11:08



New iMessage

[Cancel](#)

To: M Derek

Yesterday 12:23 PM

Can you sign the insurance letter as you revised and send it to me asap. I will then forward to Lisa. Hopefully that works.

Will do asap. At a lunch w a customer.

Can you resend without the underline

Done

I sent it off as is.

Just sent you an email with a slightly revised letter. Please confirm ok to send.

Can I call you later?



iMessage



11:08



New iMessage

[Cancel](#)

To: [M Derek](#)

Can you resend without the underline

Done

I sent it off as is.

Just sent you an email with a slightly revised letter. Please confirm ok to send.

Can I call you later?

Please try to look at letter. All of us will sleep easier knowing insurance issue is behind us.

Minor changes but I can't send without your approval.

Are we good on the letter?

Read Yesterday



iMessage



Appendix “B”

Resubmission	<i>Changes noted in red</i>	<i>Changes noted in red</i>
Purchaser		2486666 Ontario Inc.
Offer Form	Asset Purchase Agreement	Asset Purchase Agreement
Price	\$6,100,000 \$6,850,000	\$5,950,000 \$7,000,000
Property	23 Rail & 38 Spruce	23 Rail & 38 Spruce
Due Diligence	None	None
Deposit(s)	\$275,000 \$685,000	\$595,000 \$700,000
Closing	Nov. 15/2022 (can be delayed by 30 days)	3 business days after vesting order November 1, 2022
Other/Notes	<ul style="list-style-type: none"> Seller unilateral right to remove 38 Spruce by 3:00 PM on August 31st Seller shall have right to leaseback until November 30th and move up closing to September 15th. Leaseback rate shall be \$50,000 plus HST and utilities Damage of equipment clause 7.18 Purchaser is "flexible" and does not require financing <p>Allocations:</p> <ul style="list-style-type: none"> 23 Rail - \$5M \$5.75M Equipment - \$750k 38 Spruce - \$350k 	<ul style="list-style-type: none"> Did not submit a redline of the Asset Purchase Agreement Removed Accounts Receivable from offer Intends to retain employees <p>Allocations:</p> <ul style="list-style-type: none"> 23 Rail - \$5.4M \$6.45M Equipment - \$200k 38 Spruce - \$350k

Appendix “C”

From: Bobby Kofman <bkofman@ksvadvisory.com>
Sent: Thursday, August 25, 2022 10:55 PM
To: Derek McGeachie <derek@mi5sprint.com>
Cc: George Benchetrit <george@chaitons.com>
Subject: Re: PK

I can do a call at 10:30 tomorrow. George?

This needs to be wrapped up tomorrow morning. We are not prepared to materially deviate from the agreement as you presented. I am not putting at risk other offers, which will not be open for acceptance indefinitely and which do not have the problems presented by your offer.

I accepted your APA based on its terms, with the changes I told you I require. You had not previously retained counsel. You made material and unacceptable changes to the terms we were prepared to accept. I did not agree to your revised terms. If necessary, this will all be explained to a judge.

Let me know if 10:30 works and if it works for George, we can speak then.

Bobby Kofman
President and Managing Director
KSV Advisory Inc.
(o) 416.932.6228
(c) 647.282.6228
bkofman@ksvadvisory.com

From: Derek McGeachie <derek@mi5sprint.com>
Sent: Thursday, August 25, 2022 10:46 PM
To: Bobby Kofman <bkofman@ksvadvisory.com>
Cc: George Benchetrit <george@chaitons.com>
Subject: RE: PK

Bobby, I understand the nature of this deal and I've been proceeding on the basis of the agreement I submitted and won yesterday. I've already changed plans with my operation based on this deal so I'm not crazy about hearing that you're intending to move on with another buyer after 10:30am if we don't for some reason consummate our deal by then. Keep in mind that my bid was accepted as the winning bid yesterday afternoon and today is one day later. You revised my accepted APA today, not me. I simply commented on your changes and how it affects everyone going forward. Dropping do or die ultimatums in the evening for 10:30 am the next day seems a bit much. This afternoon is the first time I set eyes on your revised APA and I need time for my lawyer to respond. The concern I would like addressed or at least discussed further is your request to have the seller's organization stay on for a few more months with no recourse if things get damaged. They are a business in distress that is being shut down by an external force. What if the staff, who will realize that the end is near, damages my equipment (that was all working well when I walked through less than two weeks ago), what if the company does not properly handle or dispose of the various chemicals it works with over the next several months, what if they leave a total mess when they (likely angrily) depart my building? When I did my walk through inspection I saw lots of evidence of a company disposing of its waste properly, no build up of hazardous chemicals of any kind, and a clean phase 1. What if this changes between now and their move out? This should be discussed and dealt with now so we don't run into problems, don't you agree?

Also you originally said I would keep whatever inventory was left as at Oct 1. Now you want the seller entity to use it all up over an additional (up to) two months. This is a material change that I agreed to but I didn't agree to swing the pendulum all the way over to inheriting a potential garbage heap or toxic dump with damaged or abused equipment 60 days after closing. It is something that can and should be tightened up. Broom swept condition and repairing any holes or damage specifically created during move out and use of another's equipment is a standard clause for any tenant.

My other comments below in red:

From: Bobby Kofman <bkofman@ksvadvisory.com>
Sent: August 25, 2022 8:54 PM
To: Derek McGeachie <derek@mi5print.com>
Cc: George Benchetrit (george@chaitons.com) <george@chaitons.com>
Subject: Re: PK

Derek,

I've advised throughout that this is a very competitive process (as evidenced by three rounds of bidding) and we impressed on you that it was important to have an agreement submitted in substantially executable form. As noted in my prior email, many of these changes are material and I am not prepared to negotiate them at this point in the transaction. I will need to know by 10:30 am tomorrow if you are prepared to proceed on the basis of the agreement you submitted. I have noted where we are prepared to consider a change. I have copied the Company's lawyer who can respond to the issues where I don't have the answer. My responses are in caps as I am responding on my iphone.

If we don't have a deal by 10:30am tomorrow, it is my intention to move on with another transaction. **I'm willing and ready to move forward with a deal tomorrow am. Are we going with our original winning APA or do you want to discuss revisions to it? What time would you like to have a meeting? We should have both lawyers there so everyone is on the same page.**

Company counsel should also advise if he has comments beyond mine.

Hi Bobby

I'm good with your attachment with the following questions/comments:

1. Building to be in clean broom swept and empty condition upon close. Any damage to floors, walls, roofs, ceilings, plumbing, electrical etc caused by your group moving out to be repaired forthwith at seller expense. All hazardous materials such as paint and chemicals, and all garbage, to be removed at seller expense before close.

I HAVE NO WAY TO CONFIRM THE SCOPE OF ANY REQUIRED REPAIRS AT THIS LATE STAGE, WHETHER ANY DAMAGE IS EXISTING OR WHETHER CAUSED WHILE "MOVING OUT".

WE SPECIFICALLY DISCUSSED THAT THE BUILDING WOULD NOT BE EMPTY, IE, THAT WAS THE PURPOSE OF THE PROVISION ALLOWING PK TO LEAVE SURPLUS INVENTORY WHEN IT VACATES THE PREMISES.

WE ARE ALSO NOT PREPARED TO DEAL WITH THE COMMENTS RE THE REMOVAL OF HAZARDOUS MATERIALS OR OTHER ITEMS.

ALL OF THESE ISSUES MAY GIVE RISE TO FUTURE DISAGREEMENT. I AM NOT PREPARED TO MAKE ANY OF THESE CHANGES.

Your position is reasonable as at closing given the circumstances. However it feels unreasonably risky to rent space and equipment to an upset tenant and staff who have no ramifications if they damage equipment, improperly dispose of chemicals or garbage, etc. A landlord obviously needs to have reasonable recourse against this eventuality. Perhaps a call with you, me and our respective counsels tmo am?

1. Point 18: What equipment is subject to "true operating leases" and therefore excluded? It was presented such that I was buying all the equipment

I AM NOT SURE WHICH ASSETS ARE SUBJECT TO OPERATING LEASES. BUT PARIS CAN ONLY SELL ITS RIGHT, TITLE AND INTEREST IN THE ASSETS AT THE PREMISES. YOU CAN ENTER INTO NEW LEASES, IF REQUIRED. YOU HAD THE OPPORTUNITY TO PERFORM DILIGENCE ON THE ASSETS. SUBJECT TO RESOLVING THE OTHER ISSUES IN YOUR EMAIL, I WILL ASK WHICH ASSETS, IF ANY, ARE LEASED.

I did my due diligence and was presented a list of equipment I was buying as part of this deal, see attached. I am interested to know if any of these are leased and therefore not part of this deal as I was led to believe that leased assets such as the vehicles had been stripped out.

1. Point 35: define "trade fixtures"

I DONT KNOW WHAT THIS MEANS.

I think it means equipment involved in the seller's trade, I.E the paint booth. It is attached to the building but it could be called a 'trade fixture'. Moot point as far as I can tell as I am purchasing all equipment.

2. Employees: confirm that purchaser and its related entities are in no way liable for any employees or severance unless we actively agree to do so

YOU NEED TO PERFORM YOUR OWN DILIGENCE ON EMPLOYEE ISSUES. COMPANY WILL NOT REPRESENT ANYTHING RE EMPLOYEES. WE ADVISED REPEATEDLY OF THE UNION AND THAT YOU NEEDED TO SATISFY YOURSELF AS TO THE RISKS OF PURCHASING A PLANT WHERE EMPLOYEES ARE UNIONIZED.

OK

2. Article 6.2, (a) Short term lease: change to: Vendor, at its option, may rent the space for up to two additional months for \$50,000 gross rent per month. Vendor (tenant) to be responsible for utilities during this time and must be fully insured in the event of damage or loss to the building or land. Vendor must notify purchaser within 30 days if they wish to stay or go the next month. If no notification is given or if it is late then the vendor will be deemed to have rented the space for the next month.

THE RENT IS EXCESSIVE BUT WE MAY BE PREPARED TO NEGOTIATE IT IF OTHER TERMS ARE RESOLVED. UTILITIES AND INSURANCE PROVISIONS ARE REASONABLE. WE COULD LIVE WITH 10 DAYS NOTICE ONLY DUE TO OPERATIONAL UNCERTAINTY AT THIS TIME. Other terms are resolved per original APA. No need to deviate from it on my side except to make closing date earlier if possible for both sides so we can get our press pad cured on time. Let's discuss these short term lease terms to see if you still want to go ahead with it.

2. Purchaser shall have access to up to 3,000 sqft of space in the more modern warehouse area to install a printing press pad during the month of September, 2022. The reason is the pad takes 30 days to cure and we have to install a press on it in October.

THIS IS A NEW TERM AND CANNOT BE ACCOMMODATED PRIOR TO CLOSING.

Disappointing but I accept if you cannot accommodate new terms prior to closing.

1. Point 7.2: Purchaser is not sure why it should pay all filing and recording fees in connection with this transfer. What will these fees be?

I AM NOT SURE WHICH FEES ARE REFERENCED BUT I BELIEVE THIS IS CUSTOMARY LANGUAGE.

COMPANY COUNSEL TO RESPOND.

OK

1. Point 7.3: Purchaser did not intend to involve, or intimately involve, a lawyer for this deal. Can vendor's lawyer take care of the e-reg system?

YOU CANNOT REASONABLY COMPLETE A DEAL LIKE THIS WITHOUT A LAWYER. COMPANY COUNSEL TO RESPOND RE E-REG SYSTEM QUESTION.

Agreed, thanks – counsel is engaged

Bobby Kofman
President and Managing Director
KSV Advisory Inc.
(o) 416.932.6228
(c) 647.282.6228
bkofman@ksvadvisory.com

From: Derek McGeachie <derek@mi5sprint.com>

Sent: Thursday, August 25, 2022 6:45:17 PM

To: Bobby Kofman <bkofman@ksvadvisory.com>

Subject: RE: PK

Hi Bobby

I'm good with your attachment with the following questions/comments:

1. Building to be in clean broom swept and empty condition upon close. Any damage to floors, walls, roofs, ceilings, plumbing, electrical etc caused by your group moving out to be repaired forthwith at seller expense. All hazardous materials such as paint and chemicals, and all garbage, to be removed at seller expense before close.
2. Point 18: What equipment is subject to "true operating leases" and therefore excluded? It was presented such that I was buying all the equipment
3. Point 35: define "trade fixtures"
4. Employees: confirm that purchaser and its related entities are in no way liable for any employees or severance unless we actively agree to do so
5. Article 6.2, (a) Short term lease: change to: Vendor, at its option, may rent the space for up to two additional months for \$50,000 gross rent per month. Vendor (tenant) to be responsible for utilities during this time and must be fully insured in the event of damage or loss to the building or land. Vendor must notify purchaser within 30 days if they wish to stay or go the next month. If no notification is given or if it is late then the vendor will be deemed to have rented the space for the next month.
6. Purchaser shall have access to up to 3,000 sqft of space in the more modern warehouse area to install a printing press pad during the month of September, 2022. The reason is the pad takes 30 days to cure and we have to install a press on it in October.
7. Point 7.2: Purchaser is not sure why it should pay all filing and recording fees in connection with this transfer. What will these fees be?
8. Point 7.3: Purchaser did not intend to involve, or intimately involve, a lawyer for this deal. Can vendor's lawyer take care of the e-reg system?

Derek McGeachie | President
Mi5 Print & Digital www.mi5print.com office: 905-848-1550 m: 416-728-7551

From: Bobby Kofman <bkofman@ksvadvisory.com>
Sent: August 25, 2022 11:47 AM
To: derek@mi5print.com
Subject: PK

Derek – there is one change to the document, in paragraph 4.5 which deals with Default. Call me if you have a question.



Bobby Kofman
President and Managing Director

T 416.932.6228
M 647.282.6228
W www.ksvadvisory.com

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Appendix “D”

From: Bobby Kofman

Sent: August 26, 2022 12:20 PM

To: George Benchetrit (george@chaitons.com) <george@chaitons.com>; Bobby Kofman <bkofman@ksvadvisory.com>

Cc: Jordan Wong <Jwong@ksvadvisory.com>

Subject: For our report to court if deal goes sideways

On the call today, Derek had three lawyers. None of them had reviewed anything related to the transaction (APAs, emails, etc.), none of them were familiar with the process or the filing, and the employment lawyer was not known to Derek. Peter Welsh requested access to the materials and we directed him to our website. The employment lawyer had to jump from the call after 15 minutes or so and said he that he recommended that there be no interim lease.



Bobby Kofman

President

T

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Appendix “E”

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.

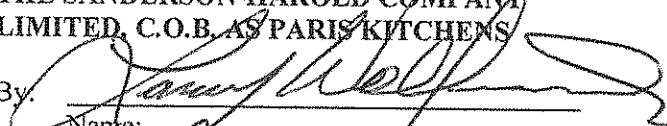
7.15 **Counterparts.**

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 “F”

File History/Link Tracking Report

Action By Username	Date	Action	File Name	File Size	IP Address	File Path	Comments	Email
GENERALLINK	8-9-2022 12:14:27 PM	Download	Paris Kitchens - CIM (June 2022).pdf	1.2 MB	99.239.12.128	\\EBRENNER\Paris Kitchens\7.0 Confidential Information Memorandum\	FileShare Link FileShare ID: 329	
GENERALLINK	8-9-2022 12:13:07 PM	Download	10.7 Paris Kitchens - Service List as at June 6, 2022.pdf	473.1 KB	99.239.12.128	\\EBRENNER\Paris Kitchens\10.0 Court Materials\	FileShare Link FileShare ID: 329	
GENERALLINK	8-9-2022 12:11:48 PM	Download	1.6 The Sanderson-Harold Company FS Jan to April 2022.pdf	169.3 KB	99.239.12.128	\\EBRENNER\Paris Kitchens\1.0 Financial Statements\	FileShare Link FileShare ID: 329	
GENERALLINK	8-9-2022 12:08:01 PM	Download	1.5.1 The Sanderson-Harold Company FS Dec 21.pdf	220.5 KB	99.239.12.128	\\EBRENNER\Paris Kitchens\1.0 Financial Statements\	FileShare Link FileShare ID: 329	
GENERALLINK	8-9-2022 12:04:07 PM	Download	1.1 The Sanderson-Harold Company FS Dec 17.pdf	130 KB	99.239.12.128	\\EBRENNER\Paris Kitchens\1.0 Financial Statements\	FileShare Link FileShare ID: 329	
GENERALLINK	8-9-2022 11:28:24 AM	Download	11.1 Template Asset Purchase Agreement(10280797.3).docx	65.2 KB	70.30.142.234	\\EBRENNER\Paris Kitchens\11.0 Form of APA and Sale Process Letter\	FileShare Link FileShare ID: 325	
GENERALLINK	8-8-2022 6:03:44 PM	Download	Paris Kitchens	49 MB	64.64.174.111	\\EBRENNER\Paris Kitchens\	FileShare Link FileShare ID: 329	
GENERALLINK	8-8-2022 5:56:29 PM	Download	1.1 The Sanderson-Harold Company FS Dec 17.pdf	130 KB	64.64.174.111	\\EBRENNER\Paris Kitchens\1.0 Financial Statements\	FileShare Link FileShare ID: 329	
GENERALLINK	8-8-2022 5:51:50 PM	Download	1.2 The Sanderson Harold Company FS Dec 18.pdf	123 KB	64.64.174.111	\\EBRENNER\Paris Kitchens\1.0 Financial Statements\	FileShare Link FileShare ID: 329	
GENERALLINK	8-8-2022 5:50:51 PM	Download	1.4 The Sanderson-Harold Company FS Dec 20.pdf	181.3 KB	64.64.174.111	\\EBRENNER\Paris Kitchens\1.0 Financial Statements\	FileShare Link FileShare ID: 329	
GENERALLINK	8-8-2022 5:01:12 PM	Download	1.5.1 The Sanderson-Harold Company FS Dec 21.pdf	220.5 KB	64.64.174.111	\\EBRENNER\Paris Kitchens\1.0 Financial Statements\	FileShare Link FileShare ID: 329	
GENERALLINK	8-8-2022 4:57:09 PM	Download	1.6 The Sanderson-Harold Company FS Jan to April 2022.pdf	169.3 KB	64.64.174.111	\\EBRENNER\Paris Kitchens\1.0 Financial Statements\	FileShare Link FileShare ID: 329	

Appendix “G”

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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Appendix “H”

From: Carolyn Iyer <carolyn@pariskitchens.ca>

Sent: October 30, 2022 12:30 PM

To: George Benchetrit <George@chaitons.com>

Cc: Bobby Kofman <bkofman@ksvadvisory.com>

Subject: Summary of Events Tuesday October 25 2022 at 245 West Beaver Creek Road Unit 2

Tuesday October 25th approximately 2pm

- Reception notified me that Derek McGeachie was downstairs in the showroom (main ground level).
- My office and Larry's office are located on the upper/second level).
- I notified Larry verbally and the proposal trustee, Bobby Kofman via email for direction
- Bobby indicated it was permissible to speak with Derek although he had made no formal appointment or meeting with Larry or myself.
- Larry went downstairs to greet Derek and he brought him up to the second level into Larry's dad's office where Larry and I had a cordial conversation with Derek.
- Derek expressed that now that the sale had closed, he now owned all contents in the West Beaver Creek building, including and down to the "mug on the desk" and pointed to a mug with the Paris logo on it. He also noted he owned everything in the showroom, quote "all the kitchen-y stuff".
- I noted to Derek that I could not verify this statement as I was not involved in the sale transaction, nor it's conditions. He seemed to accept this statement.
- Larry noted he had left this to his lawyer and the trustee and he was also uncertain about the specifications on these points in the agreement of purchase.
- Derek seemed to accept this and asked if he could "park his butt in an office" and do some work. At no time did Derek indicate he had a moving crew outside waiting to come in.
- Larry agreed and showed Derek downstairs to an office.
- Larry came back up to my office on the second level and we convened on a call with George (company legal counsel for the proceedings).
- George advised that Derek had no legal right to be on the premises and was trespassing. Bobby joined the call and advised of same.
- Larry noted and I was in agreement that it did not bother us that Derek was using an office.
- We went back to our work.
- About half an hour later, our receptionist noted to me that Derek was removing items. She was unsure if he was supposed to be doing this.
- Larry and I immediately went down to the main level, through the front foyer, which was now stripped of all the historical Paris artifacts.

- We ventured further into the showroom and Derek, along with a crew of approximately 5 people, were emptying out the back of the showroom, pulling cabinets off walls, taking samples and other items, along with an appliance.
- There was a moving truck at our loading dock.
- I informed Derek he was trespassing and he needed to leave. He refused. Larry got George on the phone who re-iterated this message.
- I intervened with the crew as the appliances in the showroom are not owned by Paris they are on consignment.
- A drawn-out, intense conversation with Derek, George and Bobby (by phone) and Derek's counsel (by phone) ensued. We were encouraged by George and Bobby to call the police; Derek's lawyer also encouraged us to call police, as he (Derek's lawyer) asserted that Derek had "every legal right to be there" pulling out items.
- Larry worked hard to diffuse the situation with calm and eventually Derek did calm down and the crew brought the stove back off the truck. No other items were brought back in.
- Larry had further discussion with Derek about other items that were of great significance to him and his family
- and Derek seemed to acknowledge this.
I did not participate in this discussion but stayed present, and our Director of Project Management, Steve Mascioli was also nearby ensuring that things were under control.
- Larry and Derek then continued talking and went upstairs to discuss the boardroom table, another antique item.
- I stayed downstairs and calmed down our staff, namely our receptionist Sandra Riccardi, who was very upset, and our staff in the main level offices who did not know what or why this was happening. Everyone was very distressed, myself included.
- I then went back upstairs, it was now around 3:30pm.
- Larry concluded with Derek and came back upstairs.

Carolyn



Carolyn Iyer | Chief Operating Officer

PARIS KITCHENS Est. 1902 The Sanderson-Harold Co. LTD.

245 West Beaver Creek Rd, Unit #2, Richmond Hill, ON L4B 1L1

T: 905.886.5751 x 307 F: 905.886.3075 www.pariskitchens.com 

**for faster response time, please email rather than call*

Appendix “I”

From: George Benchetrit <George@chaitons.com>
Sent: October 26, 2022 6:51 PM
To: 'Peter Welsh' <peter@welshlaw.ca>
Cc: Bobby Kofman <bkofman@ksvadvisory.com>; 'Tory Millar' <tory.millar@mi5sprint.com>; Derek McGeachie <derek@mi5sprint.com>
Subject: FW: Important
Importance: High

Peter,

As you can see below, your communications with HUB have caused a serious issue that I urge you to address immediately. Attached for your information is a communication from Derek to Bobby yesterday in which he accepts the terms in Lisa Cook's email of yesterday at 4:05 PM.

My client reserves all of its rights against you and your client to the extent of any damages caused or to be caused by your conduct.

George Benchetrit | **Partner***
*Denotes Professional Corporation
Chaitons LLP | **T: 416.218.1141**

From: Cook, Lisa J. <Lisa.Cook@hubinternational.com>
Sent: Wednesday, October 26, 2022 6:09 PM
To: Carolyn Iyer <carolyn@pariskitchens.ca>; George Benchetrit <George@chaitons.com>
Cc: Benevides, Sarah <sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>
Subject: RE: Important

CAUTION: [External]

Good afternoon,

Please be advised that our client The Sanderson-Harold Company Limited, o/a Paris Kitchens as of Oct 24, 2022, has no insurable interested in the property at 23 Railway Street Paris Ontario nor the contents located at 245 West Beaver Creek Road Richmond Hill Ontario L4B 1L1

Without a legal document i.e., lease or signed addendum our clients Insurers AIG and its subscribers/participants have advised there is no longer any insurance in place given our client has no Insurable interest.

I have attached the Asset Purchase Agreement and am referencing - Short Term Lease or Real Property page 14 section 6.2 (b) which stated:

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

However, in the below response from the Purchasers Lawyer Peter Welsh, yesterday he advised

3. Cannot assert that the new Owner's "move-in" won't impede the Proposal Trustee.. we simply have no way to assert that and possibly, at the extreme, even moving items in could be claimed to "impede"..so far that has not occurred..(possibly because nothing has been moved in) but this is an almost impossible commitment to be asked for...anything being delivered ..even on a loading dock.. could be claimed to "impede"

In the Asset Purchase Agreement, the number company appears as 2486666 ONTARIO INC. below we have been asked to add 1000296348 Ontario Inc. is, as of yesterday, who is now the Owner of 23 Railway Street Property.

Our current Insurer AIG has made every effort to work with Paris Kitchens to ensure a smooth transition but as pointed out above without legal documentation provided by the Purchaser outlining the contractual obligations with respects to the insurance there is then no insurance interest.

Best Regards



Risk & Insurance | Employee Benefits | Retirement & Private Wealth
Ready for tomorrow.

Lisa J. Cook (She/her) BA, CAIB, CIP

Account Director

HUB International Sinclair Cockburn Limited
675 Cochrane Dr. Suite 200 East Tower
Markham, ON L3R 0B8

Office: [905-948-2405](tel:905-948-2405)

Mobile: [416-554-1347](tel:416-554-1347)

After Hours Claims: [1-855-588-7612](tel:1-855-588-7612)

Email: lisa.cook@hubinternational.com

hubinternational.com



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From: Cook, Lisa J.

Sent: Tuesday, October 25, 2022 4:05 PM

To: Peter Welsh <peter@welshlaw.ca>; Carolyn Iyer <carolyn@pariskitchens.ca>; George Benchetrit <George@chaitons.com>

Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>

Subject: RE: Insurance Addendum Revision

Hi Peter,

Please be advised that the sellers insurance company is under no obligation to extend coverage, as such they imposed some conditions on the extension to be endorse on the policy. These conditions are :

1. Not to interfere with normal operations of Paris Kitchens
2. Not to install any equipment

If the buyer cannot abide by these conditions, then the extension will not be available.

Best Regards



Risk & Insurance | Employee Benefits | Retirement & Private Wealth
Ready for tomorrow.

Lisa J. Cook (She/her) BA, CAIB, CIP
Account Director

HUB International Sinclair Cockburn Limited
675 Cochrane Dr. Suite 200 East Tower
Markham, ON L3R 0B8

Office: [905-948-2405](tel:905-948-2405)

Mobile: [416-554-1347](tel:416-554-1347)

After Hours Claims: [1-855-588-7612](tel:1-855-588-7612)

Email: lisa.cook@hubinternational.com

hubinternational.com



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From: Peter Welsh <peter@welshlaw.ca>

Sent: Tuesday, October 25, 2022 3:17 PM

To: Cook, Lisa J. <Lisa.Cook@hubinternational.com>; Carolyn Iyer <carolyn@pariskitchens.ca>; George Benchetrit <George@chaitons.com>

Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>

Subject: [EXTERNAL] RE: Insurance Addendum Revision

Lisa you so much for your effort.

However, some subtle issues to address>

1. 1000296348 Ontario Inc. is, as of yesterday, the Owner of the 23 railway Street Property...and should be recorded as that ownership capacity
2. The new Owner, 1000296348 will be moving some of its equipment into the Plant....but not operating any equipment that it moves into the Plant
3. Cannot assert that the new Owner's "move-in" won't impede the Proposal Trustee..we simply have no way to assert that and possibly, at the extreme, even moving items in could be claimed to "impede"...so far that has not occurred..(possibly because nothing has been moved in) but

this is an almost impossible commitment to be asked for...anything being delivered ..even on a loading dock..could be claimed to "impede

4. Cannot have as prohibition against "Install said equipment".... issue is that the intention is to move a rather lengthy Printing press..not operate it..just install...and one cannot simply dump it off at the loading dock...and then sometime in the future bring it inside and align in..

No..the Press will be taken from its current location..brought to Paris..and the same engineers who disassembled it..will re-assemble..high tech stuff..but cannot simply be left outside til some time in Dec..still not to be used...but protected for the weather

I can amend if you like..or do you wish that I amend?

Peter R. Welsh
Peter R. Welsh Professional Corporation
Barrister and Solicitor
Suite 203, 1540 Cornwall Road
Oakville, Ont.,
L6J 7W5
Tel: (905) 337-3121
Cell: (416) 526-3121
Fax: (905) 337-3272
www.welshlaw.ca

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From: Cook, Lisa J. <Lisa.Cook@hubinternational.com>

Sent: October 25, 2022 2:48 PM

To: Carolyn Iyer <carolyn@pariskitchens.ca>; George Benchetrit <George@chaitons.com>; Peter Welsh <peter@welshlaw.ca>

Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>

Subject: RE: Insurance Addendum Revision

Good afternoon,

As per my conversation with AIG (lead Insurer) they have agreed to add the new owners name & #1000296348 Ontario Inc. with respects to the building. Please revised the attached addendum to include the above under # 3 . AIG will issue an endorsement for the existing policy with respects to the above.

However please indicate in the addendum that Paris Kitchens is also responsible for the insurance for the equipment at 23 Railway and the contents at 245 West Beaver Creek which they are currently now leasing back from Mi5 until Dec 1, 2022

Best Regards



Risk & Insurance | Employee Benefits | Retirement & Private Wealth
Ready for tomorrow.

Lisa J. Cook (She/her) BA, CAIB, CIP
Account Director

HUB International Sinclair Cockburn Limited
675 Cochrane Dr. Suite 200 East Tower
Markham, ON L3R 0B8

Office: [905-948-2405](tel:905-948-2405)

Mobile: [416-554-1347](tel:416-554-1347)

After Hours Claims: [1-855-588-7612](tel:1-855-588-7612)

Email: lisa.cook@hubinternational.com

hubinternational.com



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From: Carolyn Iyer <carolyn@pariskitchens.ca>

Sent: Monday, October 24, 2022 10:54 AM

To: George Benchetrit <George@chaitons.com>; Cook, Lisa J. <Lisa.Cook@hubinternational.com>

Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah

<sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>

Subject: [EXTERNAL] RE: Insurance Addendum

Hi there,

Please see attached, with the language our insurer has communicated to our broker, whom I just spoke with.

Thank you,
Carolyn



Carolyn Iyer | Chief Operating Officer

PARIS KITCHENS Est. 1902 The Sanderson-Harold Co. LTD.

245 West Beaver Creek Rd, Unit #2, Richmond Hill, ON L4B 1L1

T: 905.886.5751 x 307 F: 905.886.3075 www.pariskitchens.com 

**for faster response time, please email rather than call*

From: George Benchetrit <George@chaitons.com>

Sent: October 24, 2022 10:19 AM

To: 'Cook, Lisa J.' <Lisa.Cook@hubinternational.com>

Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah

<sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Carolyn Iyer <carolyn@pariskitchens.ca>

Subject: RE: Insurance Addendum

Thanks Lisa. KSV has proposed the attached revisions. Please use this version when communicating with AIG.

George Benchetrit | **Partner***

*Denotes Professional Corporation

Chaitons LLP | T: 416.218.1141

From: Cook, Lisa J. <Lisa.Cook@hubinternational.com>

Sent: Monday, October 24, 2022 10:15 AM

To: George Benchetrit <George@chaitons.com>

Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah

<sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Carolyn Iyer

<carolyn@pariskitchens.ca>

Subject: RE: Insurance Addendum

CAUTION: [External]

Hi George,

I will have to go back to our Lead Insurer AIG with respects to the changes in the letter.

Best Regards



Risk & Insurance | Employee Benefits | Retirement & Private Wealth
Ready for tomorrow.

Lisa J. Cook (She/her) BA, CAIB, CIP
Account Director

HUB International Sinclair Cockburn Limited
675 Cochrane Dr. Suite 200 East Tower
Markham, ON L3R 0B8

Office: [905-948-2405](tel:905-948-2405)

Mobile: [416-554-1347](tel:416-554-1347)

After Hours Claims: [1-855-588-7612](tel:1-855-588-7612)

Email: lisa.cook@hubinternational.com

hubinternational.com



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From: George Benchetrit <George@chaitons.com>

Sent: Monday, October 24, 2022 9:55 AM

To: Cook, Lisa J. <Lisa.Cook@hubinternational.com>

Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah

<sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Carolyn Iyer

<carolyn@pariskitchens.ca>

Subject: [EXTERNAL] RE: Insurance Addendum

Lisa,

The buyer has come back with these requested changes to the letter. Please let me know whether they are acceptable.

George Benchetrit | **Partner***
*Denotes Professional Corporation
Chaitons LLP | **T: 416.218.1141**

From: Cook, Lisa J. <Lisa.Cook@hubinternational.com>
Sent: Friday, October 21, 2022 2:27 PM
To: George Benchetrit <George@chaitons.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Carolyn Iyer <carolyn@pariskitchens.ca>
Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>
Subject: RE: Insurance Addendum

CAUTION: [External]

Hi George,

I just spoke with AIG and forward a copy of the draft AIG has given a green light to move forward. .

Have a great weekend.

Best Regards



Risk & Insurance | Employee Benefits | Retirement & Private Wealth
Ready for tomorrow.

Lisa J. Cook (She/her) BA, CAIB, CIP
Account Director

HUB International Sinclair Cockburn Limited
675 Cochrane Dr. Suite 200 East Tower

Markham, ON L3R 0B8

Office: [905-948-2405](tel:905-948-2405)

Mobile: [416-554-1347](tel:416-554-1347)

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Email: lisa.cook@hubinternational.com

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From: George Benchetrit <George@chaitons.com>

Sent: Friday, October 21, 2022 1:46 PM

To: Cook, Lisa J. <Lisa.Cook@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Carolyn Iyer <carolyn@pariskitchens.ca>

Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>

Subject: [EXTERNAL] RE: Insurance Addendum

Thanks Lisa. Please let me know if the wording in the attached draft letter will suffice to add the loss payee.

George Benchetrit | Partner*

*Denotes Professional Corporation

Chaitons LLP | T: 416.218.1141

From: Cook, Lisa J. <Lisa.Cook@hubinternational.com>

Sent: Friday, October 21, 2022 10:46 AM

To: Bobby Kofman <bkofman@ksvadvisory.com>; George Benchetrit <George@chaitons.com>; Carolyn Iyer <carolyn@pariskitchens.ca>

Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>

Subject: RE: Insurance Addendum

CAUTION: [External]

Good morning,

AIG our Lead Insurer for Pairs Kitchens has reviewed the below and advised the following be included.

Subject: [EXTERNAL] RE: Paris Kitchens Sale Agreement Addendum

- The closing date will be [to be inserted].
- The purchaser will not commence printing operations on the premises before December 1 prior to their binding insurance coverage on the building, at which point the tenant will no longer be responsible for the insurance on the building.
- The mortgage holder will be BMO at [insert address].

Maurice Vialette

Vice-President Underwriting / Vice-Président Souscription



Best Regards



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Ready for tomorrow.

Lisa J. Cook (She/her) BA, CAIB, CIP
Account Director

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From: Bobby Kofman <bkofman@ksvadvisory.com>
Sent: Thursday, October 20, 2022 3:16 PM
To: George Benchetrit <George@chaitons.com>; Carolyn Iyer <carolyn@pariskitchens.ca>
Cc: Cook, Lisa J. <Lisa.Cook@hubinternational.com>; Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>
Subject: [EXTERNAL] RE: Insurance Questions

See below



From: George Benchetrit <George@chaitons.com>
Sent: October 20, 2022 3:15 PM
To: Carolyn Iyer <carolyn@pariskitchens.ca>
Cc: Cook, Lisa J. <Lisa.Cook@hubinternational.com>; Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>
Subject: Re: Insurance Questions

We don't intend to amend our agreement with Mi5 but can ask them for a letter confirming these points, being that:

- The closing date will be [to be inserted].
- They will not move equipment onto the premises before December 1. [unless they source their own insurance, which would void AIG's coverage]
- The mortgage holder will be BMO at [insert address].

Does this work and should anything be added to the letter?

George Benchetrit | Partner*
*Denotes Professional Corporation
Chaitons LLP | T: 416.218.1141

From: Carolyn Iyer <carolyn@pariskitchens.ca>
Sent: Thursday, October 20, 2022 2:58 PM
To: George Benchetrit <George@chaitons.com>
Cc: Cook, Lisa J. <Lisa.Cook@hubinternational.com>; Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>
Subject: Re: Insurance Questions

CAUTION: [External]

Hi there

The main gist here is that Mi5 cannot move equipment in while our insurance is in place.

There needs to be some sort of addendum or appendix noting this.

Our insurer would consider this a change to the material risk and could cause our policy to lapse.

Lisa also still requires the address of the BMO branch for the loss payee.

This is technically a clarification as Lisa noted that there is no mention of insurance. Jocelyn and I did not have yet opportunity to review the agreement at the time or now so I could not comment because I would have raised this issue.

Please advise.

The addendum needs to note the closing date and the Dec 1st end date.

This will also clear the way for Mi5 as they do not have to get insurance right now—they can get this ready while we complete our time in the building.

Thanks

Carolyn

Sent from my iPhone

On Oct 20, 2022, at 2:46 PM, George Benchetrit <George@chaitons.com> wrote:

Thanks Lisa. Your comments about coverage are noted. Again, there is no lease, only the occupancy provision of the asset purchase agreement, which can't be amended. I have already confirmed that Paris Kitchens will continue to be responsible for payment of policy premiums - if you need a statutory declaration to that effect, we can provide it.

From: Cook, Lisa J. <Lisa.Cook@hubinternational.com>
Sent: Thursday, October 20, 2022 2:24:17 PM
To: George Benchetrit <George@chaitons.com>
Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Carolyn Iyer <carolyn@pariskitchens.ca>
Subject: RE: Insurance Questions

CAUTION: [External]

Hi George,

Can you please provide the address for the mortgage – The Bank of Montreal? With respect to the purchase agreement, I have reviewed section 6.2 however there is no mention of insurance coverage . As previously mentioned in my below e-mail “AIG our lead Insurer has advised we would require a copy of the lease between Paris Kitchens and the new owner. If the lease indicates Paris Kitchens is responsible for the insurance until expiry of Dec 1, 2022, then AIG would only need to endorse the policy and add the loss payee to the policy with respects the building. It is our understanding that Paris Kitchens will lease the building and continuing business as the only operation in the plant until their expiry date of Dec 1, 2022. If there is to be different date, please advise us as soon as possible as we will need to reapproach AIG to discuss.

Please note AIG’s policy which is on a program called the WoodSure Program only covers operations for the manufacturing of cabinetry not another other type of operations. If the new owner moves in or begin setting up shop for operating as a printing facility while Paris Kitchens is still on premises this would be a material change in risk in which case neither AIG nor the subscribers currently on risk would continue to insure.

By adding the loss payee to the policy while Paris Kitchens winds down operations and solely occupying the premises this then will allow the new

owner to purchase and put in place their own insurance for their operations come Dec 1, 2022.

I wait the revised copy of the purchase agreement indicating the date of closing and who is responsible for the insurance.

Best Regards



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Ready for tomorrow.

Lisa J. Cook (She/her) BA, CAIB, CIP
Account Director

HUB International Sinclair Cockburn Limited
675 Cochrane Dr. Suite 200 East Tower
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Office: [905-948-2405](tel:905-948-2405)

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Email: lisa.cook@hubinternational.com

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From: George Benchetrit <George@chaitons.com>

Sent: Thursday, October 20, 2022 12:08 PM

To: Cook, Lisa J. <Lisa.Cook@hubinternational.com>

Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah

<sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Carolyn Iyer

<carolyn@pariskitchens.ca>

Subject: [EXTERNAL] Re: Response To Questions For Hub International

Hi Lisa. The Purchaser is 1000296348 Ontario Inc. It will be granting a mortgage to Bank of Montreal.

George Benchetrit | **Partner***
*Denotes Professional Corporation
Chaitons LLP | T: 416.218.1141

From: Cook, Lisa J. <Lisa.Cook@hubinternational.com>
Sent: Wednesday, October 19, 2022 3:05:25 PM
To: George Benchetrit <George@chaitons.com>
Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Carolyn Iyer <carolyn@pariskitchens.ca>
Subject: RE: Response To Questions For Hub International

CAUTION: [External]

Hi George,

Can you confirm who the loss payee will be ? is there a mortgage on the property that is being purchased by the new company ?



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Lisa J. Cook (She/her) BA, CAIB, CIP
Account Director

HUB International Sinclair Cockburn Limited
675 Cochrane Dr. Suite 200 East Tower
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Office: [905-948-2405](tel:905-948-2405)
Mobile: [416-554-1347](tel:416-554-1347)
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Email: lisa.cook@hubinternational.com

hubinternational.com



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From: George Benchetrit <George@chaitons.com>
Sent: Wednesday, October 19, 2022 3:00 PM
To: Cook, Lisa J. <Lisa.Cook@hubinternational.com>
Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Carolyn Iyer <carolyn@pariskitchens.ca>
Subject: [EXTERNAL] RE: Response To Questions For Hub International

Lisa,

Referencing your requirements below for adding Derek's company as a loss payee as of the transaction closing date, please note that there isn't a lease in place for Sanderson-Harold's occupation of the premises post-closing. The occupancy terms are set out in section 6.2 of the attached agreement. Sanderson-Harold will remain responsible for the insurance until the policy expiry on Dec 1, 2022.

George Benchetrit | Partner*
*Denotes Professional Corporation
Chaitons LLP | T: 416.218.1141

From: Cook, Lisa J. <Lisa.Cook@hubinternational.com>
Sent: Wednesday, October 19, 2022 11:34 AM
To: Carolyn Iyer <carolyn@pariskitchens.ca>; Bobby Kofman <bkofman@ksvadvisory.com>
Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; George Benchetrit <George@chaitons.com>; Benevides, Sarah <sarah.benevides@hubinternational.com>
Subject: RE: Response To Questions For Hub International

CAUTION: [External]

Good morning, Carolyn,

As per our telephone conversation this morning I have spoken with Derek McGeachie President of Mi5 Print & Digital earlier today. I advised that Paris Kitchens Bldg. & property is currently Insured on a subscription policy comprised of the following Insurers

- AIG (As Lead Insurer) 40%
- Price Forbes (subscriber) 40%
- Strategic Underwriting Management (subscriber) 20% with respects to the building insurance.

I explained we have a subscription policy in place due to lack of capacity within the industry during the past two years.

I also advised that the liability portion is written solely by AIG and is part of their WoodSure Program. This is an exclusive program for manufactures of wood products and only available to select brokerages. I have suggested Mi5 Print & Digital check back with their current broker regarding insurance markets that have already been approached, as their current Insurer has now expressed concerns with leasing the building back to Paris Kitchen to continue cabinet manufacturing until December 1, 2022.

With respects to your question regarding 23 Railway Street and how this would work, AIG our lead Insurer has advised we would require a copy of the lease between Paris Kitchens and the new owner. If the lease indicates Paris Kitchens is responsible for the insurance until expiry of Dec 1, 2022, then AIG would only need to endorse the policy and add the loss payee to the policy for the building.

On December 1, 2022, when the lease ends and the policies lapse the new owner would then be responsible to have insurance in place for the new operations of Mi5 Print Digital. AIG has confirmed this morning they would not be able to act as the Insurer (lead) for the new business owner because of the printing operations and AIG WoodSure program only write coverage for wood products.

I will circle back with Derek later today to advise that AIG would not be able to assist in writing this risk past Dec 1, 2022, due to the change in operations

from 100% manufacture of wood products to a printing facility within minimal manufacturing of wood products.

Should you have any additional questions please do not hesitate to contact me directly.

Best Regards



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Ready for tomorrow.

Lisa J. Cook (She/her) BA, CAIB, CIP
Account Director

HUB International Sinclair Cockburn Limited
675 Cochrane Dr. Suite 200 East Tower
Markham, ON L3R 0B8

Office: [905-948-2405](tel:905-948-2405)

Mobile: [416-554-1347](tel:416-554-1347)

After Hours Claims: [1-855-588-7612](tel:1-855-588-7612)

Email: lisa.cook@hubinternational.com

hubinternational.com



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From: Carolyn Iyer <carolyn@pariskitchens.ca>

Sent: Tuesday, October 18, 2022 8:54 AM

To: Bobby Kofman <bkofman@ksvadvisory.com>

Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; George Benchetrit (<george@chaitons.com>)
<george@chaitons.com>; Cook, Lisa J. <Lisa.Cook@hubinternational.com>

Subject: [EXTERNAL] RE: INSURANCE Hub Int'l

Hi there,

Our insurer is HUB International, and our broker is Lisa J. Cook. I've looped her in here. However, a quote will take some time.

Lisa, Mi5, per below, is asking the question here; we are still waiting for the transaction to close, and I am unsure as to how it works at the 23 Railway St property as the original Paris

will be leasing the space from Mi5 until Dec 2nd.

Thank you,
Carolyn



Carolyn Iyer | Chief Operating Officer

PARIS KITCHENS Est. 1902 The Sanderson-Harold Co. LTD.

245 West Beaver Creek Rd, Unit #2, Richmond Hill, ON L4B 1L1

T: 905.886.5751 x 307 F: 905.886.3075 www.pariskitchens.com 

**for faster response time, please email rather than call*

From: Bobby Kofman <bkofman@ksvadvisory.com>

Sent: October 18, 2022 8:29 AM

To: Carolyn Iyer <carolyn@pariskitchens.ca>

Cc: Derek Knoke <dknoke@litigate.com>; Jocelyn Hu <jocelyn@pariskitchens.ca>; George Benchetrit <george@chaitons.com> <george@chaitons.com>

Subject: Fwd: INSURANCE

Carolyn and Jocelyn, please see below.

Bobby Kofman
President and Managing Director
KSV Advisory Inc.
(o) 416.932.6228
(c) 647.282.6228
bkofman@ksvadvisory.com

From: Derek McGeachie <derek@mi5print.com>

Sent: Tuesday, October 18, 2022 8:22 AM

To: Bobby Kofman <bkofman@ksvadvisory.com>

Cc: Carolyn Iyer <carolyn@pariskitchens.ca>; Tory Millar <tory.millar@mi5print.com>

Subject: INSURANCE

Good morning Bobby,

Can you or Carolyn share the name of your existing insurance co please. We have the building insured but our carrier is concerned about a wood working company that they deem as relatively high risk. It would be helpful to get a quote from the existing insurance co, that may be easier for continuing insurance for the operation since they have history.

Derek McGeachie | President
Mi5 Print & Digital www.mi5print.com office: 905-848-1550 m: 416-728-7551

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From: Bobby Kofman <bkofman@ksvadvisory.com>
Sent: October 25, 2022 8:58 PM
To: George Benchetrit <George@chaitons.com>; Carolyn Iyer <carolyn@pariskitchens.ca>; Larry Wolfman <larrywolfman@pariskitchens.ca>
Subject: Fwd: Insurance Addendum Revision

CAUTION: [External]

Bobby Kofman
President and Managing Director
KSV Advisory Inc.
(o) 416.932.6228
(c) 647.282.6228
bkofman@ksvadvisory.com

From: Derek McGeachie <derek@mi5print.com>
Sent: Tuesday, October 25, 2022 6:46:05 PM
To: Bobby Kofman <bkofman@ksvadvisory.com>
Subject: Re: Insurance Addendum Revision
This is ok with me

Derek McGeachie
Mi5 Print & Digital
416-728-7551

From: Bobby Kofman <bkofman@ksvadvisory.com>
Sent: Tuesday, October 25, 2022 4:12 PM
To: Derek McGeachie <derek@mi5print.com>
Subject: FW: Insurance Addendum Revision



Bobby Kofman
President and Managing Director

T 416.932.6228
M 647.282.6228
W www.ksvadvisory.com

From: Cook, Lisa J. <Lisa.Cook@hubinternational.com>
Sent: October 25, 2022 4:05 PM
To: Peter Welsh <peter@welshlaw.ca>; Carolyn Iyer <carolyn@pariskitchens.ca>; George Benchetrit <George@chaitons.com>
Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>
Subject: RE: Insurance Addendum Revision
Hi Peter,

Please be advised that the sellers insurance company is under no obligation to extend coverage, as such they imposed some conditions on the extension to be endorse on the policy. These conditions are :

1. Not to interfere with normal operations of Paris Kitchens
2. Not to install any equipment

If the buyer cannot abide by these conditions, then the extension will not be available.

Best Regards



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Ready for tomorrow.

Lisa J. Cook (She/her) BA, CAIB, CIP
Account Director

HUB International Sinclair Cockburn Limited
675 Cochrane Dr. Suite 200 East Tower
Markham, ON L3R 0B8

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Email: lisa.cook@hubinternational.com

hubinternational.com



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From: Peter Welsh <peter@welshlaw.ca>

Sent: Tuesday, October 25, 2022 3:17 PM

To: Cook, Lisa J. <Lisa.Cook@hubinternational.com>; Carolyn Iyer <carolyn@pariskitchens.ca>; George Benchetrit <George@chaitons.com>

Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>

Subject: [EXTERNAL] RE: Insurance Addendum Revision

Lisa you so much for your effort.

However, some subtle issues to address>

1. 1000296348 Ontario Inc. is, as of yesterday, the Owner of the 23 railway Street Property...and should be recorded as that ownership capacity

2. The new Owner, 1000296348 will be moving some of its equipment into the Plant....but not operating any equipment that it moves into the Plant
3. Cannot assert that the new Owner's "move-in" won't impede the Proposal Trustee..we simply have no way to assert that and possibly, at the extreme, even moving items in could be claimed to "impede"...so far that has not occurred..(possibly because nothing has been moved in) but this is an almost impossible commitment to be asked for...anything being delivered ..even on a loading dock..could be claimed to "impede"
4. Cannot have as prohibition against "Install said equipment".... issue is that the intention is to move a rather lengthy Printing press..not operate it..just install...and one cannot simply dump it off at the loading dock...and then sometime in the future bring it inside and align in..

No..the Press will be taken from its current location..brought to Paris..and the same engineers who disassembled it..will re-assemble..high tech stuff..but cannot simply be left outside til some time in Dec..still not to be used...but protected for the weather

I can amend if you like..or do you wish that I amend?

Peter R. Welsh

Peter R. Welsh Professional Corporation

Barrister and Solicitor

Suite 203, 1540 Cornwall Road

Oakville, Ont.,

L6J 7W5

Tel: (905) 337-3121

Cell: (416) 526-3121

Fax: (905) 337-3272

www.welshlaw.ca

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From: Cook, Lisa J. <Lisa.Cook@hubinternational.com>

Sent: October 25, 2022 2:48 PM

To: Carolyn Iyer <carolyn@pariskitchens.ca>; George Benchetrit <George@chaitons.com>; Peter Welsh <peter@welshlaw.ca>

Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>

Subject: RE: Insurance Addendum Revision

Good afternoon,

As per my conversation with AIG (lead Insurer) they have agreed to add the new owners name & #1000296348 Ontario Inc. with respects to the building. Please revised the attached addendum to include the above under # 3 . AIG will issue an endorsement for the existing policy with respects to the above. However please indicate in the addendum that Paris Kitchens is also responsible for the insurance for the equipment at 23 Railway and the

contents at 245 West Beaver Creek which they are currently now leasing back from Mi5 until Dec 1, 2022

Best Regards



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Lisa J. Cook (She/her) BA, CAIB, CIP
Account Director

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hubinternational.com



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From: Carolyn Iyer <carolyn@pariskitchens.ca>

Sent: Monday, October 24, 2022 10:54 AM

To: George Benchetrit <George@chaitons.com>; Cook, Lisa J. <Lisa.Cook@hubinternational.com>

Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>

Subject: [EXTERNAL] RE: Insurance Addendum

Hi there,

Please see attached, with the language our insurer has communicated to our broker, whom I just spoke with.

Thank you,
Carolyn



Carolyn Iyer | Chief Operating Officer

PARIS KITCHENS Est. 1902 The Sanderson-Harold Co. LTD.

245 West Beaver Creek Rd, Unit #2, Richmond Hill, ON L4B 1L1

T: 905.886.5751 x 307 F: 905.886.3075 www.pariskitchens.com 

**for faster response time, please email rather than call*

From: George Benchetrit <George@chaitons.com>

Sent: October 24, 2022 10:19 AM

To: 'Cook, Lisa J.' <Lisa.Cook@hubinternational.com>

Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Carolyn Iyer <carolyn@pariskitchens.ca>

Subject: RE: Insurance Addendum

Thanks Lisa. KSV has proposed the attached revisions. Please use this version when communicating with AIG.

George Benchetrit | **Partner***

*Denotes Professional Corporation

Chaitons LLP | T: 416.218.1141

From: Cook, Lisa J. <Lisa.Cook@hubinternational.com>

Sent: Monday, October 24, 2022 10:15 AM

To: George Benchetrit <George@chaitons.com>

Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Carolyn Iyer <carolyn@pariskitchens.ca>

Subject: RE: Insurance Addendum

CAUTION: [External]

Hi George,

I will have to go back to our Lead Insurer AIG with respects to the changes in the letter.

Best Regards



Risk & Insurance | Employee Benefits | Retirement & Private Wealth

Ready for tomorrow.

Lisa J. Cook (She/her) BA, CAIB, CIP

Account Director

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From: George Benchetrit <George@chaitons.com>

Sent: Monday, October 24, 2022 9:55 AM

To: Cook, Lisa J. <Lisa.Cook@hubinternational.com>

Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Carolyn Iyer <carolyn@pariskitchens.ca>

Subject: [EXTERNAL] RE: Insurance Addendum

Lisa,

The buyer has come back with these requested changes to the letter. Please let me know whether they are acceptable.

George Benchetrit | Partner*

*Denotes Professional Corporation

Chaitons LLP | T: 416.218.1141

From: Cook, Lisa J. <Lisa.Cook@hubinternational.com>

Sent: Friday, October 21, 2022 2:27 PM

To: George Benchetrit <George@chaitons.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Carolyn Iyer <carolyn@pariskitchens.ca>

Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>

Subject: RE: Insurance Addendum

CAUTION: [External]

Hi George,

I just spoke with AIG and forward a copy of the draft AIG has given a green light to move forward. .

Have a great weekend.

Best Regards



Risk & Insurance | Employee Benefits | Retirement & Private Wealth
Ready for tomorrow.

Lisa J. Cook (She/her) BA, CAIB, CIP
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From: George Benchetrit <George@chaitons.com>

Sent: Friday, October 21, 2022 1:46 PM

To: Cook, Lisa J. <Lisa.Cook@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Carolyn Iyer <carolyn@pariskitchens.ca>

Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>

Subject: [EXTERNAL] RE: Insurance Addendum

Thanks Lisa. Please let me know if the wording in the attached draft letter will suffice to add the loss payee.

George Benchetrit | Partner*

*Denotes Professional Corporation

Chaitons LLP | T: 416.218.1141

From: Cook, Lisa J. <Lisa.Cook@hubinternational.com>

Sent: Friday, October 21, 2022 10:46 AM

To: Bobby Kofman <bkofman@ksvadvisory.com>; George Benchetrit <George@chaitons.com>; Carolyn Iyer <carolyn@pariskitchens.ca>

Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>

Subject: RE: Insurance Addendum

CAUTION: [External]

Good morning,

AIG our Lead Insurer for Pairs Kitchens has reviewed the below and advised the following be included.

Subject: [EXTERNAL] RE: Paris Kitchens Sale Agreement Addendum

- The closing date will be [to be inserted].
- The purchaser will not commence printing operations on the premises before December 1 prior to their binding insurance coverage on the building, at which point the tenant will no longer be responsible for the insurance on the building.
- The mortgage holder will be BMO at [insert address].

Maurice Vialette

Vice-President Underwriting / Vice-Président Souscription



Best Regards



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Ready for tomorrow.

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From: Bobby Kofman <bkofman@ksvadvisory.com>

Sent: Thursday, October 20, 2022 3:16 PM

To: George Benchetrit <George@chaitons.com>; Carolyn Iyer <carolyn@pariskitchens.ca>

Cc: Cook, Lisa J. <Lisa.Cook@hubinternational.com>; Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>

Subject: [EXTERNAL] RE: Insurance Questions

See below



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 20, 2022 3:15 PM

To: Carolyn Iyer <carolyn@pariskitchens.ca>

Cc: Cook, Lisa J. <Lisa.Cook@hubinternational.com>; Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>

Subject: Re: Insurance Questions

We don't intend to amend our agreement with Mi5 but can ask them for a letter confirming these points, being that:

- The closing date will be [to be inserted].
- They will not move equipment onto the premises before December 1. **[unless they source their own insurance, which would void AIG's coverage]**
- The mortgage holder will be BMO at [insert address].

Does this work and should anything be added to the letter?

George Benchetrit | Partner*

*Denotes Professional Corporation

Chaitons LLP | T: 416.218.1141

From: Carolyn Iyer <carolyn@pariskitchens.ca>

Sent: Thursday, October 20, 2022 2:58 PM

To: George Benchetrit <George@chaitons.com>

Cc: Cook, Lisa J. <Lisa.Cook@hubinternational.com>; Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>

Subject: Re: Insurance Questions

CAUTION: [External]

Hi there

The main gist here is that Mi5 cannot move equipment in while our insurance is in place.

There needs to be some sort of addendum or appendix noting this.

Our insurer would consider this a change to the material risk and could cause our policy to lapse.

Lisa also still requires the address of the BMO branch for the loss payee.

This is technically a clarification as Lisa noted that there is no mention of insurance. Jocelyn and I did not have yet opportunity to review the agreement at the time or now so I could not comment because I would have raised this issue.

Please advise.

The addendum needs to note the closing date and the Dec 1st end date.

This will also clear the way for Mi5 as they do not have to get insurance right now—they can get this ready while we complete our time in the building.

Thanks

Carolyn

Sent from my iPhone

On Oct 20, 2022, at 2:46 PM, George Benchetrit <George@chaitons.com> wrote:

Thanks Lisa. Your comments about coverage are noted. Again, there is no lease, only the occupancy provision of the asset purchase agreement, which can't be amended. I have already confirmed that Paris Kitchens will continue to be responsible for payment of policy premiums - if you need a statutory declaration to that effect, we can provide it.

George Benchetrit | Partner*

*Denotes Professional Corporation

Chaitons LLP | T: 416.218.1141

From: Cook, Lisa J. <Lisa.Cook@hubinternational.com>

Sent: Thursday, October 20, 2022 2:24:17 PM

To: George Benchetrit <George@chaitons.com>

Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah

<sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Carolyn Iyer <carolyn@pariskitchens.ca>

Subject: RE: Insurance Questions

CAUTION: [External]

Hi George,

Can you please provide the address for the mortgage – The Bank of Montreal? With respect to the purchase agreement, I have reviewed section 6.2 however there is no mention of insurance coverage . As previously mentioned in my below e-mail “AIG our lead Insurer has advised we would require a copy of the lease between Paris Kitchens and the new owner. If the lease indicates Paris Kitchens is responsible for the insurance until expiry of Dec 1, 2022, then AIG would only need to endorse the policy and add the loss payee to the policy with respects the building. It is our understanding that Paris Kitchens will lease the building and continuing business as the only operation in the plant until their expiry date of Dec 1, 2022. If there is to be different date, please advise us as soon as possible as we will need to reapproach AIG to discuss. Please note AIG’s policy which is on a program called the WoodSure Program only covers operations for the manufacturing of cabinetry not another other type of operations. If the new owner moves in or begin setting up shop for

operating as a printing facility while Paris Kitchens is still on premises this would be a material change in risk in which case neither AIG nor the subscribers currently on risk would continue to insure.

By adding the loss payee to the policy while Paris Kitchens winds down operations and solely occupying the premises this then will allow the new owner to purchase and put in place their own insurance for their operations come Dec 1, 2022.

I wait the revised copy of the purchase agreement indicating the date of closing and who is responsible for the insurance.

Best Regards



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Ready for tomorrow.

Lisa J. Cook (She/her) BA, CAIB, CIP
Account Director

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675 Cochrane Dr. Suite 200 East Tower
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From: George Benchetrit <George@chaitons.com>

Sent: Thursday, October 20, 2022 12:08 PM

To: Cook, Lisa J. <Lisa.Cook@hubinternational.com>

Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Carolyn Iyer <carolyn@pariskitchens.ca>

Subject: [EXTERNAL] Re: Response To Questions For Hub International

Hi Lisa. The Purchaser is 1000296348 Ontario Inc. It will be granting a mortgage to Bank of Montreal.

George Benchetrit | Partner*
*Denotes Professional Corporation
Chaitons LLP | T: 416.218.1141

From: Cook, Lisa J. <Lisa.Cook@hubinternational.com>
Sent: Wednesday, October 19, 2022 3:05:25 PM
To: George Benchetrit <George@chaitons.com>
Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Carolyn Iyer <carolyn@pariskitchens.ca>
Subject: RE: Response To Questions For Hub International
CAUTION: [External]

Hi George,
Can you confirm who the loss payee will be ? is there a mortgage on the property that is being purchased by the new company ?



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Ready for tomorrow.

Lisa J. Cook (She/her) BA, CAIB, CIP
Account Director

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From: George Benchetrit <George@chaitons.com>
Sent: Wednesday, October 19, 2022 3:00 PM

To: Cook, Lisa J. <Lisa.Cook@hubinternational.com>

Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; Benevides, Sarah <sarah.benevides@hubinternational.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Carolyn Iyer <carolyn@pariskitchens.ca>

Subject: [EXTERNAL] RE: Response To Questions For Hub International
Lisa,

Referencing your requirements below for adding Derek's company as a loss payee as of the transaction closing date, please note that there isn't a lease in place for Sanderson-Harold's occupation of the premises post-closing. The occupancy terms are set out in section 6.2 of the attached agreement. Sanderson-Harold will remain responsible for the insurance until the policy expiry on Dec 1, 2022.

George Benchetrit | Partner*

*Denotes Professional Corporation

Chaitons LLP | T: 416.218.1141

From: Cook, Lisa J. <Lisa.Cook@hubinternational.com>

Sent: Wednesday, October 19, 2022 11:34 AM

To: Carolyn Iyer <carolyn@pariskitchens.ca>; Bobby Kofman <bkofman@ksvadvisory.com>

Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; George Benchetrit <George@chaitons.com>; Benevides, Sarah <sarah.benevides@hubinternational.com>

Subject: RE: Response To Questions For Hub International

CAUTION: [External]

Good morning, Carolyn,

As per our telephone conversation this morning I have spoken with Derek McGeachie President of Mi5 Print & Digital earlier today. I advised that Paris Kitchens Bldg. & property is currently Insured on a subscription policy comprised of the following Insurers

- AIG (As Lead Insurer) 40%
- Price Forbes (subscriber) 40%
- Strategic Underwriting Management (subscriber) 20% with respects to the building insurance.

I explained we have a subscription policy in place due to lack of capacity within the industry during the past two years.

I also advised that the liability portion is written solely by AIG and is part of their WoodSure Program. This is an exclusive program for manufactures of wood products and only available to select brokerages. I have suggested Mi5 Print & Digital check back with their current broker regarding insurance markets that have already been approached, as their current Insurer has now expressed concerns with leasing the building back to Paris Kitchen to continue cabinet manufacturing until December 1, 2022.

With respects to your question regarding 23 Railway Street and how this would work, AIG our lead Insurer has advised we would require a copy of the

lease between Paris Kitchens and the new owner. If the lease indicates Paris Kitchens is responsible for the insurance until expiry of Dec 1, 2022, then AIG would only need to endorse the policy and add the loss payee to the policy for the building.

On December 1, 2022, when the lease ends and the policies lapse the new owner would then be responsible to have insurance in place for the new operations of Mi5 Print Digital. AIG has confirmed this morning they would not be able to act as the Insurer (lead) for the new business owner because of the printing operations and AIG WoodSure program only write coverage for wood products.

I will circle back with Derek later today to advise that AIG would not be able to assist in writing this risk past Dec 1, 2022, due to the change in operations from 100% manufacture of wood products to a printing facility within minimal manufacturing of wood products.

Should you have any additional questions please do not hesitate to contact me directly.

Best Regards



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Ready for tomorrow.

Lisa J. Cook (She/her) BA, CAIB, CIP
Account Director

HUB International Sinclair Cockburn Limited
675 Cochrane Dr. Suite 200 East Tower
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From: Carolyn Iyer <carolyn@pariskitchens.ca>
Sent: Tuesday, October 18, 2022 8:54 AM
To: Bobby Kofman <bkofman@ksvadvisory.com>
Cc: Jocelyn Hu <jocelyn@pariskitchens.ca>; George Benchetrit (<george@chaitons.com>); Cook, Lisa J. <Lisa.Cook@hubinternational.com>
Subject: [EXTERNAL] RE: INSURANCE Hub Int'l

Hi there,

Our insurer is HUB International, and our broker is Lisa J. Cook. I've looped her in here. However, a quote will take some time.

Lisa, Mi5, per below, is asking the question here; we are still waiting for the transaction to close, and I am unsure as to how it works at the 23 Railway St property as the original Paris

will be leasing the space from Mi5 until Dec 2nd.

Thank you,
Carolyn



Carolyn Iyer | Chief Operating Officer

PARIS KITCHENS Est. 1902 The Sanderson-Harold Co. LTD.

245 West Beaver Creek Rd, Unit #2, Richmond Hill, ON L4B 1L1

T: 905.886.5751 x 307 F: 905.886.3075 www.pariskitchens.com 

**for faster response time, please email rather than call*

From: Bobby Kofman <bkofman@ksvadvisory.com>
Sent: October 18, 2022 8:29 AM
To: Carolyn Iyer <carolyn@pariskitchens.ca>
Cc: Derek Knoke <dknoke@litigate.com>; Jocelyn Hu <jocelyn@pariskitchens.ca>; George Benchetrit (<george@chaitons.com>); <george@chaitons.com>
Subject: Fwd: INSURANCE

Carolyn and Jocelyn, please see below.

Bobby Kofman

President and Managing Director

KSV Advisory Inc.

(o) 416.932.6228

(c) 647.282.6228

bkofman@ksvadvisory.com

From: Derek McGeachie <derek@mi5print.com>
Sent: Tuesday, October 18, 2022 8:22 AM
To: Bobby Kofman <bkofman@ksvadvisory.com>
Cc: Carolyn Iyer <carolyn@pariskitchens.ca>; Tory Millar <tory.millar@mi5print.com>
Subject: INSURANCE
Good morning Bobby,

Can you or Carolyn share the name of your existing insurance co please. We have the building insured but our carrier is concerned about a wood working company that they deem as relatively high risk. It would be helpful to get a quote from the existing insurance co, that may be easier for continuing insurance for the operation since they have history.

Derek McGeachie | President

Mi5 Print & Digital www.mi5print.com office: 905-848-1550 m: 416-728-7551

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Appendix “J”

From: George Benchetrit <George@chaitons.com>
Sent: October 26, 2022 7:04 PM
To: 'Tory Millar' <tory.millar@mi5print.com>; Derek McGeachie <derek@mi5print.com>; 'Peter Welsh' <peter@welshlaw.ca>
Cc: Carolyn Iyer <carolyn@pariskitchens.ca>; Bobby Kofman <bkofman@ksvadvisory.com>; 'Larry Wolfman' <larrywolfman@pariskitchens.ca>
Subject: RE: 300pm meeting today

Gentlemen,

Attached is a draft summary of our call today intended to further the discussion to resolve all transition issues. It does not reflect legally binding commitments on either side. Please feel free to add any comments, revisions or additions and include on your response the additional individuals I have copied on this email message.

Given the emails exchanged a few minutes ago on insurance issues, I suggest that priority attention be given to a call among the brokers first thing tomorrow.

George Benchetrit | Partner*
*Denotes Professional Corporation
Chaitons LLP | T: 416.218.1141

From: Tory Millar <tory.millar@mi5print.com>
Sent: Wednesday, October 26, 2022 1:06 PM
To: Bobby Kofman <bkofman@ksvadvisory.com>; Carolyn Iyer <carolyn@pariskitchens.ca>; George Benchetrit <George@chaitons.com>
Cc: Derek McGeachie <derek@mi5print.com>
Subject: 300pm meeting today

CAUTION: [External]

Bobby, George, Carolyn – Kindly share the meeting details with me. Thank you.

Best regards,

Tory Millar
M: 647-822-5426
E: tory.millar@Mi5print.com

Tory Millar | Vice President, Finance
Mi5 Print & Digital www.mi5print.com
Toronto | New York | Vancouver

From: Bobby Kofman <bkofman@ksvadvisory.com>
Sent: October 26, 2022 12:05 PM
To: Derek McGeachie <derek@mi5print.com>; Carolyn Iyer <carolyn@pariskitchens.ca>; Tory Millar <tory.millar@mi5print.com>
Cc: George Benchetrit <george@chaitons.com>
Subject: RE: PK - Transition of servers, software, books / records

Derek,

Please deal with George on these issues. As you know, there is a call at 3pm today that I will not be attending. I sent you a text at 4am or so asking if you wanted a call to address transitional issues. I received no response.

Thank you,

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 26, 2022 11:53 AM
To: Carolyn Iyer <carolyn@pariskitchens.ca>; Bobby Kofman <bkofman@ksvadvisory.com>; Tory Millar <tory.millar@mi5print.com>
Cc: George Benchetrit <george@chaitons.com>
Subject: RE: PK - Transition of servers, software, books / records

Bobby and Carolyn, please send us the up to date supplier list you have today as a start. Also send us full admin access to the servers, software and electronic books / records of Paris Kitchens. This is already 2 days after closing and all these records, books, passwords, etc should have been delivered and accessible at closing as you well know. You should have had yourselves and your team prepared for this hand over or you should not have closed the purchase if you will not deliver what you sold. These hand over delays of our assets are seriously jeopardizing quoting, future sales, customer and supplier relations, which directly affect what revenues we have for staff planning and hiring. Time is of the essence, people's livelihoods are at stake and we're respectfully asking you to immediately release your continued controls on our assets so we can use them to their fullest. Right now you have our hands tied with expensive delays and meeting requests. Not giving us fulsome access to what is ours is an existential threat to Paris Kitchens continuance and it is unnecessarily expensive to us and the staff of Paris Kitchens.

From: Carolyn Iyer <carolyn@pariskitchens.ca>
Sent: October 26, 2022 10:52 AM
To: Bobby Kofman <bkofman@ksvadvisory.com>; Tory Millar <tory.millar@mi5print.com>
Cc: Derek McGeachie <derek@mi5print.com>; George Benchetrit (george@chaitons.com)
<george@chaitons.com>
Subject: RE: PK - Transition of servers, software, books / records


Also, Newco will need to set up their own accounts with our vendors (they have all the information available to them).

Our purchasing staff is not available for their use unless, see my other email, an employment agreement is in place that starts Dec 2.

Regards
Carolyn



Carolyn Iyer | Chief Operating Officer

PARIS KITCHENS Est. 1902 The Sanderson-Harold Co. LTD.
245 West Beaver Creek Rd, Unit #2, Richmond Hill, ON L4B 1L1
T: 905.886.5751 x 307 F: 905.886.3075 www.pariskitchens.com 
**for faster response time, please email rather than call*

From: Carolyn Iyer
Sent: October 26, 2022 10:47 AM
To: Bobby Kofman <bkofman@ksvadvisory.com>; Tory Millar <tory.millar@mi5print.com>
Cc: Derek McGeachie <derek@mi5print.com>; George Benchetrit (george@chaitons.com)
<george@chaitons.com>
Subject: RE: PK - Transition of servers, software, books / records

Thanks Bobby.

As noted in my email this morning,
I am home today recovering from the trauma of yesterday. I want you to know I have detailed what happened yesterday to my own legal counsel and I appreciate your and George's support on this.

I have taken our staff off this email as I have advised them, as you have, innumerable times, that Mi5 is to go through KSV, the message seems to not being received.

I have told our staff that any request NewCo makes is to go through me, as they do not work for NewCo, no employment agreements are in place and on the plant side, our staff are working until Dec 1 for the Sanderson-Harold Co. Ltd and we are paying their salary.

Regards
Carolyn



Carolyn Iyer | Chief Operating Officer

PARIS KITCHENS Est. 1902 The Sanderson-Harold Co. LTD.

245 West Beaver Creek Rd, Unit #2, Richmond Hill, ON L4B 1L1

T: 905.886.5751 x 307 F: 905.886.3075 www.pariskitchens.com 

**for faster response time, please email rather than call*

From: Bobby Kofman <bkofman@ksvadvisory.com>

Sent: October 26, 2022 10:39 AM

To: Tory Millar <tory.millar@mi5print.com>; Gene He <gene@pariskitchens.ca>; Ivica Soldo <ivica@pariskitchens.ca>

Cc: Derek McGeachie <derek@mi5print.com>; Carolyn Iyer <carolyn@pariskitchens.ca>; George Benchetrit (george@chaitons.com) <george@chaitons.com>

Subject: Re: PK - Transition of servers, software, books / records

There is a meeting today at 3pm where this issue will be discussed.

Bobby Kofman
President and Managing Director
KSV Advisory Inc.
(o) 416.932.6228
(c) 647.282.6228
bkofman@ksvadvisory.com

From: Tory Millar <tory.millar@mi5print.com>

Sent: Wednesday, October 26, 2022 10:29:06 AM

To: Gene He <gene@pariskitchens.ca>; Ivica Soldo <ivica@pariskitchens.ca>

Cc: Derek McGeachie <derek@mi5print.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Carolyn

Iyer <carolyn@pariskitchens.ca>

Subject: PK - Transition of servers, software, books / records

Gene, Ivica,

I hope this note finds you well. As you may be aware, the Paris Kitchens transaction closed earlier this week.

Today I am reaching out on behalf of the new owners to make arrangements for access to the servers, software and electronic books / records of Paris Kitchens.

I suggest a virtual meeting of 15 to 30 minutes whereby where we can discuss how best to accomplish this transfer. Kindly let me know if any of the following times work for you:

- Wed Oct 26 @ 300pm or 330pm
- Thu Oct 27 @ Noon or 100pm

Thank you.

Best regards,

Tory Millar

M: 647-822-5426

E: tory.millar@Mi5print.com

Tory Millar | Vice President, Finance

Mi5 Print & Digital www.mi5print.com

Toronto | New York | Vancouver

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review, re-transmission, dissemination or other use of, or taking of any action in reliance upon this information by persons or entities other than the intended recipient is prohibited. If you received this in error please contact the sender and destroy any copies of this information.

Paris Kitchens – Transition Issues and Arrangements

West Beaver Creek

- Mi5 to provide list of items it wishes to remove and timeline for removal
- Larry has requested the return of all samples (door, colour chips, etc.) and foyer items removed on October 25
- Larry to facilitate discussions between owners of samples and Mi5

Employees

- Mi5 to provide list of PK¹ employees it is considering offering employment effective no earlier than December 2. PK to allow meetings between these people and Mi5 for presentation of offers.
- Mi5 to also provide list of PK employees that it is requesting access to for transition purposes, on access terms to be settled between PK and Mi5.

Email

- Mi5 is requesting access so that it can start using @pariskitchens.com email addresses immediately, while restricting access to email communications of PK employees.
- Transition arrangements to be discussed on a priority basis between the appropriate Mi5 and PK personnel.
- All new customer requests to PK are to be forwarded to MI5.

Website

- Contents of existing website to be re-worded temporarily to avoid confusion during wind-down of PK.

Third Party Contracts

- Mi5 is requesting immediate access to software and systems (20/20, Foxpro, accounting, other systems) to start ramping up.
- PK must be allowed to continue using systems to wind down operations.

¹ PK refers to The Sanderson-Harold Company Limited, c.o.b. as Paris Kitchens

Leasing and Licence Contracts

- PK to provide details for leased equipment and licences.
- Mi5 to determine which leases and licences they may be interested in acquiring and to make their own arrangements for those leases.

Equipment

- Mi5 to indicate whether it is seeking compensation for the use of equipment until the end of November, and if so, how much.
- PK not agreeing at this stage that such compensation is payable.

Insurance

- Mi5 to provide contact details for its brokers (David Blow and Danny Scrow) to facilitate a discussion between them and Lisa Cook to resolve any insurance issues for both the building and equipment.

Appendix “K”

From: Tory Millar <tory.millar@mi5print.com>
Sent: Friday, October 28, 2022 12:35:11 PM
To: George Benchetrit <George@chaitons.com>; bkofman@ksvadvisory.com
<bkofman@ksvadvisory.com>
Cc: Derek McGeachie <derek@mi5print.com>; Peter Welsh <peter@welshlaw.ca>
Subject: RE: Paris Kitchens

CAUTION: [External]

Bobby, George – We need this lease signed back to allow continued access to the equipment and other assets purchased as part of the transaction.

Best regards,

Tory Millar
M: 647-822-5426
E: tory.millar@Mi5print.com
Tory Millar | Vice President, Finance
Mi5 Print & Digital www.mi5print.com
Toronto | New York | Vancouver

From: Peter Welsh <peter@welshlaw.ca>
Sent: October 27, 2022 5:14 PM
To: george@chaitons.com; bkofman@ksvadvisory.com; Derek McGeachie <derek@mi5print.com>; Tory Millar <tory.millar@mi5print.com>
Subject: Paris Kitchens

Gentlemen:

I believe we are scheduled to re-convene tomorrow afternoon at 3pm (thank you George for booking).

In the interests of achieving an amicable and cooperative resolution to all matters of importance between the Parties, I choose not to respond to messages I have received last evening and defer responding to those for the time being.

However, of importance are both the Leasing of the Purchaser's Equipment by Paris Kitchens and the access and retention by the Purchaser of its purchased Intellectual Property and protection and preservation of its business interests.

To those ends, is attached the Purchaser's (Lessor's) required Equipment Lease, as once addressed before the Closing of this matter and at that time not fully addressed and rejected by then then Vendor.

This document is provided with the express condition of its review and confirmation by my Client as Lessor and provided in advance of our discussion tomorrow at 3pm

Respectfully

Peter R. Welsh
Peter R. Welsh Professional Corporation
Barrister and Solicitor
Suite 203, 1540 Cornwall Road
Oakville, Ont.,
L6J 7W5
Tel: (905) 337-3121
Cell: (416) 526-3121
Fax: (905) 337-3272
www.welshlaw.ca

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upon this information by persons or entities other than the intended recipient is prohibited. If you received this in error please contact the sender and destroy any copies of this information.

EQUIPMENT LEASE

This Equipment Lease made this 27th day of October, 2022

BETWEEN 1000296348 ONTARIO INC.

(Hereinafter referred to as the “Lessor”)

AND THE SANDERSON-HAROLD COMPANY LIMITED,
C.O.B. “Paris Kitchens”

(Hereinafter referred to as the “Lessee”)

WHEREAS pursuant to an Asset Purchase Agreement dated as of August 26, 2022 (the “APA”), the Lessor (as “Purchaser” as defined in the APA) purchased from the Lessee (as defined in the APA as “Vendor”) all of the right, title and interest of the Lessee (as Vendor under the APA) of the Lessee’s Personal Property and its Intellectual Property as defined in the APA;

AND WHEREAS the Lessee herein seeks to lease from the Lessor herein use and employment for its own use of all of such Personal Property for a period of time as set out herein as the “Term” upon the terms, covenants and conditions hereinafter contained;

AND WHEREAS during such Term the Lessee shall pay to the Lessor the Rent herein reserved, in advance and shall be fully responsible for and shall undertake all necessary maintenance and repairs to the Personal Property as would a prudent owner thereof;

NOW THEREFORE THIS AGREEMENT WITNESSETH that the parties hereto, in consideration of \$1.00 and the terms, covenants and conditions hereinafter contained agree with each other as follows:

1. The foregoing recitals are true in fact and substance and shall form a part hereof.
2. All words and phrases defined in the APA shall have the same meanings herein as set out in the APA unless otherwise noted.
3. The Lessee shall lease from the Lessor the Personal Property of the Lessor located at 23 Railway Street, Paris, Ontario N3L 3E5 (the “Premises”) and such of the Lessor’s Personal Property as necessary for the Lessee’s operation of Paris Kitchens, EXCLUDING, except as heerein set out, all Intellectual Property of the Lessor AND

access to the Books and Records of the Lessor (formerly, the Lessee), each as defined in the APA, and in respect to such Books and Records and Intellectual Property, the Lessee shall have access and use of as determined by the Lessor but only as the Lessor shall permit from time to time and only for the exclusive use for the purpose of assisting the Lessee in the operations of Paris Kitchens during the Term.

4. The term of this Equipment Lease (the "Term") shall commence on October 25, 2022 and shall be fully completed and ended on December 1, 2022. 5. The Rent for the Term of this Equipment Lease shall be Three Thousand Two Hundred Fifty (\$3250.00) CDN Dollars per day (plus applicable taxes) throughout the Term, payable in full in advance, on or before 5PM, Toronto time, October 28, 2022. (\$120,250.00). Should the Lessee overhold the Term, the Rent shall double (to \$6,500.00 per day) for every day of the Lessee's occupation following December 1, 2022. Should the Lessee decide to terminate the Term, the Lessee shall provide no less than 10 Business days notice in writing to the Lessor, as is provided in the APA.

6. Should the Lessee determine to overhold the Term, the Lessee shall provide to the Lessor no less than 5 Business days notice of such intention and such notice shall set out the determination of the Lessee as to the number of days the Lessee seeks to overhold and such Notice shall be accompanied by payment for the Rent due for such overholding at \$6,500.00 per day of overholding, failing which the Lessee shall vacate the Premises upon the expiry of the Term. Notwithstanding any notice from the Lessee of its desire to overhold the Term, nothing herein shall waive the Lessor's right to require the Lessee to vacate upon the expiry of the Term and this Paragraph regarding potential overholding is not and shall not be interpreted as any right or option of the Lessee to overhold or the consent of the Lessor to do so.

7. The Lessee shall be fully responsible for all required maintenance and repairs to all Personal Property as and at the standard of a prudent owner thereof and upon expiry of the Term, all such Personal Property and the Lessee's use thereof, shall be surrendered to the Lessor and such Personal Property shall be in the condition the Lessee received such Personal Property save only for such reasonable wear and tear as would reasonably be expected for the Term of utilization by the Lessee, all without any shrinkage or missing parts.

8. The Lessee shall forthwith deliver to the Lessor all Intellectual Property and all Website, e-mails addresses, codes, and all electronic information as the Lessor requires immediately upon request therefor with the Lessor's intention and purpose to protect and control the Intellectual Property.

9. The Parties agree that Sections 7.5 to 7.15 of the APA shall apply to and be incorporated into this Equipment Lease as though part hereof with only necessary changes as to make those provisions part hereof including the names of the Parties as defined therein.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and date first above written

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

By _____

Name,title

I have authority to bind the Corporation

1000296348 ONTARIO INC.

By _____

Derek McGeachie, President

I have authority to bind the Corporation

From: Tory Millar <tory.millar@mi5print.com>
Sent: October 28, 2022 12:35 PM
To: george@chaitons.com; Bobby Kofman <bkofman@ksvadvisory.com>
Cc: Derek McGeachie <derek@mi5print.com>; Peter Welsh <peter@welshlaw.ca>
Subject: RE: Paris Kitchens

Bobby, George – We need this lease signed back to allow continued access to the equipment and other assets purchased as part of the transaction.

Best regards,

Tory Millar
M: 647-822-5426
E: tory.millar@Mi5print.com

Tory Millar | Vice President, Finance
Mi5 Print & Digital www.mi5print.com
Toronto | New York | Vancouver

From: Peter Welsh <peter@welshlaw.ca>
Sent: October 27, 2022 5:14 PM
To: george@chaitons.com; bkofman@ksvadvisory.com; Derek McGeachie <derek@mi5print.com>; Tory Millar <tory.millar@mi5print.com>
Subject: Paris Kitchens

Gentlemen:

I believe we are scheduled to re-convene tomorrow afternoon at 3pm (thank you George for booking).

In the interests of achieving an amicable and cooperative resolution to all matters of importance between the Parties, I choose not to respond to messages I have received last evening and defer responding to those for the time being.

However, of importance are both the Leasing of the Purchaser's Equipment by Paris Kitchens and the access and retention by the Purchaser of its purchased Intellectual Property and protection and preservation of its business interests.

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This document is provided with the express condition of its review and confirmation by my Client as Lessor and provided in advance of our discussion tomorrow at 3pm

Respectfully

Peter R. Welsh
Peter R. Welsh Professional Corporation
Barrister and Solicitor
Suite 203, 1540 Cornwall Road
Oakville, Ont.,
L6J 7W5
Tel: (905) 337-3121
Cell: (416) 526-3121
Fax: (905) 337-3272
www.welshlaw.ca

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From: Peter Welsh <peter@welshlaw.ca>

Sent: October 27, 2022 5:14 PM

To: george@chaitons.com; Bobby Kofman <bkofman@ksvadvisory.com>; Derek McGeachie <derek@mi5sprint.com>; Tory Millar <tory.millar@mi5sprint.com>

Subject: Paris Kitchens

Gentlemen:

I believe we are scheduled to re-convene tomorrow afternoon at 3pm (thank you George for booking).

In the interests of achieving an amicable and cooperative resolution to all matters of importance between the Parties, I choose not to respond to messages I have received last evening and defer responding to those for the time being.

However, of importance are both the Leasing of the Purchaser's Equipment by Paris Kitchens and the access and retention by the Purchaser of its purchased Intellectual Property and protection and preservation of its business interests.

To those ends, is attached the Purchaser's (Lessor's) required Equipment Lease, as once addressed before the Closing of this matter and at that time not fully addressed and rejected by then then Vendor.

This document is provided with the express condition of its review and confirmation by my Client as Lessor and provided in advance of our discussion tomorrow at 3pm

Respectfully

Peter R. Welsh
Peter R. Welsh Professional Corporation
Barrister and Solicitor
Suite 203, 1540 Cornwall Road
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L6J 7W5
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www.welshlaw.ca

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Appendix “L”

From: George Benchetrit <George@chaitons.com>
Sent: October 28, 2022 4:13 PM
To: Bobby Kofman <bkofman@ksvadvisory.com>; Tory Millar <tory.millar@mi5print.com>
Cc: Derek McGeachie <derek@mi5print.com>; Peter Welsh <peter@welshlaw.ca>; Larry Wolfman <larrywolfman@pariskitchens.ca>; Carolyn Iyer <carolyn@pariskitchens.ca>; Steven Graff <sgraff@airdberlis.com> <sgraff@airdberlis.com>; Kyle Plunkett <kplunkett@airdberlis.com>
Subject: Re: Paris Kitchens

Tory,

In view of your response below, we are seeking an appointment before a Commercial List judge next week to deal with your threats to take unilateral actions, which as stated below, we view to be a breach of the court-ordered stay of proceedings.

Also given your response, and given that you and Derek have not confirmed participation for the call this afternoon, we are cancelling the Teams appointment.

We will be in touch with you once we have confirmed court time.

George Benchetrit | **Partner***
*Denotes Professional Corporation
Chaitons LLP | **T: 416.218.1141**

From: Bobby Kofman <bkofman@ksvadvisory.com>
Sent: Friday, October 28, 2022 2:57:12 PM
To: Tory Millar <tory.millar@mi5print.com>; George Benchetrit <George@chaitons.com>
Cc: Derek McGeachie <derek@mi5print.com>; Peter Welsh <peter@welshlaw.ca>; Larry Wolfman <larrywolfman@pariskitchens.ca>; Carolyn Iyer <carolyn@pariskitchens.ca>; Steven Graff <sgraff@airdberlis.com> <sgraff@airdberlis.com>; Kyle Plunkett <kplunkett@airdberlis.com>
Subject: RE: Paris Kitchens

CAUTION: [External]

Adding the Proposal Trustee's legal counsel to this chain.



Bobby Kofman
President and Managing Director

T 416.932.6228
M 647.282.6228
W www.ksvadvisory.com

From: Tory Millar <tory.millar@mi5print.com>

Sent: October 28, 2022 2:55 PM

To: George Benchetrit <George@chaitons.com>; Bobby Kofman <bkofman@ksvadvisory.com>

Cc: Derek McGeachie <derek@mi5print.com>; Peter Welsh <peter@welshlaw.ca>; Larry Wolfman <larrywolfman@pariskitchens.ca>; Carolyn Iyer <carolyn@pariskitchens.ca>

Subject: RE: Paris Kitchens

George,

Overall your client is not moving fast enough to transfer the assets purchased. We need help and cooperation. Providing this information is the right thing to do, AND, it will help us to hire more team members sooner.

The equipment has been purchased. Details around the operation of the equipment by the tenant (OldCo) are not addressed in the APA. NewCo requires a lease to be in place for OldCo to use the equipment (incl. other purchased assets). After Sat Oct 29th, NewCo cannot allow the use of the equipment without the lease in place.

I have only seen two e-mails today with information. I have also received a bag of thumb drives (keys?). A few comments about the information:

- represents a small subset of what was requested
- provided in a sub-optimal manner – disorganized, some very old information (>20 years old!), no documentation, shortcuts that are not useful

Key information is missing includes:

- administrator access
- network / server access
- e-mail server access
- ability to create and access @pariskitchens.com and/or @pariskitchens.ca email addresses
- software
- client information
- vendor information
- profiles, passwords, etc.

If these items are not remedied by Sat Oct 29th, we feel we will need to be onsite in Paris, ON and Richmond Hill, ON to ensure appropriate access to the purchased assets.

Best regards,

Tory Millar
M: 647-822-5426

E: tory.millar@Mi5print.com

Tory Millar | Vice President, Finance

Mi5 Print & Digital www.mi5print.com

Toronto | New York | Vancouver

From: George Benchetrit <George@chaitons.com>

Sent: October 28, 2022 1:35 PM

To: Tory Millar <tory.millar@mi5print.com>

Cc: Derek McGeachie <derek@mi5print.com>; Peter Welsh <peter@welshlaw.ca>;
bkofman@ksvadvisory.com

Subject: Re: Paris Kitchens

Importance: High

Tory,

We can discuss this on our call this afternoon. In the meantime, I note as follows:

- As already explained, Derek and Peter asked for this type of compensation during the negotiation of the APA and the request was rejected. The APA was signed without the Purchaser having any entitlement to this compensation. We have reviewed the email correspondence from August and can provide copies to you if you wish. It is very clear on this point.
- **Any attempt by you to take unilateral steps with respect to the property or equipment would be a direct breach of the court orders in the pending BIA proceeding. Peter has copies of the relevant court orders. My client would seek punitive remedies arising from this contempt of court.**
- **Such conduct would also cause damages to my client, its employees and other stakeholders for which the Purchaser would be held liable.**
- We have sent several emails today with links to information you have requested. We will continue to send this information as it compiled. By the end of the day today, you should have access to all or virtually all of the pricing, spec book and other data and related software.
- We have engaged a third-party service provider to deal with the IT transition issues. We will provide you with a draft protocol for your comments as soon as possible.
- We are still waiting for the information you said you would provide during the call on Wednesday, including the employees lists. We are also asking again for the return of items removed from the WBC premises by Derek on Tuesday, including the property belonging to third parties.
- My client has demonstrated its good faith by addressing the issues discussed on our call Wednesday and is committed to continue doing so in the mutual best interests of my

client and the Purchaser. These issues can all be addressed by continued dialogue, and if necessary, any unresolved issues (including your request for compensation) can be submitted to the Court for a determination.

Also, as indicated this morning, we are asking that the call this afternoon be rescheduled to 4:30 pm. I will change the calendar invitation. If that doesn't work for you, we can discuss alternative times.

George Benchetrit | **Partner***
*Denotes Professional Corporation
Chaitons LLP | **T: 416.218.1141**

From: Tory Millar <tory.millar@mi5print.com>
Sent: Friday, October 28, 2022 12:35:11 PM
To: George Benchetrit <George@chaitons.com>; bkofman@ksvadvisory.com
<bkofman@ksvadvisory.com>
Cc: Derek McGeachie <derek@mi5print.com>; Peter Welsh <peter@welshlaw.ca>
Subject: RE: Paris Kitchens

CAUTION: [External]

Bobby, George – We need this lease signed back to allow continued access to the equipment and other assets purchased as part of the transaction.

Best regards,

Tory Millar
M: 647-822-5426
E: tory.millar@Mi5print.com
Tory Millar | Vice President, Finance
Mi5 Print & Digital www.mi5print.com
Toronto | New York | Vancouver

From: Peter Welsh <peter@welshlaw.ca>
Sent: October 27, 2022 5:14 PM
To: george@chaitons.com; bkofman@ksvadvisory.com; Derek McGeachie <derek@mi5print.com>; Tory Millar <tory.millar@mi5print.com>
Subject: Paris Kitchens

Gentlemen:

I believe we are scheduled to re-convene tomorrow afternoon at 3pm (thank you George for booking).

In the interests of achieving an amicable and cooperative resolution to all matters of importance between the Parties, I choose not to respond to messages I have received last evening and defer responding to those for the time being.

However, of importance are both the Leasing of the Purchaser's Equipment by Paris Kitchens and the access and retention by the Purchaser of its purchased Intellectual Property and protection and preservation of its business interests.

To those ends, is attached the Purchaser's (Lessor's) required Equipment Lease, as once addressed before the Closing of this matter and at that time not fully addressed and rejected by then then Vendor.

This document is provided with the express condition of its review and confirmation by my Client as Lessor and provided in advance of our discussion tomorrow at 3pm

Respectfully

Peter R. Welsh
Peter R. Welsh Professional Corporation
Barrister and Solicitor
Suite 203, 1540 Cornwall Road
Oakville, Ont.,
L6J 7W5
Tel: (905) 337-3121
Cell: (416) 526-3121
Fax: (905) 337-3272
www.welshlaw.ca

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Appendix “M”

From: Bobby Kofman <bkofman@ksvadvisory.com>
Sent: October 28, 2022 7:46 PM
To: Tory Millar <tory.millar@mi5print.com>; George Benchetrit <George@chaitons.com>; Larry Wolfman <larrywolfman@pariskitchens.ca>; Carolyn Iyer <carolyn@pariskitchens.ca>; Steven Graff <sgraff@airdberlis.com>; Kyle Plunkett <kplunkett@airdberlis.com>
Cc: Derek McGeachie <derek@mi5print.com>; Peter Welsh <peter@welshlaw.ca>; Stephen M Turk <sturk@stephenturklaw.com>
Subject: Re: Follow-up - Paris Kitchens

The Proposal Trustee's view is that these issues and recent events must be addressed in court.

Bobby Kofman
President and Managing Director
KSV Advisory Inc.
(o) 416.932.6228
(c) 647.282.6228
bkofman@ksvadvisory.com

From: Tory Millar <tory.millar@mi5print.com>
Sent: Friday, October 28, 2022 7:42:30 PM
To: Bobby Kofman <bkofman@ksvadvisory.com>; George Benchetrit <George@chaitons.com>; Larry Wolfman <larrywolfman@pariskitchens.ca>; Carolyn Iyer <carolyn@pariskitchens.ca>; Steven Graff <sgraff@airdberlis.com>; Kyle Plunkett <kplunkett@airdberlis.com>
Cc: Derek McGeachie <derek@mi5print.com>; Peter Welsh <peter@welshlaw.ca>; Stephen M Turk <sturk@stephenturklaw.com>
Subject: RE: Follow-up - Paris Kitchens

With regards to the purchased assets at the head office in Richmond Hill, instead of attending the site on Monday during business hours, if you prefer we are willing to make arrangements to remove them this weekend or after business hours on Monday.

We can also request for police to be present during the process.

Kindly let us know.

Once the assets are removed we will set them up at the head office of NewCo, as quickly as possible, and provide unfettered physical or remote access to the team members designated by OldCo.

Best regards,

Tory Millar
M: 647-822-5426
E: tory.millar@Mi5print.com
Tory Millar | Vice President, Finance
Mi5 Print & Digital www.mi5print.com
Toronto | New York | Vancouver

From: Bobby Kofman <bkofman@ksvadvisory.com>
Sent: October 28, 2022 6:45 PM
To: Tory Millar <tory.millar@mi5print.com>; George Benchetrit <George@chaitons.com>; Larry Wolfman <larrywolfman@pariskitchens.ca>; Carolyn Iyer <carolyn@pariskitchens.ca>; Steven Graff <sgraff@airdberlis.com>; Kyle Plunkett <kplunkett@airdberlis.com>
Cc: Derek McGeachie <derek@mi5print.com>; Peter Welsh <peter@welshlaw.ca>; Stephen M Turk <sturk@stephenturklaw.com>
Subject: RE: Follow-up - Paris Kitchens

Please read the attached email.

These requests were made at closing and rejected.

George is booking court time for next week.



Bobby Kofman
President and Managing Director

T 416.932.6228
M 647.282.6228
W www.ksvadvisory.com

From: Tory Millar <tory.millar@mi5print.com>
Sent: October 28, 2022 6:29 PM
To: George Benchetrit <George@chaitons.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Larry Wolfman <larrywolfman@pariskitchens.ca>; Carolyn Iyer <carolyn@pariskitchens.ca>; Steven Graff <sgraff@airdberlis.com>; Kyle Plunkett <kplunkett@airdberlis.com>
Cc: Derek McGeachie <derek@mi5print.com>; Peter Welsh <peter@welshlaw.ca>; Stephen M Turk <sturk@stephenturklaw.com>
Subject: Follow-up - Paris Kitchens

The cancellation of this afternoon's meeting was very disappointing. We remain interested in finding an amicable solution for appropriate access to assets purchased by NewCo.

On behalf of NewCo, we need to:

- Be able to use purchased IT, IP, books and records to re-launch NewCo during the wind down of OldCo
- Ensure NewCo is fairly compensated by OldCo for the use of purchased assets (e.g., equipment, IT, etc.)
- Recover costs incurred by NewCo while OldCo is operating in its property (e.g., utilities, taxes, etc.)
- Ensure amounts owed are paid up front and not part of any ongoing bankruptcy or legal proceedings

We have tried to find an amicable solution. We have remained patient in the face of delays caused by OldCo. We have waited nearly a week for access to the purchased assets. We cannot wait any longer to

resolve these issues. Livelihoods are at stake. We are being forced to take actions to protect the assets and future employees of NewCo and ensure appropriate access to the purchased assets.

By 12:00pm (EST) on Monday October 31, 2022, we are seeking:

- Administrator rights to e-mail server / system for correspondence with clients and vendors (e.g., derek@pariskitchens.com)
- Administrator rights to estimating software and associated data and catalogue
- A plan, agreeable to both sides, to complete the transfer of all other purchased assets (e.g., IT, IP, books and records) to NewCo by 5:00pm (EST) on Wednesday November 2, 2022
- A signed lease (draft attached ... as previously distributed by P. Welsh)
- An upfront payment to cover costs for the 37 day period (i.e., Oct 25th to Dec 1st) that OldCo is operating at 23 Railway St.:
 - Lease of purchased assets = \$120,250.00
 - Taxes and utilities = \$54,740.00
 - Total = \$174,990.00 (plus applicable taxes)

If NewCo is forced to lock out the equipment at 12:01pm (EST) on Monday October 31, 2022 due to the choices or inactivity of OldCo, to avoid disruption to the operations of OldCo, NewCo is willing to enter into a contractual arrangement to operate the machinery on behalf of OldCo.

Best regards,

Tory Millar

M: 647-822-5426

E: tory.millar@Mi5print.com

Tory Millar | Vice President, Finance

Mi5 Print & Digital www.mi5print.com

Toronto | New York | Vancouver

From: George Benchetrit <George@chaitons.com>

Sent: October 28, 2022 4:13 PM

To: Bobby Kofman <bkofman@ksvadvisory.com>; Tory Millar <tory.millar@mi5print.com>

Cc: Derek McGeachie <derek@mi5print.com>; Peter Welsh <peter@welshlaw.ca>; Larry Wolfman <larrywolfman@pariskitchens.ca>; Carolyn Iyer <carolyn@pariskitchens.ca>; Steven Graff <sgraff@airdberlis.com> <sgraff@airdberlis.com>; Kyle Plunkett <kplunkett@airdberlis.com>

Subject: Re: Paris Kitchens

Tory,

In view of your response below, we are seeking an appointment before a Commercial List judge next week to deal with your threats to take unilateral actions, which as stated below, we view to be a breach of the court-ordered stay of proceedings.

Also given your response, and given that you and Derek have not confirmed participation for the call this afternoon, we are cancelling the Teams appointment.

We will be in touch with you once we have confirmed court time.

George Benchetrit | **Partner***
*Denotes Professional Corporation
Chaitons LLP | T: 416.218.1141

From: Bobby Kofman <bkofman@ksvadvisory.com>
Sent: Friday, October 28, 2022 2:57:12 PM
To: Tory Millar <tory.millar@mi5print.com>; George Benchetrit <George@chaitons.com>
Cc: Derek McGeachie <derek@mi5print.com>; Peter Welsh <peter@welshlaw.ca>; Larry Wolfman <larrywolfman@pariskitchens.ca>; Carolyn Iyer <carolyn@pariskitchens.ca>; Steven Graff <sgraff@airdberlis.com> <sgraff@airdberlis.com>; Kyle Plunkett <kplunkett@airdberlis.com>
Subject: RE: Paris Kitchens

CAUTION: [External]

Adding the Proposal Trustee's legal counsel to this chain.



Bobby Kofman
President and Managing Director

T 416.932.6228
M 647.282.6228
W www.ksvadvisory.com

From: Tory Millar <tory.millar@mi5print.com>
Sent: October 28, 2022 2:55 PM
To: George Benchetrit <George@chaitons.com>; Bobby Kofman <bkofman@ksvadvisory.com>
Cc: Derek McGeachie <derek@mi5print.com>; Peter Welsh <peter@welshlaw.ca>; Larry Wolfman <larrywolfman@pariskitchens.ca>; Carolyn Iyer <carolyn@pariskitchens.ca>
Subject: RE: Paris Kitchens

George,

Overall your client is not moving fast enough to transfer the assets purchased. We need help and cooperation. Providing this information is the right thing to do, AND, it will help us to hire more team members sooner.

The equipment has been purchased. Details around the operation of the equipment by the tenant (OldCo) are not addressed in the APA. NewCo requires a lease to be in place for OldCo to use the

equipment (incl. other purchased assets). After Sat Oct 29th, NewCo cannot allow the use of the equipment without the lease in place.

I have only seen two e-mails today with information. I have also received a bag of thumb drives (keys?). A few comments about the information:

- represents a small subset of what was requested
- provided in a sub-optimal manner – disorganized, some very old information (>20 years old!), no documentation, shortcuts that are not useful

Key information is missing includes:

- administrator access
- network / server access
- e-mail server access
- ability to create and access @pariskitchens.com and/or @pariskitchens.ca email addresses
- software
- client information
- vendor information
- profiles, passwords, etc.

If these items are not remedied by Sat Oct 29th, we feel we will need to be onsite in Paris, ON and Richmond Hill, ON to ensure appropriate access to the purchased assets.

Best regards,

Tory Millar

M: 647-822-5426

E: tory.millar@Mi5print.com

Tory Millar | Vice President, Finance

Mi5 Print & Digital www.mi5print.com

Toronto | New York | Vancouver

From: George Benchetrit <George@chaitons.com>

Sent: October 28, 2022 1:35 PM

To: Tory Millar <tory.millar@mi5print.com>

Cc: Derek McGeachie <derek@mi5print.com>; Peter Welsh <peter@welshlaw.ca>;

bkofman@ksvadvisory.com

Subject: Re: Paris Kitchens

Importance: High

Tory,

We can discuss this on our call this afternoon. In the meantime, I note as follows:

- As already explained, Derek and Peter asked for this type of compensation during the negotiation of the APA and the request was rejected. The APA was signed without the Purchaser having any entitlement to this compensation. We have reviewed the email

correspondence from August and can provide copies to you if you wish. It is very clear on this point.

- **Any attempt by you to take unilateral steps with respect to the property or equipment would be a direct breach of the court orders in the pending BIA proceeding. Peter has copies of the relevant court orders. My client would seek punitive remedies arising from this contempt of court.**
- **Such conduct would also cause damages to my client, its employees and other stakeholders for which the Purchaser would be held liable.**
- We have sent several emails today with links to information you have requested. We will continue to send this information as it compiled. By the end of the day today, you should have access to all or virtually all of the pricing, spec book and other data and related software.
- We have engaged a third-party service provider to deal with the IT transition issues. We will provide you with a draft protocol for your comments as soon as possible.
- We are still waiting for the information you said you would provide during the call on Wednesday, including the employees lists. We are also asking again for the return of items removed from the WBC premises by Derek on Tuesday, including the property belonging to third parties.
- My client has demonstrated its good faith by addressing the issues discussed on our call Wednesday and is committed to continue doing so in the mutual best interests of my client and the Purchaser. These issues can all be addressed by continued dialogue, and if necessary, any unresolved issues (including your request for compensation) can be submitted to the Court for a determination.

Also, as indicated this morning, we are asking that the call this afternoon be rescheduled to 4:30 pm. I will change the calendar invitation. If that doesn't work for you, we can discuss alternative times.

From: Tory Millar <tory.millar@mi5print.com>
Sent: Friday, October 28, 2022 12:35:11 PM
To: George Benchetrit <George@chaitons.com>; bkofman@ksvadvisory.com
<bkofman@ksvadvisory.com>
Cc: Derek McGeachie <derek@mi5print.com>; Peter Welsh <peter@welshlaw.ca>
Subject: RE: Paris Kitchens

CAUTION: [External]

Bobby, George – We need this lease signed back to allow continued access to the equipment and other assets purchased as part of the transaction.

Best regards,

Tory Millar
M: 647-822-5426
E: tory.millar@mi5print.com
Tory Millar | Vice President, Finance
Mi5 Print & Digital www.mi5print.com
Toronto | New York | Vancouver

From: Peter Welsh <peter@welshlaw.ca>
Sent: October 27, 2022 5:14 PM
To: george@chaitons.com; bkofman@ksvadvisory.com; Derek McGeachie <derek@mi5print.com>; Tory Millar <tory.millar@mi5print.com>
Subject: Paris Kitchens

Gentlemen:

I believe we are scheduled to re-convene tomorrow afternoon at 3pm (thank you George for booking).

In the interests of achieving an amicable and cooperative resolution to all matters of importance between the Parties, I choose not to respond to messages I have received last evening and defer responding to those for the time being.

However, of importance are both the Leasing of the Purchaser's Equipment by Paris Kitchens and the access and retention by the Purchaser of its purchased Intellectual Property and protection and preservation of its business interests.

To those ends, is attached the Purchaser's (Lessor's) required Equipment Lease, as once addressed before the Closing of this matter and at that time not fully addressed and rejected by then then Vendor.

This document is provided with the express condition of its review and confirmation by my Client as Lessor and provided in advance of our discussion tomorrow at 3pm

Respectfully

Peter R. Welsh
Peter R. Welsh Professional Corporation
Barrister and Solicitor
Suite 203, 1540 Cornwall Road
Oakville, Ont.,
L6J 7W5
Tel: (905) 337-3121
Cell: (416) 526-3121
Fax: (905) 337-3272
www.welshlaw.ca

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Appendix “N”

From: Bobby Kofman

Sent: October 29, 2022 1:02 PM

To: Derek McGeachie <derek@mi5print.com>; George Benchetrit <George@chaitons.com>; Tory Millar <tory.millar@mi5print.com>

Cc: Steven Graff (sgraff@airdberlis.com) <sgraff@airdberlis.com>; Kyle Plunkett <kplunkett@airdberlis.com>

Subject: RE: PK Information

Derek,

I will ask the Company this weekend to send you a vendor list with contact information on Monday.

The Company intends to advise Phantom of the circumstances that resulted in your taking possession of their assets from West Beaver Creek ("WBC"). This will also be addressed in our court materials at the hearing being scheduled for next week.

WBC is owned, as you know, by an entity that is not subject to Paris Kitchen's insolvency proceedings. At the time you and your team unconsensually removed assets from WBC you were advised of that, again. You continued to remove assets for which there is no evidence of ownership by Paris Kitchens. Paris Kitchen acknowledges that some of the property at WBC is property of Paris Kitchen; however, until an orderly transition can be organized to sort out what entity or whom owns the property at WBC, all property that you removed from WBC should immediately be returned. Please advise when that will happen.

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 29, 2022 12:01 PM

To: George Benchetrit <George@chaitons.com>; Tory Millar <tory.millar@mi5print.com>

Cc: Bobby Kofman <bkofman@ksvadvisory.com>

Subject: RE: PK Information

George and Bobby,

Please give us the contact info for all Paris Kitchens suppliers including those like Phantom Developments who have items that they own at West Beaver Creek. We will contact them right away to introduce ourselves and see what they wish to do. It is a good way for us to start relations with them and sooner is better given the situation with Oldco winding down and newco starting up.

Derek

From: George Benchetrit <George@chaitons.com>
Sent: October 28, 2022 9:38 AM
To: Derek McGeachie <derek@mi5print.com>; 'Tory Millar' <tory.millar@mi5print.com>
Cc: Bobby Kofman (bkofman@ksvadvisory.com) <bkofman@ksvadvisory.com>
Subject: PK Information

Gents,

See below links to folders containing all of PK's spec book and catalogue information.

<https://we.tl/t-BdzJzgGetz>

<https://we.tl/t-oMSCgIKboz>

<https://we.tl/t-mCaAZTCbYM>

<https://we.tl/t-lweWRjSJFS>

Keys to the 20/20 software will be sent to your office in Mississauga.

We are again asking that the items removed on Monday be returned to the WBC property as soon as possible. The boards and plumbing fixtures are property of Phantom Developments Ltd. and it will not be in anyone's interest if we have to tell them that they were taken off site without our client's permission.

Can we please move our call today to 4:30 pm?



George Benchetrit | Partner*

*Denotes Professional Corporation

T: 416.218.1141 E: George@chaitons.com

5000 Yonge St, 10th Floor, Toronto, ON, M2N 7E9

chaitons.com

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Appendix “O”

From: Bobby Kofman

Sent: October 31, 2022 11:07 AM

To: Carolyn Iyer <carolyn@pariskitchens.ca>; George Benchetrit <George@chaitons.com>

Cc: Larry Wolfman <larrywolfman@pariskitchens.ca>; Jocelyn Hu <jocelyn@pariskitchens.ca>

Subject: RE: Mi5 is on site at 23 Railway

Yes. They cannot disrupt operations.



Bobby Kofman

President and Managing Director

T 416.932.6228

M 647.282.6228

W www.ksvadvisory.com

From: Carolyn Iyer <carolyn@pariskitchens.ca>

Sent: October 31, 2022 11:01 AM

To: George Benchetrit <George@chaitons.com>; Bobby Kofman <bkofman@ksvadvisory.com>

Cc: Larry Wolfman <larrywolfman@pariskitchens.ca>; Jocelyn Hu <jocelyn@pariskitchens.ca>

Subject: Mi5 is on site at 23 Railway

Hi there,

Joe Corrado from Mi5 is on site at 23 Railway.

He is outside with Kevin, and the security detail.

Do we let him in?

Carolyn



Carolyn Iyer | Chief Operating Officer

PARIS KITCHENS Est. 1902 The Sanderson-Harold Co. LTD.

245 West Beaver Creek Rd, Unit #2, Richmond Hill, ON L4B 1L1

T: 905.886.5751 x 307 F: 905.886.3075 www.pariskitchens.com A small green recycling symbol consisting of three chasing arrows forming a triangle.

**for faster response time, please email rather than call*

Appendix “P”







Appendix “Q”

From: Derek McGeachie <derek@mi5print.com>

Date: October 31, 2022 at 11:34:00 PM EDT

To: Kevin Schmidt <kevin@pariskitchens.ca>, Tom Lacey <tlacey@pariskitchens.ca>, Rich May <rmay@pariskitchens.com>

Subject: power still out

Gents, I'm sorry to say that power went out today due to non payment of utilities. The new Paris Kitchens company is responsible for all utility costs as of a week ago despite not having control of the operation and the former Paris Kitchens co is supposed to pay in advance for utilities and taxes while they control the operation due to their bankruptcy situation. They have not yet paid despite multiple warnings. Once payment and/or a court order is made power can be restored. A court date has been set for tomorrow (Tuesday) to hopefully figure this out. In the meantime please do not attempt to turn the power on as it would be illegal and there's no need for anyone to get in trouble. The equipment is owned by the new Paris Kitchens company and for obvious reasons the old PK cannot use our utilities without paying.

<image001.jpg>

Derek McGeachie | President

PARIS KITCHENS Est. 1902

23 Railway St. Paris, ON

T: 905.886.5751 M: 416.728.7551 www.pariskitchens.com

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