



NO. 215903
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

ENTERED
IN THE MATTER OF SECTION 288 OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, C. 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
VERT INFRASTRUCTURE LTD.

AND

VERT INFRASTRUCTURE LTD.

PETITIONER

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE
GRUVES

)
)
)
)

THE 24th
DAY OF JUNE, 2021

ON THE APPLICATION of KSV Restructuring Inc., in its capacity as court-appointed receiver (the "Receiver") of the assets, undertakings and properties of Vert Infrastructure Ltd. ("Vert") coming on for hearing at 800 Smithe Street, Vancouver, British Columbia, on June 24, 2021, via telephone; AND UPON HEARING , Alexander C. Bjornson, counsel for the Receiver, and H. Lance Williams, counsel for Emprise Capital Corp., and no one else appearing; AND UPON READING the Petition to the Court herein dated June 21, 2021; AND UPON CONSIDERING the fairness to the parties affected thereby of the terms and conditions of the Arrangement and of the transactions contemplated by the Arrangement;

THIS COURT ORDERS that:

1. Pursuant to the provisions of s. 291(1)(a) of the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended, (the "BCBCA"), notice of these proceedings and of the plan of arrangement, a copy of which is attached hereto as Schedule "A" (the "Plan of Arrangement") to parties other than KW Capital Partners Limited ("KW"), is hereby dispensed with;

2. Pursuant to the provisions of s. 291(2)(b), the only party required to vote in relation to the Plan of Arrangement is KW, and this Court is satisfied that KW has voted in favour of the Plan of Arrangement;
3. Pursuant to the provisions of s. 291(4)(a) of the BCBCA the Plan of Arrangement, and the arrangement proposed therein (the "**Arrangement**"), is hereby approved;
4. Pursuant to the provisions of s. 291(4)(c) of the BCBCA, the Arrangement is fair and reasonable, both substantively and procedurally, to the shareholders of Vert;
5. Upon the implementation of the Arrangement as provided for in the Plan of Arrangement, the Arrangement shall be binding upon Vert and the shareholders of Vert and those affected by it and will be effective in accordance with the Plan of Arrangement at such time as agreed to by the parties to the Arrangement; and
6. Vert shall be entitled at any time to seek leave to vary this Order, to seek the advice and direction of this Court as to the implementation of this Order or to apply for such further order or orders as may be appropriate.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

- dispensed -

Lawyer for Emprise Capital Corp.
H. Lance Williams

- dispensed -

Lawyer for KSV Restructuring Inc.
Alexander C. Bjornson

BY THE COURT



REGISTRAR

K. H. H. H.

SCHEDULE "A"

PLAN OF ARRANGEMENT OF VERT INFRASTRUCTURE LTD. UNDER SECTION 288 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set forth below:

"**Approved Expenses**" has the meaning ascribed thereto under section 3.1(a);

"**BCBCA**" means the *Business Corporations Act* (British Columbia);

"**BC Order**" has the meaning ascribed thereto under section 3.1(d);

"**Board**" means the board of directors of Vert;

"**Business Day**" means a day which is not a Saturday, Sunday, or a day when commercial banks are not open for in person business in Vancouver, British Columbia;

"**Cassels**" means Cassels Brock & Blackwell LLP;

"**Court**" means the Supreme Court of British Columbia;

"**CTO**" has the meaning ascribed thereto under section 4.1(d);

"**Depository**" means Computershare Trust Company or such other person that may be appointed by Vert for the purpose of distributing the share certificates following the Post Consolidation;

"**Effective Date**" means the first Business Day after the date upon which the Parties have confirmed in writing (such confirmation not to be unreasonably withheld or delayed) that all conditions to the completion of the Plan of Arrangement have been satisfied or waived in accordance with the Offer Letter and all documents and instruments required under the Offer Letter, the Plan of Arrangement and the Final Order have been delivered;

"**Effective Time**" means 12:01 a.m. on the Effective Date;

"**Emprise**" means Emprise Capital Corp.;

"**Excluded Debt**" means the Initial Loan and the Funding Loan;

"**Final Order**" means the order made after application to the Court pursuant to section 291 of the BCBCA approving the Plan of Arrangement as such order may be amended by the Court (with the consent of the Parties, acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (with the consent of the Parties, acting reasonably) on appeal;

"**Funding Loan**" has the meaning ascribed thereto under section 4.1(a);

"**HST**" means harmonized sales tax;

“**KW Capital**” means KW Capital Partners Limited;

“**Offer Letter**” means the binding letter of agreement between Emprise and the Receiver dated March 22, 2021;

“**Ontario Order**” has the meaning ascribed thereto under section 3.1(c);

“**Parties**” means Vert, Emprise and the Receiver;

“**Plan of Arrangement**”, “**hereof**”, “**herein**”, “**hereunder**” and similar expressions mean this plan of arrangement and any amendments, variations or supplements hereto made in accordance with the terms hereof and the terms of the Offer Letter or made at the direction of the Court in the Final Order;

“**Private Placement**” has the meaning ascribed thereto under section 4.1(e);

“**Receiver**” means KSV Restructuring Inc.;

“**Receivership**” means the receivership proceedings of Vert pursuant to which the Receiver has been appointed by the Ontario Supreme Court of Justice as receiver over all assets and undertakings of Vert;

“**Receiver’s Certificate**” means a certificate issued by the Receiver to secure borrowings;

“**Securities Commissions**” means the Alberta Securities Commission, the British Columbia Securities Commission and the Ontario Securities Commission and any other securities commissions that governs a jurisdiction to which Vert is a reporting issuer;

“**Share Consolidation**” has the meaning ascribed thereto under section 4.1(d);

“**Vert**” means Vert Infrastructure Ltd.;

“**Vert Creditors**” means any creditor of Vert, other than Emprise, pursuant to the Excluded Debt; and

“**Vert Shareholders**” means the holders of shares of Vert.

1.2 Number, Gender and Persons

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular include the plural and *vice versa*, words importing the use of either gender include both genders and neuter and the word person and words importing persons include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity or group of persons of any kind or nature whatsoever.

1.3 Interpretation Not Affected by Headings

The division of this Plan of Arrangement into articles, sections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms “**this Plan of Arrangement**”, “**hereof**”, “**herein**”, “**hereto**”, “**hereunder**” and similar expressions refer to this Plan of Arrangement and not to any particular article, section or other portion hereof and include any instrument supplementary or ancillary hereto.

1.4 Date for Any Action

If the date on which any action is required to be taken hereunder is not a Business Day, the action shall be required to be taken on the next day that is a Business Day.

1.5 Time

Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein are local time in Vancouver, British Columbia unless otherwise stipulated herein.

1.6 Currency

Unless otherwise stated, a reference herein to an amount of money means the amount expressed in lawful money of Canada.

1.7 Statutory References

Any reference in this Plan of Arrangement to a statute includes all regulations and rules made thereunder, all amendments to such statute, rule or regulation in force from time to time and any statute, rule or regulation that supplements or supersedes such statute or regulation.

1.8 Governing Law

This Plan of Arrangement, including its validity, interpretation and effect, shall be governed by the laws of the Province of British Columbia and the laws of Canada applicable therein.

ARTICLE 2 OVERVIEW AND EFFECT OF THE PLAN OF ARRANGEMENT

2.1 Purpose of the Plan of Arrangement

The Plan of Arrangement is made pursuant to, and is subject to, the provisions of the Offer Letter, except that the sequence of steps comprising the Plan of Arrangement shall occur in the order set forth herein unless otherwise indicated. The purpose of the Ontario Order, the BC Order and this Plan of Arrangement is to transfer the assets and liabilities of Vert (other than the Excluded Debt) into a trust (the “Trust”) to be administered for the benefit of Vert’s creditors, while control of Vert will be acquired through the Private Placement in consideration of a payment by Emprise to the Trust. Following the implementation of the Ontario Order, the Vert Creditors will have no interest in Vert, and instead will only have an interest in the Trust. The existing shareholders of Vert will continue to hold common shares of Vert, following the Share Consolidation, and all other equity interests in Vert will be cancelled.

The Receiver, as an officer of the court, has determined that the assets of Vert are insufficient to repay the obligations of Vert, other than to partially repay Vert’s first-secured creditor KW Capital, and accordingly KW Capital is the only party with an economic interest in Vert. The equity of Vert, including the existing shares, have no value.

2.2 Preliminary Steps

- (a) Pursuant to the Offer Letter, Emprise has funded \$100,000 plus HST into trust with the Receiver as a loan (the “Initial Loan”) used solely for the payment of all professional costs incurred by the Receiver in obtaining the Ontario Order and the BC Order (the “Approved Expenses”). The Initial Loan is secured by a Receiver’s Certificate.
- (b) The Receiver has agreed to render separate accounts to Emprise every 30 days for the Approved Expenses and will use the Initial Loan to pay the Approved Expenses. The Receiver will return any unused portions of the Initial Loan to Emprise within 30 days of the completion or termination of the matters forming part of this Plan of Arrangement.

- (c) The Receiver has agreed to bring a motion in the Ontario Superior Court of Justice – Commercial List, seeking an order (the “**Ontario Order**”) on terms acceptable to Emprise, authorizing certain provisions of this Plan of Arrangement as outlined in the Offer Letter. If obtained, the Ontario Order will also authorize the Receiver to seek the BC Order, as well as authorize Vert to transfer all of its assets and liabilities (excluding the Excluded Debt) into a trust (the “**Trust**”) to be administered by the Receiver.
- (d) After obtaining the Ontario Order, on terms satisfactory to Emprise, the Receiver has agreed to bring an application to the Court seeking an order, on terms acceptable to Emprise (the “**BC Order**”) under the BCBCA, approving this Plan of Arrangement, in order to affect the restructuring of Vert.

2.3 Effect of Plan of Arrangement

The Plan of Arrangement will, effective at the Effective Time, become effective and be binding on Vert and the Vert Shareholders, without any further act or formality required on the part of any person except as expressly provided herein. If there is any inconsistency or conflict between the provisions of this Plan of Arrangement and the provisions of the Offer Letter, the provisions of this Plan of Arrangement shall govern.

ARTICLE 3 ARRANGEMENT

3.1 Arrangement

Subject to the terms of the BC Order, commencing at the Effective Time the following transactions will occur and be deemed to occur in the following sequence without further act or formality:

- (a) Within two business days following the expiry of all appeal periods, if no appeals are initiated, or upon the final dismissal of any appeals in relation to the BC Order, Emprise will loan an additional \$200,000 (the “**Funding Loan**”) which will be secured by another Receiver’s Certificate. Upon settlement of the Trust pursuant to the Ontario Order, including vesting all assets and liabilities of Vert (other than the Excluded Debt and including the proceeds of the Funding Loan), the Receiver will be discharged pursuant to the Ontario Order over Vert’s assets and undertakings and Vert will have no further liabilities or assets, other than the Excluded Debt.
- (b) Scott Ackerman will be appointed as the sole member of the Board, pursuant to the BC Order, with the authority to fill two vacancies on the Board following the revocation of the CTO.
- (c) Vert will proceed with an application to the applicable Securities Commissions to have the existing cease trade orders (“**CTO**”) temporary lifted to allow the Private Placement, as outlined below. Emprise will fund the cost of such application as an additional loan to Vert.
- (d) Subject to approval by the Board, and subject to the BC Order, all existing common shares, with no par value, of Vert will be consolidated on a 15:1 basis (the “**Share Consolidation**”), as permitted pursuant to section 9.1 of Vert’s Articles and section 54 of the BCBCA. All other equity interests in Vert will be cancelled.
- (e) Subject to the completion of the Share Consolidation, Vert will undertake a private placement, with accredited investors arranged by Emprise, of 10,000,000 Vert units at an issue price of \$0.05 per unit for gross proceeds of \$500,000 (the “**Private Placement**”). The Private Placement will be structured through the issuance of subscription receipts and

all funds will be deposited in trust with legal counsel to Vert. Each unit will consist of one post-consolidated common share and one warrant. Each warrant will be exercisable into an additional post-consolidation common share at a price of \$0.075 per share, for two years following the closing of the Private Placement. On the obtaining of the revocation of the CTO the units will be issued automatically, on deemed conversion of the subscription receipts. No fees will be payable to Emprise in connection with the Private Placement.

- (f) On completion of the Plan of Arrangement, Vert will operate as an independent entity under direction from the Board.

ARTICLE 4 APPROVAL

4.1 Approval of the Plan of Arrangement

In order for this Plan of Arrangement to be binding on Vert and Vert Shareholders at the Effective Date, it must be:

- (a) approved by KW Capital in writing, with such approval delivered to the Receiver; and
- (b) approved by the Receiver; and
- (c) approved by the Court pursuant to the BCBCA.

ARTICLE 5 AMENDMENTS

5.1 Amendments

The Parties reserve the right to amend, modify and/or supplement this Plan of Arrangement from time to time at any time prior to the Effective Date provided that any such amendment, modification or supplement must be contained in a written document that is filed with the Court and approved by the Board.

5.2 Effectiveness of Amendments

Any amendment, modification or supplement to this Plan of Arrangement, prior to the Effective Date, may be proposed by any of the Parties at any time without prior notice or communication, and if so proposed and accepted by the Board and the Receiver will form part of this Plan of Arrangement for all purposes.