



**Second Report to Court of
KSV Restructuring Inc. as Receiver of the
assets, undertakings and properties of
Vert Infrastructure Ltd.**

May 31, 2021

Contents

	Page
1.0 Introduction	1
1.1 Purposes of this Report	2
1.2 Restrictions	3
2.0 Background	3
3.0 The Transaction	4
3.1 Recommendation	6
4.0 Proposed Distribution	7
5.0 Conclusion and Recommendation	7

Appendices

Appendix	Tab
Receivership Order	A
Endorsement of Justice Conway	B
Agreement	C
BC Order	D



COURT FILE NO.: CV-20-00642256-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

KW CAPITAL PARTNERS LIMITED

APPLICANT

- AND -

VERT INFRASTRUCTURE LTD.

RESPONDENTS

**SECOND REPORT OF KSV RESTRUCTURING INC.
AS RECEIVER OF THE ASSETS, UNDERTAKINGS AND PROPERTIES OF
VERT INFRASTRUCTURE LTD.**

MAY 31, 2021

1.0 Introduction

1. This report (“Report”) is filed by KSV Restructuring Inc. (“KSV”) in its capacity as receiver and manager (the “Receiver”), without security, of all of the assets, undertakings and properties (together, the “Property”) of Vert Infrastructure Ltd. (the “Company”), pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “BIA”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.
2. The Receiver was appointed pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the “Court”) dated June 16, 2020 (the “Receivership Order”). A copy of the Receivership Order is provided as Appendix “A” and the endorsement of Justice Conway is provided as Appendix “B”. Madam Justice Conway’s endorsement explains why these proceedings were commenced in Ontario.
3. As of the date of the Receivership Order, the Company was indebted to KW Capital Partners Limited (“KW”), Plazacorp Investments Limited and Jesse Kaplan (together, the “Secured Lenders”) in the amount of approximately \$5.2 million. The application to appoint the Receiver was made by KW as agent of the Secured Lenders, the Company’s principal secured creditors.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Company and these proceedings;
 - b) summarize an agreement between the Receiver and Emprise Capital Corp. (“Emprise”) dated March 22, 2021 (the “Agreement”) pursuant to which, through a series of steps, the Property and liabilities will be transferred to a trust (the “Trust”), KSV will be appointed as the Trustee of the Trust with the same duties and obligations as set out in the Receivership Order, the liabilities that are transferred to the Trust will retain the priority they presently have against the Company, and Emprise will restructure the share capital of the Company to take advantage of its public listing (the “Transaction”). The Agreement is subject to the approval of the Court and the Supreme Court of British Columbia (the “BC Court”);
 - c) summarize the opinion from Lawson Lundell LLP (“Lawson”), counsel in British Columbia retained by Davies Ward Phillips & Vineberg LLP, the Receiver’s counsel, regarding the security granted by the Company in favour of the Secured Lenders; and
 - d) recommend that the Court issue an Order:
 - i. approving the Agreement;
 - ii. authorizing and directing the Receiver to bring an application in the BC Court seeking an order (the “BC Order”) under the *Business Corporations Act* (British Columbia) (“BCBCA”) to effect the restructuring of the Company, as contemplated in the Agreement;
 - iii. authorizing the filing of a Receiver’s Certificate upon: (a) 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, if obtained; and (b) the receipt from Emprise of an additional \$200,000 (the “Funding Loan”);
 - iv. upon the filing of the Receiver’s Certificate:
 - transferring all of the Property absolutely and without recourse and subject to all existing encumbrances, to the Trust, to be realized upon by the Trustee for the benefit of the Trust’s creditors;
 - extinguishing all claims against the Company and transferring those claims to the Trust, other than in respect of a loan by Emprise to the Receiver of \$100,000 plus HST, which is to be used to fund the costs of this Transaction (the “Initial Loan”), and the Funding Loan;

- appointing KSV as the Trustee of the Trust and declaring that the administration of the Trust shall remain subject to the Court's oversight and this proceeding, that the Receivership Order shall apply *mutatis mutandis* to the Trust, the Property and the Trustee, and that the style of cause for these proceedings be changed on the basis set out in the draft Order;
 - discharging the Receiver with respect to the Company and terminating the receivership proceedings with respect to the Company; and
 - declaring that the Company shall remain liable for the Initial Loan and Funding Loan and that any and all of the Company's after-acquired property be subject to a first ranking charge in favour of Emprise;
- v. authorizing the Trustee to make any distributions from the Trust to KW as agent for the Secured Lenders, as the Trustee considers appropriate from time-to-time; and
- vi. approving this Report and the Receiver's activities described herein.

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon unaudited financial information prepared by the Company's representatives, the books and records of the Company and discussions with the Company's representatives, including its former Chief Executive Officer, Chief Financial Officer and the Company's former financial advisors. The Receiver has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that complies with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook.
2. The Receiver expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by the Receiver in preparing this Report. Any party wishing to place reliance on the Company's financial information should perform its own due diligence and any reliance placed by any party on the financial information presented herein shall not be considered sufficient for any purpose whatsoever. The Receiver accepts no responsibility for any reliance placed by any party based on the financial information in this Report.

2.0 Background

1. The Company is incorporated under the BCBCA.
2. The Company's common shares are listed on the Canadian Securities Exchange (the "CSE") under the symbol "VVV", on the OTC in the United States under the symbol "CRXPF", and on the Frankfurt exchange under the symbol "2FR". The Receiver understands that the shares are subject to a cease trade order (a "CTO") issued by the British Columbia Securities Commission's Corporate Finance Division (the "BCSC").

3. The Company was in the business of raising capital which it used to incorporate subsidiaries in the United States for the stated purpose of developing and operating licenced cannabis and hemp businesses.
4. The Company established limited liability companies in the United States (the “LLCs”), including Elite (83% owned directly or indirectly by the Company), Wheeler Park Properties LLC (“Wheeler”) (70%), DVG LLC (50%), Ocean Green Management LLC (30%) and Oklahoma Ventures Group LLC (49%). The operations of the Company and all of its subsidiaries had been discontinued since prior to the commencement of these proceedings, none had any employees at the date of the Receivership Order and the real property held by each subsidiary had not been maintained for several months.
5. The Company also owns 5,000,000 common shares in RoccaVerde Wellness Corporation, formerly known as World Farms Corp., a private company.
6. Pursuant to various debentures, the Company owed approximately \$5.2 million to the Secured Lenders at the date of the Receivership Order. The Company granted security for the obligations under the debentures to the Secured Lenders pursuant to general security agreements. Certain subsidiaries of the Company, including Elite and Wheeler, also provided secured guarantees of the obligations under the debentures.
7. The Receiver is of the view that the Secured Lenders will suffer a material shortfall on their advances to the Company.
8. Additional information related to the Company, its background and this proceeding is included in the Receiver’s First Report to Court dated May 12, 2021 and in the application materials filed by KW which have been posted at <https://www.ksvadvisory.com/insolvency-cases/case/vert-infrastructure-ltd>.

3.0 The Transaction

1. Emprise, a private merchant bank, approached the Receiver in late November 2020 to acquire the Company’s public listing. The Receiver and Emprise corresponded since that time concerning the terms of a transaction. Those discussions led to the Agreement, the overall purpose of which is to restructure the Company such that, if it is approved by the Court and the BC Court, Emprise will pay the costs of the Transaction pursuant to the Initial Loan and the Receiver will receive \$200,000 as consideration for the Transaction, the Company’s assets and liabilities will be transferred to the Trust and Emprise will restructure the share capital of the Company to take advantage of the Company’s public listing. On completion of the Transaction, the Company will have no assets and no liabilities other than the Initial Loan and the Funding Loan.

2. Further details regarding the Agreement are summarized below:

- a) Initial Loan. On March 23, 2021 Emprise made a loan to the Company of \$100,000 plus HST, which is being held in trust by the Receiver. The Initial Loan is to be used to pay the professional costs of the Receiver and its counsel in obtaining an order (the “Ontario Order”) authorizing the transactions contemplated in the Agreement, including without limitation, authorizing and directing the Receiver to seek the BC Order. The Initial Loan is secured by a Receiver’s Certificate and is subordinate to the Receiver’s Charge under the Receivership Order, as well as any and all security interests in favour of KW until the Ontario Order is granted and becomes effective in accordance with its terms;
- b) The Trust. The Company’s assets and liabilities are to be transferred, absolutely and without recourse, to a trust to be administered by the Receiver, as Trustee, in order to allow the current receivership proceedings to continue in the same manner as they did prior to the Transaction. The transfer is to become effective upon the filing by the Receiver of a Receiver’s Certificate and result in, among other things: i) the transfer of all existing claims against the Company, other than in respect of the Initial Loan and the Funding Loan; and ii) the discharge of the Receiver with respect to the Company and the termination of the receivership proceedings with respect to the Company;
- c) BC Order. If the Ontario Order is made, the Receiver shall bring an application in the BC Court seeking to approve the Agreement and the restructuring contemplated therein. The Receiver has agreed to work and coordinate with Cassels, Brock & Blackwell LLP (“Cassels”), counsel to Emprise, in respect of the BC Order;
- d) Funding Loan. 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, if obtained, Emprise will loan an additional \$200,000 which will be secured by a further Receiver’s Certificate. On the settlement of the Trust (which will include the payment of Funding Loan) and the issuance of the BC Order, the Receiver will be discharged over the Company’s assets and undertakings, and the Company will have no further assets or liabilities, other than the Initial Loan and the Funding Loan;
- e) Lifting of CTO. Emprise is to fund an application by the Company to the applicable securities commissions to temporarily lift the CTO to allow Emprise to arrange a private placement into the Company for \$500,000 at 5 cents per unit, on a post-consolidated basis. The financing would be conditional on the Company completing a 15:1 share consolidation, to be approved in the BC Order. Emprise is responsible at its cost for obtaining all necessary regulatory approvals in order to close the private placement;
- f) Director Appointments. In order for the Company to bring its financial statements and other regulatory filings up to date, with a view to the revocation of the CTO, the BC Order will provide that three nominees of Emprise be appointed as directors of the Company; and

- g) Exclusivity and Break Fee. The Receiver agreed to work exclusively with Emprise with respect to the Transactions and agreed that it would not participate in any discussions with third parties, or support any actions by third parties, that are inconsistent with the Transaction, or which may reasonably be expected to prevent the Transaction from being completed. If this provision of the Agreement is breached, Emprise is entitled to repayment of the Initial Loan and a fee in the amount of \$50,000 (the “Break Fee”), which Break Fee shall be secured by a Receiver’s Certificate subordinate only to the security of the Receiver.
3. Copies of the Agreement and a draft of the BC Order are provided as Appendices “C” and “D”, respectively.

3.1 Recommendation

1. The Receiver recommends that the Agreement be approved and the Ontario Order be issued for the following reasons:
- a) the Transaction, if successful, would provide for recoveries of up to \$200,000 to the Company’s creditors, at no cost to the Company’s stakeholders, as the Transaction costs are being funded by Emprise;
 - b) the structure contemplated by the Transaction is a practical and cost-effective mechanism to convey the Company’s public company listing, while providing an economic benefit to the Company’s stakeholders;
 - c) the Company’s public listing likely has no value absent the Transaction;
 - d) the Secured Lenders, the Company’s largest stakeholder and the only parties with an economic interest in the Company, support the Transaction;
 - e) in order for Emprise to obtain any value for the public listing, the BC Order must be obtained and, subsequently, the Company is to have no liabilities other than those owing to Emprise and cannot remain subject to the Receivership Order;
 - f) continuing the public listing has no benefit to the Company as it is not carrying on any business, its assets are insufficient to repay its liabilities, the focus of the receivership proceedings is to liquidate the Property (including any assets owned by the LLCs) and there will be no restructuring of the Company that makes use of the public listing;
 - g) the transfer of all of the Property will see the receivership continued under the Trust, without any prejudice to the Company’s stakeholders; and
 - h) the Break Fee is reasonable given the complexity of the Transaction and the resources being allocated by Emprise to complete it.

4.0 Proposed Distribution

1. The Company's indebtedness to the Secured Lenders totalled approximately \$5.2 million at the commencement of the receivership proceedings. The Secured Lenders have funded the professional costs of the Receiver and its Canadian and US counsel. Due to the state of the Company's business, there have been no recoveries to-date. While recoveries are expected, the Secured Lenders will incur a shortfall on their advances to the Company.
2. Lawson has provided the Receiver with an opinion on the Secured Lenders' security over the Company (the "Security"). Subject to the standard qualifications and assumptions contained therein, Lawson is of the opinion that the Security constitutes a valid and enforceable charge against the Property. A copy of the security opinion will be made available to the Court should it wish to review it.
3. Other than the Receiver's Charge, the Receiver is not aware of any claim that ranks in priority to the Secured Lenders.
4. The Receiver recommends that the Court issue an order authorizing and directing the Receiver, on behalf of the Company, to make one or more distributions to the Secured Lenders up to the amount of the Company's indebtedness owing to them. If the Ontario Order is made and the Transaction is completed, such distributions would be made from the Trust.

5.0 Conclusion and Recommendation

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

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS RECEIVER OF
THE ASSETS, UNDERTAKINGS AND PROPERTIES OF
VERT INFRASTRUCTURE LTD.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MADAM) TUESDAY, THE 16TH
)
JUSTICE CONWAY) DAY OF JUNE, 2020
)

BETWEEN:

KW CAPITAL PARTNERS LIMITED

Applicant

- and -

VERT INFRASTRUCTURE LTD.

Respondent

APPLICATION UNDER SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 c. C. 43, AS AMENDED.

**ORDER
(appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing KSV Kofman Inc. as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Vert Infrastructure Ltd. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day by judicial videoconference via Zoom at Toronto, Ontario due to the COVID-19 pandemic.

ON READING the affidavit of Yisroel Weinreb affirmed June 1, 2020 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, the Respondent and the Receiver, and on reading the consent of KSV Kofman Inc. to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, KSV Kofman Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$150,000, provided that the aggregate consideration for all such transactions does not exceed \$300,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, subsection 59(1) of the British Columbia *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or

affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court

upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in

respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in

pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$300,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

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

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service->

[protocol/](#)) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

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

29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located,

for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the Plaintiff shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

A handwritten signature in blue ink, appearing to read 'Conway J.', is written above a horizontal line.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that KSV Kofman Inc., the receiver (the "Receiver") of the assets, undertakings and properties of Vert Infrastructure Ltd. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of June, 2020 (the "Order") made in an action having Court file number ___-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded daily not in advance after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

KSV KOFMAN INC., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

Appendix “B”

From: "Conway, Madam Justice Barbara (SCJ)"

Date: June 16, 2020 at 12:46:06 PM EDT

To: "Schwill, Robin" <rschwill@dwpv.com>, "Nicholls, Robert" <RNicholls@dwpv.com>, "jspiegelman@garfinkle.com" <jspiegelman@garfinkle.com>, "echen@mcleod-law.com" <echen@mcleod-law.com>

Cc: JUS-G-MAG-CSD-Toronto-SCJ Commercial List

Subject: Vert Infrastructure Ltd. CV-20-00642256-00CL

External Email / Courriel externe

Due to the COVID-19 crisis, I held a hearing on the above matter today by Zoom videoconference call. This application hearing was held in accordance with: (a) the Consolidated Notice to the Profession, Litigants, Accused Persons, Public and the Media issued by Chief Justice Morawetz on May 13, 2020; and (b) the Changes to Commercial List operations in light of COVID-19 developed by the Commercial List judges in consultation with the Commercial List Users Committee, as updated. The videoconference facilities were arranged by the Davies law firm. The application materials were sent to me by email.

This email constitutes my endorsement of today's date and is to be placed in the court file. The following participants were on the videoconference call with me:

Robin Schwill and Robert Nicholls for KSV Kofman Inc.
Jeffrey Spiegelman for KW Capital Partners Limited
Eugene Chen for Vert Infrastructure Ltd.

This is an application for a receivership over the assets of Vert Infrastructure Ltd. ("Vert") under the provisions of s. 243(1) of the BIA and s. 101 of the CJA. The application is unopposed. There is no issue on the record before me that there has been a default by Vert, that the Applicant's security entitles it to appoint a Receiver and that it would be just and convenient to appoint a Receiver. There was an issue of this court's jurisdiction to make the order in Ontario under the BIA given that Vert's head office is in British Columbia. However, in the unique circumstances of this case, I am satisfied that the locality of the debtor can be considered to be Ontario under s. 243(5) of the BIA and that the order can be granted. Apart from its head office in BC, there is nothing that ties Vert to that province. All of its operations are in the United States and conducted through subsidiaries there. Vert's business, to the extent that it has one, is the raising of capital to fund the operations of its subsidiaries in the United States. The financing occurred in Ontario. The first ranking secured creditors and the collateral agent are located in Ontario. The security documents are governed by Ontario law. The property of Vert that is subject to the security (pledge of shares of subsidiaries) is located in Ontario. I am satisfied that given the lack of business operations in Canada, no creditors will be prejudiced by issuing the order in Ontario and that the balance of convenience overwhelmingly favours the granting of an order in Ontario.

Order to go as signed by me and attached to this email. The order is effective from today's date and is enforceable without the need for entry and filing.

Appendix “C”



EMPRISE CAPITAL CORP.

1600 - 609 Granville Street

P.O. Box 10068 Pacific Centre

Vancouver, BC V7Y 1C3

March 22, 2021

KSV Advisory Inc.
150 King Street West – Suite 2308
Toronto, ON M5H 1J9

Attention: Mitch Vininsky

RE: Vert Infrastructure Ltd. – (the “Company” or “Vert”)

Further to our conversations, we confirm that Emprise Capital Corp. (“**Emprise**”) is prepared to make an offer, as outlined below, with respect to a proposed restructuring of Vert. In order to move forward there are a number of preliminary steps that will need to occur, as outlined below, which are conditions precedent to the completion of the equity investment.

Our proposal is as follows:

1. On execution of this offer, Emprise will fund \$100,000 plus HST into trust with KSV Restructuring Inc., in its capacity as court-appointed receiver of the assets and undertakings of Vert (the “**Receiver**”) to be funded as a loan to the Receiver (the “**Initial Loan**”) used solely for the payment of the Approved Expenses, as defined below (the “**Expense Trust Funds**”). The Initial Loan will be secured by a Receiver’s Certificate under the court-ordered Receiver’s Borrowings Charge (the “**Emprise Security**”) and subordinate to the court-ordered security securing the fees and disbursements of the Receiver and subordinate to any and all security interests in favour of KW Capital Partners Limited until the Ontario Order (defined below) is granted and becomes effective in accordance with its terms.
2. KSV and its counsel, Davies Ward Philips & Vineberg LLP (“**Davies**”), will render separate accounts to Emprise every 30 days for Approved Expenses and will draw on the Expense Trust Funds forthwith thereafter to pay these invoices. If the full amount of the Expense Trust Funds is not required to fund the fees and costs of the Receiver and Davies in relation to this transaction, then the Receiver will return the unused portion of the Initial Loan to Emprise within 30 days of its completion or termination.
3. The Receiver will bring a motion in the Ontario Superior Court of Justice – Commercial List (the “**Ontario Court**”), seeking an order (the “**Ontario Order**”) on terms acceptable to Emprise authorising the transactions contemplated herein including without limitation, authorizing and directing the Receiver to seek the BC Order (as defined below) and transferring all assets and liabilities of Vert, absolutely and without recourse, to a trust to be administered by the Receiver (the “**Trust**”) in order to allow the current receivership/liquidation proceedings to continue in effectively the same manner but outside of Vert’s corporate structure.

4. On obtaining the Ontario Order, on terms satisfactory to Emprise, the Receiver shall bring an application in the Supreme Court of British Columbia seeking an order on terms acceptable to Emprise (the "**BC Order**") under the *Business Corporations Act* (British Columbia), approving the matters outlined below, in order to effect the restructuring of Vert, as contemplated herein. The Receiver agrees to work and coordinate with Cassels, Brock & Blackwell LLP, counsel to Vert, in pursuing the BC Order.
5. In support of the proposed restructuring, 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 obtained, Emprise will loan an additional \$200,000 (the "**Funding Loan**") which cash will be secured by a further Receiver's Certificate and forming part of the Emprise Security. On the settlement of the Trust (which will include this \$200,000 cash free and clear of all encumbrances) and the issuance of the BC Order (as defined below), the Receiver would be discharged over the Company's assets and undertakings, and the Company would have no further assets or liabilities, other than the Initial Loan and the Funding Loan.
6. On obtaining of the BC Order, Vert will proceed with an application to the applicable Securities Commissions to have the existing cease trade orders ("**CTO**") temporarily lifted, to allow the financing discussed in section 7 below to proceed. The costs of this process will be funded by Emprise.
7. On the CTO being temporarily lifted, Emprise will arrange a private placement into Vert for \$500,000 at 5 cents per unit, on a post-consolidated basis. The private placement will be structured through subscription receipts and all funds will be deposited into trust with Cassels, pending satisfaction of all conditions precedent to release. The financing would be conditional on Vert completing a 15:1 share consolidation, to be approved in the BC Order. Each unit would consist of one post-consolidated share and one warrant, exercisable at 7.5 cents for 2 years. No finder's fees would be payable. Emprise will be responsible at its cost for obtaining all necessary regulatory approvals in order to close the private placement.
8. In order for Vert to bring its financial statements and other regulatory filings up to date, with a view to the revocation of the CTO, the BC Order will provide that three nominees of Emprise be appointed to the Board of Vert.
9. The Receiver covenants and agrees to grant Emprise with access to Vert's books and records in order to complete the outstanding financial statements, audits, and other filing requirements.
10. Once this offer is accepted by the Receiver, the Receiver covenants to act in good faith and agrees to take such reasonable actions as may be required in order to give effect to the matters set out herein. Subject to section 11 below, Emprise agrees to pay all legal and professional costs of Receiver and its counsel in obtaining the Ontario Order and the BC Order, provided that such costs funded by Emprise, exclusive of any costs owing to Cassels, shall be no greater than \$100,000 plus HST (the "**Approved Expenses**") and only Approved Expenses shall be paid from the Expense Trust Funds.
11. Following execution of this offer by the Receiver, the Receiver agrees to work exclusively with Emprise with respect to the matters described herein, and the Receiver agrees that

it will not participate in any discussions with third parties, or support any actions by third parties, that are inconsistent with the transactions contemplated herein, or which may reasonably be expected to prevent the transactions contemplated herein not to be completed on the terms outlined herein. In the event of breach of this section of the offer, Emprise shall be entitled to repayment of the Initial Loan and a fee in the amount of \$50,000 (the "Break Fee"), which Break Fee shall be secured by a Receiver Certificate subordinate only to the security of the Receiver.

If the foregoing terms are acceptable, kindly countersign this offer and return it to our counsel, Jeff Durno, at jdurno@cassels.com. This offer is open for acceptance until 12:00 pm Toronto time, on March 23, 2021.

Yours truly,
Emprise Capital Corp.

A handwritten signature in black ink, appearing to read "Scott Ackerman", with a long, sweeping horizontal flourish extending to the right.

Scott Ackerman

The foregoing terms are agreed and accepted this 22nd day of March, 2021.

KSV Restructuring Inc., in its
capacity as court-appointed receiver of the assets and undertakings of Vert Infrastructure Ltd.,
and not in its personal capacity



Authorized Signatory

Appendix “D”

IN THE SUPREME COURT OF BRITISH COLUMBIA

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 _____)
) _____ DAY, THE _____
) DAY OF MAY, 2021

ON THE APPLICATION of KSV Restructuring Inc. (formerly KSV Kofman 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 May ●, 2021, via Microsoft Teams videoconference or telephone; AND UPON HEARING ●, 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 May ●, 2021; AND UPON CONSIDERING the fairness to the parties affected thereby of the terms and conditions of the Arrangement (as defined below) 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**"), as agent on

behalf of the itself, Plazacorp Investments Limited and Jesse Kaplan (the first secured lenders of Vert)(the “**Secured Lenders**”) , 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, as agent for the Secured Lenders, 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:

Lawyer for Emprise Capital Corp.
H. Lance Williams

BY THE COURT

REGISTRAR