IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF an application of Big Erics Inc. and Terra Nova Old Port Foods Inc.

AND IN THE MATTER OF the *Companies' Creditors Arrangement Act* R.S.C., 1985 c. C-36 as amended

EIGHTH REPORT OF GRANT THORNTON LIMITED, IN ITS CAPACITY AS MONITOR UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36 OF BIG ERICS INC. AND TERRA NOVA OLD PORT FOODS INC.

June 25, 2024

Grant Thornton

Grant Thornton Limited,
Court-Appointed Monitor

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INTRODUCTION

1. On July 11, 2023, Big Erics Inc. ("**BEI**" or "**Vendor**") and Terra Nova Old Port Foods Inc. ("**TNOPFI**") (collectively as, the "**Companies**") made an application to the Supreme Court of Newfoundland and Labrador (the "**Court**") to convert previously filed Notices of Intention to Make a Proposal ("**NOIs Proceedings**") to proceedings under the *Companies' Creditors Arrangement Act*, RSC, 1985, c. C-36, as amended ("**CCAA Proceedings**"). On July 18, 2023, the Court issued an order (the "**Initial Order**") and Grant Thornton Limited ("**GTL**") was appointed as Monitor (in such capacity, the "**Monitor**") for the Companies.

2. Pursuant to the Initial Order, amongst other things, all creditors were stayed from commencing or continuing any proceedings against the Companies until, and including, July 28, 2023 ("**Stay of Proceedings**"), or until such date as the Court may by subsequent order direct. The Stay of Proceedings was further extended by multiple orders, most recently, to June 30, 2024 by an order issued on April 16, 2024 ("**April 2024 Order**").

3. On October 25, 2023, the Court issued a sales and investment solicitation process order ("**SISP**" and "**SISP Order**") which directed and empowered Noseworthy Chapman (the "**SISP Advisor**") to administer a SISP in the CCAA Proceedings.

4. On January 15, 2024, the Court issued an order declaring that the *Wage Earner Protection Program Act (Canada)*, SC 2005, c 47, s 1 ("**WEPP**"), applies to TNOPFI in conjunction with the *Wage Earner Protection Program Regulations*. The declaration was a requirement of Service Canada as communicated to the Monitor.

5. On April 16, 2024, the Court issued the April 2024 Order which, amongst other things:

   (a) Provided an extension of the Stay of Proceedings to June 30, 2024;

   (b) Provided approval of the Asset Purchase Agreement ("**APA**") between BEI and 94747 Newfoundland & Labrador Inc. ("**94747**" or "**Purchaser**") dated April 12, 2024, including the vesting of the Retained Assets to 94747 as described within the APA.

   (c) Granted approval of the Monitor's Sixth Report ("**Sixth Report**") and Seventh Report ("**Seventh Report**"), inclusive of the activities of the Monitor as set out therein;

   (d) Ordered that five days prior to Closing, BEI was to provide to the Bank of Montreal ("**BMO**") a reconciliation of BEI's outstanding payments (the "**Reconciliation**

Statement"), which was to be updated on a daily basis up to the closing date of the transaction contemplated in the APA;

(e) Approved a reduction of BEI's operating line with BMO to a reduced amount equal to the transactions noted on the Reconciliation Statement, plus a buffer of 10%;

(f) Provided approval of BEI and TNOPFI's operating lines with BMO to be terminated two weeks following the closing date;

(g) Provided approval of BEI's Mastercards with BMO to be terminated on closing date; and

(h) Provided a sealing order of confidential appendices within BEI's and the Monitor's application materials, as noted therein.

6. A copy of the April 2024 Order is attached hereto as **Appendix "A"**.

7. Also on April 16, 2024, the Court issued a further sealing order ("**April 2024 Sealing Order**") of the draft Asset Vesting Order, the APA and all appendices attached thereto to the earlier of the filing of the Monitor's certificate on closing or by further order of the Court.

8. A copy of the April 2024 Sealing Order is attached hereto as **Appendix "B"**.

9. This eighth report of the Monitor (the "**Eighth Report**"), as well as the previous reports of the Monitor and all other relevant information in respect of these CCAA Proceedings and the previous NOIs Proceedings has been made available to stakeholders on the Monitor's case website at www.GrantThornton.ca/BigErics. Readers are encouraged to read the following reports of the Proposed Monitor and of the Monitor, the materials filed with the Court in relation to the applications and the orders of the Court, to provide additional information on these CCAA Proceedings:

<u>Reports to the Court</u>

(a) Pre-Filing Report of GTL in its capacity as Proposed Monitor dated July 17, 2023;

(b) First Report of GTL in its capacity as Monitor dated July 25, 2023;

(c) Second Report of GTL in its capacity as Monitor dated September 20, 2023;

(d) Third Report of GTL in its capacity as Monitor dated December 15, 2023;

(e) Fourth Report of GTL in its capacity as Monitor dated January 19, 2023;

(f) Fifth Report of GTL in its capacity as Monitor dated February 22, 2024;

(g) Sixth Report of GTL in its capacity as Monitor dated March 18, 2024;

(h) Supplement to the Sixth Report of GTL in its capacity as Monitor dated March 19, 2024; and

(i) Seventh Report of GTL in its capacity as Monitor dated April 11, 2024.

Court Orders

(a) CCAA Initial Order dated July 18, 2023;

(b) ARIO dated July 28, 2023;

(c) ARIO dated August 25, 2023;

(d) ARIO dated September 22, 2023;

(e) SISP Order dated October 25, 2023;

(f) Consent Order dated December 18, 2023;

(g) Consent Order dated January 11, 2024;

(h) WEPP Order dated January 15, 2024;

(i) January 2024 Order dated January 25, 2024;

(j) March 2024 Order dated March 20, 2024;

(k) April 2024 Order dated April 16, 2024; and

(l) April 2024 Sealing Order dated April 16, 2024.

PURPOSE OF THE EIGHTH REPORT

10. The purpose of the Eighth Report is to inform the Court of the following:

(a) An update on the activities of the Monitor and the Companies since the Seventh Report;

(b) An update on the TNOPFI WEPP process undertaken by the Monitor pursuant to the WEPP Order;

(c) An update on the successful closing of the approved APA, which closed on May 10, 2024 (“**Closing Date**”);

(d) An update on several post closing issues amongst the stakeholders, including the Monitor’s view that 94747 is in default of the APA;

(e) Request the assistance of the Court to resolve the various post closing adjustments in the APA, and various post closing disputes; and

(f) Request an order from the Court for, amongst other things:

   i. Approval of the Monitor’s activities, and that of its legal counsel, up to the date of this Eighth Report;

   ii. Granting of enhanced powers to the Monitor over BEI’s Operating Line, as defined herein;

   iii. Approval for the Monitor to undertake a Claims Identification Process for the Companies, defined herein;

   iv. Declaration that BEI is a former employer for the purposes of WEPP for all employees of BEI, and approval for the Monitor to facilitate the WEPP process;

   v. Direction from the Court for Purchaser to provide certain information the Monitor requires to fully evaluate the implementation of the APA;

   vi. An extension of the Stay of Proceedings to October 15, 2024;

   vii. Approval of the Monitor’s fees and disbursements, and that of its legal counsel, to May 24, 2024 and May 31, 2024, respectively; and

   viii. Request assistance from the Court in resolving the various disputes related to the APA.

TERMS OF REFERENCE

11. In preparing this Eighth Report, the Monitor has relied upon unaudited internal financial statements, certain other financial information and financial projections of the Companies, discussions with management of the Companies (“**Management**”) and its legal advisors, and discussions with the SISP Advisor (collectively, the “**Information**”). While the Monitor has reviewed the Information for reasonableness and believes that the information

provides a fair summary of the transactions and underlying financial position as reflected in the documents of the Companies, the Monitor has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian Generally Accepted Auditing Standards.

12. Some of the Information used in preparing this Eighth Report consists of forward-looking information. The Monitor cautions that such information is based on assumptions about future events and conditions that are not yet ascertainable. The actual results with respect to the forward-looking information and the variations thereof could be significant.

13. In the course of its mandate, the Monitor has assumed the integrity and truthfulness of the Information and explanations presented to it by Management, within the context in which the Information was presented. To date, nothing has come to the Monitor's attention that would cause it to question the reasonableness of these assumptions. The Monitor has requested that Management bring to its attention any significant matters which were not addressed in the course of the Monitor's specific inquiries. Accordingly, this Eighth Report is based solely on the Information (financial or otherwise) made available to the Monitor by the Companies and Management.

14. The Eighth Report has been prepared for the use of this Honourable Court and the Companies' stakeholders as general information relating to the Companies and these CCAA Proceedings, and to assist the Court in determining whether to grant the relief sought by the Monitor. Accordingly, the reader is cautioned that this Eighth Report may not be appropriate for any other purpose. The Monitor does not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Eighth Report contrary to the provisions of this paragraph.

15. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein have the meaning given to them in the Initial Order and subsequent orders granted by the Court, as well as the preceding reports of the Montior.

ACTIVITIES OF THE MONITOR

16. Since the date of the Seventh Report the Monitor has, among other things:

(a) Continued to assist the Companies with their communications of these CCAA Proceedings to creditors and other stakeholders;

(b) Provided advice to the Companies and SISP Advisor on SISP related matters, including, but not limited to, closing matters and considerations;

(c) Assisted BEI and the Purchaser with implementing the APA and attempted to resolve various post closing disputes;

(d) Monitored the operations of the Companies including, but not limited to, reviewing sales targets and cash flow reporting, reviewing post closing banking activity, as well as reviewing and following up with the Company on questions when posed by stakeholders up to the date of closing;

(e) Continued to assist the Companies and hold conversations with employees, creditors, and suppliers;

(f) Responded to creditor queries and communications in a timely fashion;

(g) Facilitated and continue to mange the TNOPFI WEPP process, per the WEPP Order, for the former employees of TNOPFI;

(h) Attended the Companies court hearings on April 16, 2024 and May 23, 2024;

(i) Attended various meetings with the Companies and their legal advisors on the approved APA and these CCAA Proceedings;

(j) Attended various meetings and held communications with 94747 and its legal counsel leading up to closing and post closing;

(k) Continued to communicate with 94747 and its legal counsel following closing on various matters;

(l) Responded to queries from former employees of BEI;

(m) Continued to maintain the Monitor's case website; and

(n) Prepared this Eighth Report.

ACTIVITIES OF THE COMPANIES

17. Since the date of the Seventh Report, the Monitor understands that the Companies have, amongst other things, up to the Closing Date:

(a) Maintained the operations of BEI;

(b) Continued to engage with the employees of BEI to garner alignment to the restructuring process and the approved APA;

(c) Continued to engage with suppliers to maintain support for the restructuring process including negotiating revised credit terms (where applicable), and communicated on the stay of proceedings and its impact on pre-filing balances owing;

(d) Execute on certain of the required documents for closing with 94747;

(e) Terminated all employees of BEI on the Closing Date;

(f) Provided to the Monitor and BMO a listing of all outstanding cheques and payments within the leading days up to the Closing Date;

(g) Provided to the Monitor and BMO various accounting data and payroll reports as requested;

(h) Provided the various required reports to the Purchaser and Monitor on or around the Closing Date, pursuant to the APA;

(i) Closed the transaction as contemplated within the APA; and

(j) Post closing facilitated certain Direction to Pay notices to BMO for the payment of certain deposited funds to the Monitor from BEI's operating line.

LITIGATION

18. There has been no change in the status of either (i) a possible claim from a former employee of BEI pursuant to which either wages or termination pay may be owed, and (ii) litigation between BEI and Vision 33.

19. The former employees referenced in the litigation above, and all former employees of BEI, are captured by the proposed WEPP order, should it be granted by the Court.

20. The Monitor understands the net claim against BEI, if any, resulting from the claim and counter-claim as between Vision 33 and BEI, would be an unsecured claim in the estate.

TNOPFI – WAGE EARNER PROTECTION PROGRAM ACT

21. The Monitor continues to address queries from the former employees of TNOPFI regarding the WEPP process and from Service Canada in respect of same. WEPP Eligible Employees of TNOPFI continue to submit proofs of claim and application forms to the Monitor and Service Canada. As at the date of this Eighth Report, the Monitor has not received proof of claim forms from 5 former employees of TNOPFI.

22. The Monitor's estimate of the super-priority WEPP claim remains unchanged from the Sixth Report, being $20,075. This amount is subject to change upon further review of the claims by Service Canada.

SUCCESSFUL CLOSING OF APPROVED TRANSACTION

23. Following the approval from the Court of the APA, BEI and 94747 successfully closed the transaction contemplated in the APA on May 10, 2024. A copy of the Monitor's Certificate No. 1 is attached hereto as **Appendix "C"**.

24. The Monitor received $1,683,279.15 on closing pursuant to Schedule 3.3, Paragraph 3.2 (a), (b), Paragraph 3.3, and Paragraph 3.4 (d) of the APA, representing the following amounts:

Closing Price	
Trade Accounts Receivable	$ 1,700,000.00
Inventory	300,000.00
Capital Assets	175,000.00
Rent Adjustment	33,147.17
Cure Costs - Pro-Reit	3,454.89
Less: Customer Deposits	(318,322.91)
Less: Deposit from 94747	(210,000.00)
Total Closing Price	**$ 1,683,279.15**

25. The Monitor also received $9,343.75 from the Purchaser representing the balance of the rent due to Lighthouse Realty Atlantic Inc. ("**LRAI**") for 99 Blackmarsh Road which was disclaimed by BEI. The disclaimer became effective June 1, 2024. The payment by the Purchaser to the Monitor for this amount was made to provide for the payment of the balance of the post closing rent due to LRAI from May 16 – 31, 2024 should the Purchaser seek and need continued access to the 99 Blackmarsh Road property.

26. Upon closing, BEI provided to the Monitor, Purchaser, and BMO various accounting and payroll reports required for administering post-closing reconciliations and the BEI WEPP administration, should the Court grant the requested declaration and order.

27. Post closing, the Purchaser removed certain Purchased Assets and on or around May 15, 2024, advised it had removed all of the BEI assets it was taking and no longer needed access to the 99 Blackmarsh Road property. Keys were returned to BEI.

28. A copy of the fully executed APA is attached hereto as **Appendix "D"**.

POST CLOSING MATTERS

29. The APA provided for a number of post-closing reconciliations and scheduled payments from 94747. A number of post closing disputes have arisen between BEI, the Monitor, and 94747.

30. A listing of the post closing issues is as follows:

    (a) AR Reconciliation – Pursuant to paragraph 3.4 (b) of the APA, the AR Reconciliation requires the payment from 94747 to BEI an amount of $84,052.33 ("**AR Reconciliation Amount**"). This amount is agreed and unpaid. The Monitor's view is that this amount should be paid by the Purchaser;

    (b) Customer Deposit Reconciliation – Pursuant to paragraph 3.4 (c) of the APA, the Customer Deposit Reconciliation requires a credit on the Purchase Price of $47,990.53 ("**Customer Deposit Reconciliation Amount**"). This amount is agreed and unpaid as the Monitor has set if off against the amount owing by 94747;

    (c) Inventory Purchase Price Adjustment – Pursuant to paragraph 3.4 (a) of the APA, the purchase price for the inventory requires a credit on the Purchase Price of $53,790.07

("**Inventory PPA Amount**"). This amount is not agreed. The Monitor is of the view this is the correct calculation pursuant to the APA and should be paid by the Purchaser;

(d) Pre-Closing Credit Card/Shopify – These are deposits into the BEI Operating Account in the amount of $24,254.71 on account of pre-closing sales transactions, which were settled and paid by the credit card companies post closing (**Pre-Closing Credit Card Amount**"). BEI, the Monitor and BMO are of the view the amounts are not assets acquired in the APA. The Purchaser is of the view they are assets acquired by the APA. The Monitor is of the view that these are pre-closing transaction and therefor is not an asset acquired by the Purchaser;

(e) June 9, 2024 Inventory Payment – Pursuant to paragraph 3.2 (c) of the APA, 94747 was to make a $75,000 payment 30 days after the Closing Date ("**June 9, 2024 Inventory Payment**". The payment was due June 9, 2024. No payment was received. The Purchaser has defaulted on this payment. The Monitor is of the view that the Purchaser should make this payment;

(f) Transitional Purchase Credits – The Purchaser is claiming $13,787.08 in deductions against the Transitional Purchase amount owing pursuant to paragraphs 3.2 (d) of the APA ("**Transitional Purchase Credits**"). No supporting documentation has been provided to substantiate these credits;

(g) Transitional Purchases to June 4, 2024 – The Purchaser has acknowledged to the Monitor it has received Transitional Purchases in an amount of $219,672.20 to June 4, 2024 ("**June 4 Transitional Purchases**") pursuant to paragraph 3.2 (d) of the APA. The Purchaser has default on this payment. The Monitor is of the view this amount should be paid by the Purchaser;

(h) Transitional Purchases Deposit Credit – The Purchaser has claimed a deduction against Transitional Purchases in the amount of $40,688.40 ("**Transitional Purchases Deposit Credit**"). This is a duplicate reduction in the Purchase Price and for which there is no such deduction contemplated in the APA. The Monitor is of the view that the APA does not support this claim and it should be dismissed;

(i) 40 Transitional Purchases – The Purchaser is of the view that Transitional Purchases dated before April 8, 2024 were not acquired by Purchaser and/or were not approved by the Purchaser. These transactions total $188,265.99 ("**40 Transitional**

Purchases”). BEI, the Monitor, and BMO disagree with this interpretation of the APA. No information on whether these Transitional Purchases were received post closing has been provided. The Monitor is of the view that these Transitional Purchases are owing by the Purchaser and if received, should be paid by the Purchaser;

(j) 2 Transitional Purchases – The Purchaser is of the view that Transitional Purchases dated before April 8, 2024 were not acquired by Purchaser and/or were not approved by the Purchaser. The Purchaser had previously acknowledged to the Monitor that 2 Transitional Purchases had been received. The total of these 2 transactions is $24,357.03 (“**2 Transitional Purchases**”). The Monitor is of the view that these Transitional Purchases are owing by the Purchaser and should be paid by the Purchaser;

(k) Transitional Purchases to be Received – As of June 4, 2024, the Purchaser has advised that Transitional Purchases totalling $216,206.04 have yet to be received (“**Transitional Purchases to be Received**”). Payment is due from the Purchaser 5 days after receipt. The Monitor has requested further updates on these transactions. The Purchaser has not provided any further updates. The Monitor is of the view the Purchaser should provide a further update to the Monitor if the transactions have been received;

(l) Purchaser Inventory Credit Claims – The Purchaser is seeking credits against the purchase price for the following adjustments:

i. Expired Chemicals – The Purchaser is claiming a credit against the Purchase Price in the amount of $249,840.67 for expired chemicals (“**Expired Chemicals Claim”**). BEI, the Monitor, and BMO disagree with this claim. The Monitor is of the view this claim should be dismissed;

ii. Movement Costs – The Purchaser has indicated it intends to advance a claim for costs to remove the goods from the 99 Blackmarch Road, St. John’s, NL location (“**Movement Claim**”. No amount was provided and no claim to date has been advanced by the Purchaser. The Monitor is of the view this claim, if any, should be dismissed; and

iii. Racking Claim – The Purchaser is claiming a credit against the Purchase Price in the amount of $35,000 for industrial racking it says it acquired and should have been provided by BEI ("**Racking Claim**"). BEI disagrees with this claim; and

(m) Closing Documents – The Purchaser has advised the Monitor that it is still waiting on certain closing documents to be executed by BEI.

31. The Monitor has summarized the amounts which remain outstanding from (to) 94747 is as follows, all of which are described in further detail herein this Eighth Report:

Monitor's View of Post Closing Disputed Funds				
	Accounting of Disbuted Amounts			
Description	Owed by 94747	Owed to 94747	Outstanding from (to) 94747	Disputes
Purchase Price Adjustments				
Accounts Receivable - APA 3.4 (b)	$ 84,052.33	-	$ 84,052.33	-
Customer Deposits - APA 3.4(c)	-	(47,990.53)	(47,990.53)	-
Inventory - APA 3.4(a)	-	(53,790.07)	(53,790.07)	-
Total Disputed Amount of Purchase Price Adjustments	**$ 84,052.33**	**$ (101,780.60)**	**$ (17,728.27)**	**-**
Deposits within BEI's BMO Operating Line				
Credit Card/Shopify (Pre-Closing) - APA 6.6(e)	-	-	-	$ 24,254.71
Total Disputed Amount of Deposits Operating Line	**-**	**-**	**-**	**$ 24,254.71**
Inventory Payment Schedule				
Payment Due June 9, 2024 - APA 3.2 (c)	$ 75,000.00	-	$ 75,000.00	-
Total Disputed Amount of Inventory Payment Schedule	**$ 75,000.00**	**-**	**$ 75,000.00**	**-**
Transitional Purchases - APA 3.2 (d) & 6.7 (d)				
Acknowledged by 94747 as received and owing	$ 219,672.20	-	$ 219,672.20	-
Duplicate claim by 94747 of customer deposits	40,688.40	-	40,688.40	-
Previously acknowledged by 94747 as received	24,357.03	-	24,357.03	
Total Disputed Amount of Transitional Purchases	**$ 284,717.63**	**-**	**$ 284,717.63**	**-**
Total Disputed Funds	**$ 443,769.96**	**$ (101,780.60)**	**$ 341,989.36**	**$ 24,254.71**

Amounts Held by the Monitor in Trust				
Credit Card/Shopify (Post-Closing) - May 10-22, 2024	-	$ (110,732.74)	$ (110,732.74)	-
Trade Accounts Receivable - May 23-28, 2024	-	(99,307.13)	(99,307.13)	-
Total Amounts Held by the Monitor	**-**	**$ (210,039.87)**	**$ (210,039.87)**	**-**
Net Post Closing APA Disputes	**$ 443,769.96**	**$ (311,820.47)**	**$ 131,949.49**	**$ 24,254.71**

Updates or Support Required by 94747 / 94747 Disputes				
Transitional Purchases - APA 3.2 (d) & 6.7 (d)				
40 transactions listed on closing, but removed by 94747	$ 188,265.99	-	$ 188,265.99	-
Miscellaneous adjustments by 94747	13,787.08	-	13,787.08	-
Remaining transactions to be received	216,206.04	-	216,206.04	-
Total Update or Support Required for Transitional Purchases	**$ 418,259.11**	**-**	**$ 418,259.11**	**-**
Inventory Stock Dispute				
Expired and in stock	-	-	-	$ 209,339.00
Inventory not in possession of BEI	-	-	-	9,255.00
Expired and damaged stock in warehouse	-	-	-	31,246.67
Total Inventory Stock Dispute	**-**	**-**	**-**	**$ 249,840.67**
Other Inventory Disputes				
Chemical inventory chemical expired and written off by BEI	-	-	-	$ 148,814.00
St. John's Moving Costs	-	-	-	$NIL
Total Other Inventory Disputes	**-**	**-**	**-**	**$ 148,814.00**
Capital Assets Dispute				
Racking not removed at BEI St. John's location	-	-	-	$ 35,000.00
Total Capital Assets Dispute	**-**	**-**	**-**	**$ 35,000.00**
Total Amounts which Require an Update or Support by 94747	**$ 418,259.11**	**-**	**$ 418,259.11**	**$ 433,654.67**

Grand Net Total of All Disputed Amounts	**$ 862,029.07**	**$ (311,820.47)**	**$ 550,208.60**	**$ 457,909.38**

32. The Monitor further notes that it is withholding $210,039.87 in trust as set off towards the above noted amounts owed by 94747.

33. The Monitor is of the view that the current situation with BEI, 94747 and BMO are untenable and are inefficient. The Monitor has provided a recommendation to the Court

later within this Eighth Report, which is to have the Court set a further date to make a determination on these above noted disputes.

Trade Accounts Receivable and Customer Deposits

34. On the Closing Date, the Monitor received from 94747 the full amount of purchase price for accounts receivable, based on a target accounts receivable (“**Target AR**”) book value of $1,700,000 and deducting Customer Deposits of $318,140.31.

35. Pursuant to paragraph 3.4 (b) of the APA, on or before the date that is 30 days following the Closing Date, by agreement between the Vendor and Purchaser, in consultation with the Monitor and BMO, the Purchase Price shall be adjusted dollar for dollar, without double counting, upward or downward (the “**AR Reconciliation**”) by the amount by which the Accounts Receivable as of the Closing Date is greater or less than the Target AR. The Vendor or Purchaser, as applicable, shall then pay to the other party the adjustment within 1 business day following completion of the AR Reconciliation being agreed upon. BEI has calculated the AR Reconciliation on Closing and consulted with the Monitor and BMO, who agreed with the AR Reconciliation calculation. The AR Reconciliation was provided to 94747 on June 10, 2024 and agreed by the Purchaser on June 12, 2024, the confirmation of which is attached hereto as **“Appendix “E”**.

36. Pursuant to paragraph 3.4 (c) of the APA, on or before the date that is 30 days following the Closing Date, by agreement between the Vendor and the Purchaser, the Purchase Price shall be adjusted dollar for dollar, without double counting, upward or downward (the “**Customer Deposit Reconciliation**”) by the amount of which the Customer Deposits at the Closing Date is greater than, or less than the estimated Customer Deposits in accordance with Schedule 3.3. The Vendor or Purchaser, as applicable, shall then pay to the other party the adjustment within 1 business day following completion of the Customer Deposit being agreed upon. The Customer Deposit Reconciliation was provided to 94747 on June 10, 2024. Additional information was provided by 94747 on June 12, 2024 and a revised Customer Deposit Reconciliation was provided to 94747 on June 12, 2024, and agreed by the Purchaser on June 13, 2024, confirmation of which is attached hereto as **Appendix “F”**.

37. The AR Reconciliation and Customer Deposit Reconciliation is as follows:

Accounts Receivable Reconciliation on Closing				
		AR Balance		**Purchase Price**
Aged AR 0-90 Days	$	2,138,379.15	80%	$ 1,710,703.32
Aged AR 91+ Days		293,396.03	25%	73,349.01
Trade AR on Closing	**$**	**2,431,775.18**		**$ 1,784,052.33**
Less: Target AR Paid on Closing				(1,700,000.00)
Due from Purchaser				**$ 84,052.33**

Customer Deposit Reconciliation on Closing		
Balance on May 5, 2024 (*Used for Closing*)	$	318,140.31
Less: Balance on May 10, 2024 (*Closing Date*)		(345,796.13)
Less: Additional Customer Deposit Not Recorded on Closing		(20,334.71)
Credit To Purchaser	**$**	**(47,990.53)**

38. The AR Reconciliation and Customer Deposit Reconciliation result in a net amount owing from the Purchaser of $36,061.80. As at the date of this report, 94747 has not paid this amount, in breach of the APA.

Deposits within BEI's BMO Operating Line

39. Post closing, the Monitor was informed of an issue whereby, post closing, BEI's customers continued to make payments to BEI's operating line with BMO (the "**Operating Line**") related to payments of accounts receivable, credit card transactions, and other miscellaneous deposits. The Monitor understands that such amounts continued to be deposited into the Operating Line as a result of a time lag between closing and BEI's customers updating their payment details to the new banking information provided by the Purchaser, and the Purchaser taking over the point-of-sale system.

40. The Monitor worked with the stakeholders and developed a process whereby deposits into the Operating Line would be identified and sent to the Purchaser . The Monitor was provided "read only" access to the Operating Line for purposes of accessing banking information. This information was then sent to the Purchaser who was required to provide supporting documentation to the Monitor for the underlying transactions to confirm "ownership" of the funds. Once the supporting documentation was provided, a direction to pay would be signed by BEI and sent to BMO for processing. It was agreed amongst the parties that the subject funds would be sent from the Operating Line to the Monitor for distribution.

41. The Monitor is of the view that this process is not efficient. BEI has attempted to alter the authorizations on the Operating Line by a director's resolution. However, BMO has advised this resolution does not comply with BEI's banking agreement and cannot be altered based on the BEI director's resolution provided.

42. On June 21, the Monitor was advised by BEI that 2 of the 3 directors had resigned. To process a transaction from the Operating Line, 2 of 3 directors are required to sign the document. For a Direction to Pay to be processed, 2 of 3 directors are required to signed the document and the remaining director is required to verbally approve the transaction. The 1 remaining director is insufficient to process any transactions out of the Operating Line. Therefore as of June 20, 2024 no more transactions will be processed out of the Operating Line without the Court's assistance.

43. BEI has agreed to allow the Operating Line to remain open until June 30, 2024 to continue to facilitate the regular deposit of BEI's and 94747's receivables. BMO's position is that the Operating Line must remaining open as long as there is a stay of proceedings unless BEI authorizes its termination.

44. The Monitor completed a reconciliation of the funds deposited into the Operating Line from May 10 to 28, 2024, the results of which are as follows:

Deposits in Operating Line						
	Trade Receivables		Credit Card/Shopify			
Date	Pre-Closing	Post-Closing	Pre-Closing	Post-Closing	Rebate	Total
May 10, 2024	$ 20,257.16	$ -	$ 22,332.19	$ -	$ -	$ 42,589.35
May 13, 2024	9,206.87	-	1,775.06	14,075.96	-	25,057.89
May 14, 2024	6,826.51	-	147.46	4,295.91	-	11,269.88
May 15, 2024	14,242.36	-	-	21,385.84	4,470.22	40,098.42
May 16, 2024	44,203.88	-	-	12,614.13	-	56,818.01
May 17, 2024	14,354.69	-	-	5,380.89	-	19,735.58
May 21, 2024	20,629.10	-	-	38,307.02	1,383.68	60,319.80
May 22, 2024	41,705.69	-	-	14,672.99	-	56,378.68
Total Sent on May 27, 2024	**$ 171,426.26**	**$ -**	**$ 24,254.71**	**$ 110,732.74**	**$ 5,853.90**	**$ 312,267.61**
May 23, 2024	$ 16,118.75	$ 102.58	$ -	$ 22,209.21	$ -	$ 38,430.54
May 24, 2024	8,544.80	426.53	-	25,116.26	-	34,087.59
May 27, 2024	2,925.51	-	-	22,060.94	-	24,986.45
May 28, 2024	1,802.55	-	-	-	-	1,802.55
Total Sent on June 12, 2024	**$ 29,391.61**	**$ 529.11**	**$ -**	**$ 69,386.41**	**$ -**	**$ 99,307.13**
Grand Totals	**$ 200,817.87**	**$ 529.11**	**$ 24,254.71**	**$ 180,119.15**	**$ 5,853.90**	**$ 411,574.74**
Monitor's View on Ownership	**94747**	**94747**	**BEI**	**94747**	**BEI**	

45. On May 27, 2024, BMO wired to the Monitor $312,267.61 representing funds deposited into the Operating Line to May 22, 2024. These funds were received by the Monitor and distributed/allocated as follows:

(a) Trade Receivables (Pre-Closing) – $171,426.26:

i. The Monitor determined these funds to be deposits from customers of the purchased trade accounts receivable, and therefore property of 94747 pursuant to the APA.

ii. Upon the request of 94747, the Monitor facilitated a wire transfer of $171,426.26 directly to 94747's secured lender, Sallyport Commercial Finance ULC.

(b) Credit Card/Shopify (Pre-Closing) – $24,254.71:

i. The Monitor determined these funds to be credit card and Shopify sales which occurred prior to the Closing Date, but only deposited into the Operating Line subsequent to the Closing Date.

ii. The Monitor is of the view that these amounts are pre-closing sales transactions and are to be allocated to the estate of BEI. 94747 has indicated to the Monitor that it disagrees with the Monitor's view.

iii. 94747 has stated that it will provide support to the Monitor of these funds belonging to 94747. Until this support is provided, the Monitor has agreed to hold the full amount of these funds, $24,254.71, in trust. To the date of this report no support has been provided.

(c) Credit Card/Shopify (Post-Closing) – $110,732.74:

i. The Monitor determined that these funds are credit card transactions and Shopify sales which occurred subsequent to the Closing Date and are owed to 94747.

ii. The Monitor withheld this amount in trust as 94747 had not provided an update on Transitional Purchases, defined herein, to the Monitor. As of the date of this Eighth Report, the Monitor continues to hold these funds in trust. The status of payments owed by 94747 with regards to Transitional Purchases is described in more detail herein.

(d) Rebate – $5,853.90:

i. The Monitor determined that these funds are rebates from BEI suppliers, which form part of other accounts receivable ("**Other AR**"). Other AR was not an asset purchased by 94747.

ii. The Monitor has held these funds as an asset realization of BEI, to be included in a future distribution order by the Court.

46. On June 12, 2024, BMO wired to the Monitor the above noted $99,307.13. These funds are being withheld in trust by the Monitor to partially offset defaults in payments from 94747 pursuant to the APA, described in further detail herein.

47. The Monitor has since completed a further reconciliation of the deposits within the Operating Line from May 29 to June 7, 2024, as follows:

Deposits in Operating Line						
Date	Trade Receivables		Credit Card/Shopify		Rebate	Total
	Pre-Closing	Post-Closing	Pre-Closing	Post-Closing		
May 29, 2024	$ 1,066.36	$ -	$ -	$ -	$ -	$ 1,066.36
May 30, 2024	2,811.94	-	-	-	-	2,811.94
May 31, 2024	29,109.76	7,048.54	-	-	-	36,158.30
June 3, 2024	-	-	-	-	-	-
June 4, 2024	1,086.77	-	-	-	-	1,086.77
June 5, 2024	3,458.92	-	-	-	-	3,458.92
June 6, 2024	5,111.95	6,628.74	-	-	-	11,740.69
June 7, 2024	5,758.76	1,005.17	-	-	-	6,763.93
Grand Totals	**$ 48,404.46**	**$ 14,682.45**	**$ -**	**$ -**	**$ -**	**$ 63,086.91**

48. The Monitor understands that BEI is in the process of requesting these funds from BMO.

49. As of the date of this Eighth Report, the Monitor has not received the required information from 94747 to determine an allocation of the deposits into the Operating Line from June 10 to 14, 2024.

50. Of the deposits into the Operating Line post-closing, the Monitor is currently holding $234,294.58 in trust, of which:

(a) $210,039.87 ($110,732.74 + $99,307.13) are trade receivables collected post closing and post-closing credit card transactions owned by 94747 and being retained by the Monitor to offset the payments owing by the Purchaser; and

(b) $24,254.71 are the credit card/Shopify pre-closing transactions disputed by 94747 as described herein.

Inventory

Inventory Payments

51. On closing, the Monitor received from the Purchaser $300,000, representing the amount of the purchase price for inventory that was due on closing.

52. In addition to the above noted $300,000, pursuant to paragraph 3.2 (c) of the APA, the Purchaser shall pay the Monitor's counsel in trust the balance of the Purchase Price being the $225,000 portion of the Purchase Price allocated to the Inventory, by way of a $75,000 payment on or before each of 30, 60, and 90 days after the Closing, and as security for the payment of said amounts, the Purchaser shall on Closing execute and deliver to BMO a security agreement creating a second priority security interests over the Purchased Assets. The Closing Date was May 10, 2024. Below is the payment schedule for the remaining amounts due from 94747 to BEI:

Inventory - Payment Schedule	
Payment Date	**Amount**
June 9, 2024	$ 75,000
July 9, 2024	75,000
August 8, 2024	75,000
Total	**$ 225,000**

53. As of this Eighth Report, the Monitor has not received the first instalment payment noted above of $75,000 in breach of the BMO General Security Agreement attached hereto as **Appendix "G"**.

Inventory Purchase Price Adjustment

54. Pursuant to paragraph 3.4 (a) of the APA, a final Inventory amount will be determined within no more than 5 Business Days after the Closing Date and the Purchase Price that is to be paid for the Inventory, as further detailed in paragraph 3.3, shall be adjusted downward by 15% of the amount, if any, by which the value of Inventory at the time of Closing Date is less than $3,400,000 ("**Inventory Target**") and shall be adjusted upward by 100% of the amount, if any by which the value of the Inventory at the time of Closing

Date is greater than $3,400,000. For greater certainty, the value of Inventory for such upward adjustment shall not include deposits.

55. BEI calculated the purchase price adjustment pursuant to paragraph 3.4(a) of the APA as follows:

BEI Inventory Reconciliation on Closing		
Purchase Price Adjustment		
Inventory Balance per Listing	$	3,114,027.62
Less: Consignment Inventory		(72,628.11)
Inventory Balance on Closing	**$**	**3,041,399.51**
Adjustment Amount per APA		3,400,000.00
Variance of Inventory Balance on Closing versus APA	**$**	**(358,600.49)**
Adjustment - Upward 100% of Value less than $3.4M		$NIL
Adjustment - Downward 15% of Value less than $3.4M	-	53,790.07
Due From (Credit To) Purchaser	**$**	**(53,790.07)**

56. The purchase price adjustment for inventory results in a credit to the purchase price of $53,790.07. The proposed adjustment was provided by the BEI to the Monitor, who in turn provided it to the Purchaser on May 29, 2024.

57. The Monitor and BMO both agree with the calculation of the purchase price adjustment. The Purchaser, however, does not agree with the purchase price adjustment for inventory.

58. On May 17, 2024, the Purchaser advised BEI and the Monitor of its purchase price adjustment for inventory. The Purchaser further stated its issues regarding Inventory on June 11, 2024, to which BEI responded to on June 21, 2024. This communication, inclusive of the original purchase price adjustment, 94747's inventory issues and BEI's response is attached hereto as **Appendix "H"**.

59. The Monitor consulted with BEI and BMO who are aligned with the Monitor's view on rejecting the Purchasers proposed inventory purchase price adjustments.

60. The Monitor responded to the Purchasers proposed inventory adjustments on May 29, 2024. This communication is attached hereto as **Appendix "I"**. Specifically, the Purchaser's proposed adjustments are not included in the APA. The inventory was sold "as is where is" and were to be provided to the Purchaser *in situ*.

61. BEI and the Monitor received further communication from the Purchaser related to its concerns surrounding the inventory. The Monitor has requested a response on these concerns from the SISP Advisor. Once received, the Monitor will provide its view on 94747's concerns.

Transitional Purchases

62. On closing, BEI provided to the Monitor a listing of all goods in transit ("**Transitional Purchases**") transactions outstanding to be received, being $703,012.32 inclusive of HST and payments outstanding to suppliers on the Transitional Purchases. The Transitional Purchases is governed by paragraph 3.2 (d) and 6.7 (d) of the APA:

(a) 3.2 (d) – In respect of the costs (including any transportation or delivery costs and related expenses incurred by the Vendor) of the Transitional Purchases (but less any monies collected by the Vendor for the Transitional Purchases that are not replenishable and less any deposits or upfront payments received by the Vendor from customers for Transitional Purchases, without duplication), the Purchaser shall pay to the Monitor's counsel in trust the full amounts relating thereto within 5 Business Days of each receipt or delivery (including in the case of any direct shipments to or as directed by a customer) of such goods to the customer or to the Vendor or its assignee as may be directed in the Approval and Vesting Order (and if not so directed by such Order then as the Vendor and Purchaser shall agree on the Closing Date); and

(b) 6.7 (d) – The Vendor shall continue to manage all Inventory purchases within the applicable limits under its BMO credit facility. The Vendor shall not make any new purchase of items that are Transitional Purchases outside of the normal course of business, nor shall the Vendor make any new purchase of Inventory or Transitional Purchases between April 8, 2024 and the Closing Date without written consent of the Purchaser and the Monitor.

63. On June 4, 2024, the Monitor received an update on Transitional Purchases owing from 94747. The Monitor has reviewed this update and notes that several adjustments to the listing provided on closing were made by 94747. The Monitor has summarized its findings as follows:

Total Variance in GIT Listings	Amount	Notes
GIT Amount on Closing	**703,012.32**	**1**
GIT per 94747 on June 4, 2024	490,353.72	**2**
Total Variance Between Listings	**212,658.60**	
Missing Transactions on GIT listing provided by 94747	212,623.02	**3**
Different Amounts on GIT listing provided by 94747	35.58	**4**
Total Variance	**212,658.60**	

GIT Reconciliation from 94747 Listing to Closing Listing	Amount	Notes
Net GIT Owing as of June 4, 2024 per 94747	219,672.20	
Add: Deposits claimed by 94747	40,688.40	**5**
Total GIT Owing as of June 4, 2024 per 94747	**260,360.60**	
Add: Missing Transactions on GIT listing provided by 94747	212,623.02	
Add: Different Amounts on GIT listing provided by 94747	35.58	
Add: Outstanding GIT to be Received per 94747	216,206.04	**6**
Add: Differences in GIT Received per 94747	13,787.08	**7**
GIT Amount on Closing	**703,012.32**	

GIT Owed by 94747		
GIT Owing as of June 4, 2024 per 94747	219,672.20	
Add: Deposits claimed by 94747	40,688.40	
Total GIT Owing as of June 4, 2024 per 94747	**260,360.60**	
Add: Removed GIT noted as received on May 16, 2024	24,357.03	**8**
Add: Rmoved GIT and unknown if received	188,265.99	
Total GIT Owed by 94747	**472,983.62**	**9**

GIT Outstanding		
GIT Amount on Closing	703,012.32	
Less: Total GIT Owed by 94747	- 472,983.62	
Less: Differences in GIT Received per 94747	- 13,787.08	
Less: Different Amounts on GIT listing provided by 94747	- 35.58	
Total GIT Outstanding	**216,206.04**	
Missing Transactions on GIT listing provided by 94747	212,623.02	
Less: Removed GIT noted as received on May 16, 2024	- 24,357.03	
Remaining 40 Transitional Purchases removed by 94747	**188,265.99**	**10**

64. The Monitor notes the following issues identified in its review:

(a) On closing, BEI advised all parties that Transitional Purchases totalled $703,012.32 (Note 1). The Purchaser has advised the total Transitional Purchases amount is $490,353.72 (Note 2). The difference being $212,658.60.

(b) 2 Transitional Purchases and 40 Transitional Purchases - The Purchaser has taken the position that the 2 Transitional Purchases and the 40 Transitional Purchases which total $212,623.02 are not Transitional Purchases as they were made April 7, 2024 or earlier (Note 3). The Purchaser is taking the position that paragraph 6.7 (d) of the APA requires all Transitional Purchases to have required the consent of the Vendor. BEI disagrees with this interpretation. It has consulted with the Monitor and BMO who also disagree with this interpretation. This dispute will require a determination by the Court.

(c) The remaining difference is the result of adjustments to certain transaction that total $35.58 (Note 4).

(d) Transitional Purchases Deposit Credit - 94747 has claimed Customer Deposits against Transactional Purchases owing in the amount of $40,688.40 (Note 5). This is a duplicate of the credit to the purchase price claimed in the Customer Deposit Reconciliation pursuant to paragraph 3.4 (c) as previously discussed in this Eighth Report. The Monitor is of the view that this adjustment is not appropriate as it is a duplicate credit to the purchase price and is inconsistent with the APA.

    i. Additionally, of the $40,688.40 claimed by 94747, the Monitor has advised the Purchaser that there are 3 deposits which total $3,226.82 (C07886 - $500.10, C15648 - $317.75 and C17806 - $2,408.97) not included in the Customer Deposit Reconciliation that could be an additional deduction should the appropriate support be provided. 94747 has not provided any additional support for this claim.

(e) **Transactional Purchase Credits** – 94747 has claimed various credits against Transitional Purchases totalling $13,787.08 (Note 7). These adjustments are primarily related to billing adjustments such as tax adjustments and credit notes made by the supplier to BEI post closing, and short shipments. The Monitor has requested support for these credits. 94747 has not provided any additional support for this claim.

65. The Monitor is of the view that the current balance owing by 94747 to BEI for Transitional Purchases is **$472,983.62** (Note 9) being;

(a) **$219,672.20**: The Transitional Purchases To Be Received, being the net amount owing as of June 4, 2024 ($219,672.20) that 94747 advised the Monitor was currently owing;

(b) **$40,688.40**: The Transitional Purchase Deposit Credits already claimed in the Customer Deposit Reconciliation;

(c) **$24,357.03:** The 2 Transitional Purchases being the 2 of the 42 tranactions removed from the Transitional Purchase listing. On May 16, 2024, the Purchaser advised the Monitor that the 2 transactions totalling $24,357.03 had been received, and were not Transitional Purchases (Note 8). On receipt of the 94747's position on Transactional Purchases, they had been removed. Given the Purchaser has previously confirmed these amounts were received, the Monitor is of the view the amount is payable to the Monitor pursuant to the terms of the APA;

(d) **$188,265.99:** The 40 Transitional Purchases being the remaining 40 transactions recorded on closing and subsequently removed by the Purchaser (Note 10). The Monitor has requested an update on the delivery status of these transactions. 94747 has not provided any update as of this Eighth Report. Given these Transitional Purchases were dated April 7, 2024 or earlier, the Monitor expects these purchases may have been received by the Purchaser.

66. As of the date of this Eighth Report, the Monitor has not received any payment from 94747 with regards to the $472,983.62 owing (Note 9), in breach of the APA.

67. The Transitional Purchases To Be Received are those that have not yet been delivered to the Purchaser as of June 4, 2024, which totals $216,206.04 (Note 6).

<u>Other Accounts Receivable</u>

68. The Other Accounts Receivable balances of BEI were not purchased by 94747. Other Accounts Receivable mostly consisted of supplier deposits, rebates and deviations. The Monitor is working with 94747 to collect these amounts owed to BEI. To date, $5,853.90 of rebates have been collected by the Monitor.

69. Throughout the CCAA proceedings, BEI paid several of its trade accounts payable vendors deposits to be held against future orders. The Monitor is working with 94747 to collect these amounts owed to BEI.

Other Closing Documents

70. The Purchaser has advised the Monitor that BEI has not completed certain post closing documents which include but are not limited to:

(a) Form to reinstate "Janitor's Market" business name;

(b) Form to reinstate "Jessom Food Equipment" business name;

(c) Form to change owner for "Janitor's Market" business name;

(d) Form to change owner for "Jessom Food Equipment" business name;

(e) Form for consent to use name for "Big Erics";

(f) Form for consent to use name for "Big Erics At Home"; and

(g) Form for consent to use name for "Ignite the Senses".

94747 IN DEFAULT OF PAYMENTS PURSUANT TO THE APA

71. As noted within this Eighth Report, the Monitor has noted several issues related to the implementation of the APA.

72. 94747 is in default of payment obligations to BEI pursuant to the APA totalling $320,215.48 ("**Purchaser Default Amount**") as follows:

Summary of 94747 Payment Obligations	
Accounts receivable payment pursuant to APA Paragraph 3.4 (b)	$ 84,052.33
Less: Credit owed to 94747 for customer deposits per APA Paragraphn 3.4 (c)	(47,990.53)
Inventory payment due June 9, 2024 pursuant to APA Paragraph 3.2 (c)	75,000.00
Less: Credit owed to 94747 for purchase price adjustment pursuant to APA Paragraph 3.4 (a)	(53,790.07)
Transitional Purchases - Acknowledged by 94747 as received and owing	219,672.20
Transitional Purchases - Duplicate customer deposit reconciliation claim by 94747	40,688.40
Transitional Purchases - Previously acknowledged by 94747 as received	24,357.03
Transitional Purchases - Remaining 40 transactions on closing but removed by 94747	188,265.99
Total Amount of Default by 94747	**$ 530,255.35**
Less: Credit Card/Shopify (Post-Closing) - May 10-22, 2024	(110,732.74)
Less: Trade Accounts Receivable - May 23-28, 2024	(99,307.13)
Total Amount Held in Trust by Monitor	**(210,039.87)**
Purchaser Default Amount	**$ 320,215.48**

73. The Monitor is holding $210,039.87 in funds received in the Operating Line post closing as a set off against the Purchaser Default Amount. Being the Credit Card/Shopify (Post-Closing) from May 10-22, 2024 of $110,732.74 and the Trade Accounts Receivable from May 23-28, 2024 of $99,307.13 deposited into the Operating Line.

74. However, the Monitor notes that 94747 has disputed certain amounts above, as detailed within this Eighth Report. In an attempt to collect some of the Purchaser Default Amount, on June 14, 2024, the Monitor attempted to have certain amounts undisputed by BEI and 94747 owing by the Purchaser paid to the Monitor, totalling $131,949.49 ("**Purchaser Undisputed Amount**"), as follows:

Summary of Undisputed Amounts Owing	
Owed from 94747	
PPA - Accounts Receivable	$ 84,052.33
Inventory - June 9, 2024	75,000.00
Transitional Purchases - Acknowledged by 94747 as received and owing	219,672.20
Transitional Purchases - Duplicate customer deposit reconciliation claim by 94747	40,688.40
Transitional Purchases - Previously acknowledged by 94747 as received	24,357.03
Total Owed from 94747	**$ 443,769.96**
Owed to 94747	
PPA - Customer Deposits	$ 47,990.53
PPA - Inventory	53,790.07
Credit Card/Shopify (Post-Closing) - May 10-22, 2024	110,732.74
Trade Accounts Receivable - May 23-28, 2024	99,307.13
Total Owed to 94747	**$ 311,820.47**
Net Owed from 94747 - Purchaser Undisputed Amount	**$ 131,949.49**

75. The Monitor is of the view that the net amount owing by 94747 for the Purchaser Default Amount is $320,215.48 and the net amount owing by 94747 for undisputed amounts are $131,949.49 (difference being the 40 Transitional Purchases totalling $188,265.99). In either case, the Monitor is of the view that 94747 owes funds of at least $131,949.49 to BEI for the Purchaser Default Amount.

76. As of the date of this Eighth Report, 94747 has not made payment of this amount to BEI or the Monitor, in breach of the APA.

77. The Monitor notes that the following future items will need to be resolved between the stakeholders:

(a) Upcoming, and remaining, inventory payments of $75,000 each on July 9, 2024 and August 8, 2024;

(b) An update on the remaining Transitional Purchases To Be Received by 94747, totalling $216,206.04;

(c) Reporting from the Purchaser on, and determination made, on the 2 Transitional Purchases totalling $24,357.03 and the 40 Transitional Purchases totalling $188,265.99 recorded on closing and subsequently removed by the Purchaser;

(d) Determination made on the Expired Chemicals Claim, the Movement Claim and the Racking Claim advanced by the Purchaser; and

(e) Deposits within the Operating Line to be wired to the Monitor for May 29 to 31, 2024, totalling $40,036.60; support to be provided to the Monitor by 94747 for the deposits within the Operating Line from June 3 to 14, 2024, and then transactions until June 30, 2024 (current closure date of the Operating Line).

78. The Monitor notes that the issues raised by 94747 are largely a result of 94747's interpretation of the APA differing from BEI, the Monitor's and BMO's interpretation of the APA. The Monitor is therefore requesting the Court for a further date for a hearing to determine the interpretation of the following issues:

(a) Transitional Purchases owing by 94747, specifically whether Transitional Purchases dated April 7, 2024 or earlier, are owing by the Purchaser pursuant to the APA; and

(b) Inventory amounts owing by either 94747 or BEI, specifically whether the credits claims by the Purchaser are allowed pursuant to the APA.

79. The Monitor is of the view that the Court must determine the amounts owing by either 94747 or BEI for the disputed matters, following which there could be the orderly collection or remittance to either party. The Monitor would anticipate parties (being the Monitor, BEI, BMO and the Purchaser) would file additional materials ahead of this hearing in support of the respective positions on Transitional Purchases and Inventory. This is one of the Monitor's recommendations to the Court, as described herein.

80. Notwithstanding the outcome of the Court's determination of the various disputes, the Monitor is of the view that 94747 will still owe funds to BEI.

81. The Monitor requests that the Court order 94747 pay the $131,949.49, being the Purchaser Undisputed Amount, to the Monitor to be held in trust, pending the Court's determination of the Transitional Purchases and the inventory disputes.

BEI – ENHANCED POWERS

82. As noted within this Eighth Report, the Monitor is of the view that the process to move deposits made to the Operating Line was not efficient and is no longer possible. The Monitor is of the view that in order for the remaining deposits to be transferred from the Operating Line, and for the Operating Line to be closed, the Monitor requires an order ("**Enhanced Powers Order**") that provides the Monitor with limited enhanced powers over the BEI Operating Line.

83. The Enhanced Powers Order will allow the Monitor to act on behalf of BEI only with respect to the Operating Line for the purposes of transferring post-closing funds received on the Operating Line, to the Monitor, to be held in trust with the Monitor pending a future distribution ordered of the Court.

84. The Monitor's intention, should the Enhanced Powers Order be granted, would be to:

(a) Allow the Monitor continued access to the Operating Line for purposes of reviewing post closing transactions into the account;

(b) Transfer these funds from the Operating Line to the Monitor, to be held in trust pending the resolution of the various amounts owing by 94747 pursuant to the APA;

(c) Send details of the post closing transactions to the Purchaser where, upon receipt of the supporting documentation from 94747, either retain the funds if an Excluded Asset, hold the funds in trust pending the resolution of the disputes with the Purchaser on the various purchase price adjustments, send the funds to the Purchaser should the various disputes be settled between the parties, or distribute the funds pursuant to further order of the Court; and

(d) Terminate the Operating Line with BMO on behalf of BEI when appropriate.

CLAIMS IDENTIFICATION PROCESS

85. As noted in the Seventh Report, the Monitor does not anticipate making a distribution to BEI's unsecured creditors. However, the Monitor is of the view that it is appropriate to undertake a process ("**Claims Identification Process**") to allow parties who believe they may have a claim in priority to BMO ("**Priority Claim**") to assert such Priority Claim against BEI and TNOPFI. A Claims Identification Process will allow the Monitor to determine an appropriate and accurate distribution to BEI's and TNOPFI's creditors prior to applying to the Court for a distribution order.

86. Key aspects of the proposed Claims Identification Process would include:

(a) The establishment of a procedure for the submission of claims by the Companies' creditors against the Companies and its directors and officers by filing a proof of claim ("**Proof of Claim**") with the Monitor for priority claims. Below is a summary of the key dates proposed by the Monitor for the Claims Identification Process:

Claims Identification Process	
Milestone	**Date**
Issuance of Claims Identification Order	By July 15, 2024
Claims Package sent to BEI creditors	July 20, 2024
Claims Bar Date	August 30, 2024 by 5:00 p.m. NL Time
Issuance of Monitor's Determination of Claim	September 16, 2024
Appeal Date of Monitor's Determination	September 30, 2024 at 5:00 p.m. NL Time

(b) The Monitor will be seeking a process to identify and adjudicate the following possible Priority Claims over BEI an TNOPFI proceeds from sale:

i. Priority Claims – seek claims from creditors which may rank ahead of BMO's first secured position;

ii. Restructuring Claims – Claims as a result of restructuring activities within the CCAA Proceeding;

iii. Post Filing Obligations – Unpaid post filing obligations of BEI and TNOPFI; and

iv. Directors & Officers Claims – Any claims against the directors and officers that would be captured by the Directors and Officers Charge.

(c) The Monitor will provide a package ("**Claims Package**") to all known creditors of the Companies, inclusive of any creditors known by the Monitor that may have a Priority Claim, within five calendar days of the issuance of the Claims Identification Order, if granted. The Claims Package will include (i) notice to claimants regarding the Claims Identification Order, (ii) instruction letter to claimants, (iii) Proof of Claim form, and (iv) any other documents determined relevant by the Monitor.

(d) Proofs of Claim are to be received by the Monitor by no later than 5:00 p.m. NL time on August 30, 2024 ("**Claims Bar Date**"), approximately 40 days from the date of the Claims Identification Order, if granted. A creditor failing to file a Proof of Claim prior to the expiry of the Claims Bar Date would be forever barred from advancing a claim against the Companies and its directors and officers;

(e) Upon receipt of a Proof of Claim from a creditor, the Monitor will review the Proof of Claim and may accept, revise or disallow the claim as set out therein. The Monitor will issue its determinations of the Proof of Claims received by no later than September 16, 2024, being 17 calendar days following the Claims Bar Date.

(f) Should the claimant disagree with the Monitor's determination, and the Monitor and claimant are unable to resolve the dispute with respect to a claim, the creditor would be entitled to notify the Monitor of its intent to appeal the Monitor's determination with the Court by no later than September 30, 2024 at 5:00 p.m. NL time;

87. The intent of the Claims Identification Process is to identify any Priority Claims against the Companies. The Claims Identification Process will allow all creditors who anticipate having a Priority Claim, or are uncertain as to the priority of their claim, to submit a Proof of Claim with supporting documentation to the Monitor for review and consideration.

88. The Claims Package to be sent to the Companies creditors is attached hereto as **Appendix "J"**.

89. The Monitor is of the view that the proposed Claims Identification Process for the Companies is appropriate in order to ensure that the Monitor will be able to provide an accurate distribution to the Companies' creditors.

90. For the reasons set above, the Monitor respectfully recommends that this Court approve the proposed Claims Identification Process as outlined within the Claims Identification Order.

BEI – WAGE EARNER PROTECTION PROGRAM ACT

91. Within the Seventh Report, the Monitor provided to the Court its views on the applicability of the declaration from the Court that BEI is a former employer to which WEPP applies within these CCAA Proceedings. The Monitor continues to be of the view that this relief is appropriate in the circumstances and recommends that the Court grant this declaration should it be requested.

92. The Monitor hereby confirms that all employees of BEI were terminated ("**Terminated Employees**") on the Closing Date, as contemplated within the APA. The Monitor is of the view that the termination of the Terminated Employees is the direct result of the closing of the approved APA and the Monitor considers the terminations to be permanent. As such, the Monitor is requesting an order from the Court to declare that BEI is a former employer of the Terminated Employees for both the purposes of Section 5(5) of WEPP and Section 3.2 of the WEPP Regulations referencing the following language:

> ***THIS COURT ORDERS AND DECLARES*** *that pursuant to subsections 5(1)(b)(iv) and 5(5) of the Wage Earner Protection Program Act (Canada), SC 2005, c 47, s 1, Big Eric's Inc. meets the criteria prescribed by section 3.2 of the Wage Earner Protection Program Regulations, SOR/2008-222 and Big Eric's Inc. collective former employees are eligible to receive payments under and in accordance with the WEPPA following the termination of their employment.*

93. Should this Court grant this declaration, the Monitor will submit the required documents, proofs of claim and trustee information forms as required by Service Canada in order to complete the administration of WEPP.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

94. The Monitor has prepared a statement of receipts and disbursements for the accounting of the estate funds to June 4, 2024, a copy of which is attached hereto as **Appendix "K"**.

95. The Monitor included within its Third Report a Final Budget to Actual Report for TNOPFI, detailing total cash receipts of $1,397,574. A copy of this Final Budget to Actual Report is attached hereto as **Appendix "L"**. These funds were deposited into TNOPFI operating line with BMO and have remained with BMO throughout these CCAA Proceedings.

PROFESSIONAL FEES

96. Pursuant to paragraph 27 of the Initial Order, the Monitor and its legal counsel are to be paid their reasonable fees and disbursements at their standard rates and charge. Pursuant to paragraph 28 of the Initial Order, the Monitor and its counsel shall pass their accounts from time to time.

97. The Monitor requests to have its fees, and those of its counsel, Stewart McKelvey, approved for the period of July 18, 2023 through to May 24, 2024. The Monitor and its counsel have maintained detailed records of their professional time and costs. Additionally, the Court has approved the activities of the Monitor and its legal counsel to April 11, 2024, the date of the Seventh Report.

98. The total fees of the Monitor for the period of July 12, 2023 through to May 24, 2024 amount to professional fees of $322,919.75, disbursements of $8,310.51 and HST of $49,684.54, for a total of $380,914.80. Approximately 846.20 hours were incurred during this period, at an hourly rate of approximately $381.61 before disbursements and HST. The Monitor has prepared a summary of the significant issues addressed, the time and average hourly rate by staff rank, attached hereto as **Appendix "M"**. Copies of the Monitor's invoices as detailed in the summary will be made available to the Court, upon request.

99. The total fees of Stewart McKelvey for the period of July 5, 2023 through to May 31, 2024 amount to professional fees of $119,048.50, disbursements of $646.82 and HST of $17,918.32, for a total of $137,613.64. Approximately 279.90 hours were incurred during this period, at an hourly rate of approximately $299.50 before disbursements and HST. The Monitor has prepared a summary of the significant issues addressed, the time and average hourly rate by staff rank, attached hereto as **Appendix "N"**. Copies of Stewart McKelvey's invoices as detailed in the summary will be made available to the Court, upon request.

100. The Monitor notes that the average hourly rate for the professionals is comparable to the rates charged by other professional firms in Atlantic Canada for the provision of similar services regarding significant complex commercial restructuring matters.

101. The Monitor is of the view that there was an extraordinary amount of work undertaken by the Monitor and its legal counsel during these CCAA Proceedings, including, but not limited to:

(a) Several court applications and hearings regarding extensions to the Stay of Proceedings, multiple Court Appointed Receivership applications by BMO, BEI SISP procedures approval and eventual approval of the APA;

(b) Monitoring the Companies operations throughout the CCAA Proceedings;

(c) Advising and assisting TNOPFI with its wind down of operations;

(d) Administering the WEPP process for TNOPFI former employees;

(e) Advising and assisting BEI throughout the SISP, including both closing and post-closing issues;

(f) Maintaining regular communication with the Companies' secured creditors, often facilitating the communication between the Companies, 94747 and the Companies' secured creditors on requests for information and regular financial and operational reporting; and

(g) Advising and assisting on various post closing matters, as described within this Eighth Report.

102. Details of these activities have been noted by the Monitor in its previous reports to the Court. The Monitor respectfully requests that the Court approve the above noted fees of the Monitor and its counsel, inclusive of the disbursements and HST.

OPTIONS AVAILABLE TO STAKEHOLDERS AND THE COURT

103. The current situation faced by the Companies and its stakeholders is untenable. BEI remains as a legal entity with a functioning board of directors but has no employees or funds. The Monitor's role is intended as one of oversight, and the Monitor does not have the power to transact, litigate, or take steps to implement the terms of the APA on behalf of any party.

104. The Monitor and its legal counsel have expended substantial time and incurred substantial expenses related to the disputes.

105. The Monitor is of the view that there are several options available to the creditors and stakeholders of these CCAA Proceedings to address the path forward:

(a) Appoint a Court Appointed Receiver – The objectives of the CCAA Proceeding have been met, except collecting the balance of the balance of the Purchase Price owing pursuant to the APA, collection on the Excluded Assets, administering a claims process and distributing funds to creditors. All the remaining activities could be completed by a Court Appointed Receiver. The Purchaser is in default of the payment of the $75,000 for Inventory to be made 30 days after the Closing Date pursuant to paragraph 32 (c), which payment was secured by a general security agreement provided by 94747 to BMO. The Monitor would be supportive of a Court Appointed Receiver application as it is of the view that this method would be the most cost-efficient method of collecting these funds simply due to limiting the amount of professional and legal counsel involved;

(b) BEI to be funded to resolve the various disputes – While BEI has no employees or funds, BEI could be funded by using the sales proceeds to negotiate a resolution or litigate the various disputes originating from the closing or calculating the purchase price adjustments. The Monitor will NOT be responding to or defending any claims made by the Purchaser against BEI;

(c) Enhanced Powers – The Monitor could be given enhanced powers to implement the APA on behalf of BEI, for the benefit of the Companies' creditors. However, the Monitor considers this approach to be problematic in that the Monitor did not run the SISP or participate in the negotiation of the APA, so has no firsthand knowledge of the issues; and

(d) Judicial determination – The Court could establish a process to decide on the key issues outlined by the Monitor which are preventing the final calculation of the amount owing by 94747 to BEI pursuant to the APA as summarized in paragraph 30.

106. A Court determination on the issues summarized in paragraph 30 may clear the path for the stakeholders to resolve the remaining post closing disputes.

107. Fundamentally, this is a dispute resolution and collection issue, best suited for a Court Appointed Receiver. Any future funds collected will likely be for the benefit of BMO as the

funds currently in trust with the Monitor are expected to be sufficient to pay out the priority claims, with any residual to BMO.

POSSIBLE MATERIAL ADVERSE CHANGE

108. As of the date of this Eighth Report, the only issue or condition that could be considered a Material Adverse Change pursuant to s.23(1)(d) of the CCAA is the failure of the Purchaser to make payments on the Purchase Price Adjustments pursuant to the APA, and the various post closing disputes.

MORE BENEFICIAL FOR PROCEEDINGS UNDER THE BIA

109. The Monitor is of the opinion that s.23(1)(h) of the CCAA DOES apply and that these CCAA proceedings may NOT be more beneficial to the Companies' creditors as opposed to proceedings under the *Bankruptcy and Insolvency Act*.

GOOD FAITH AND DUE DILIGENCE

110. The Monitor continues to believe the Companies and stakeholders are acting in good faith and with due diligence.

STAY OF PROCEEDINGS

111. The stay of proceedings currently expires on June 30, 2024. The statement of receipts and disbursements demonstrates sufficient liquidity on hand to complete the matters outlined in this Eighth Report through the requested extension of the Stay Period and wind up these CCAA Proceedings.

112. The Monitor is requesting the Court grant an extension of the Stay of Proceedings to the earlier of either:

(a) A date subject to the Court availability to determine the best path forward, either continuing or terminating these CCAA Proceedings for other proceedings under the *Bankruptcy and Insolvency Act* ("**BIA**"); or

(b) October 15, 2024, should the parties come to an agreement or settlement on these issues prior to the date to be set above, and that these CCAA Proceedings continue to an orderly wind up.

113. The Monitor is of the view that it is in all stakeholders best interest for the status quo of these CCAA Proceedings to continue, until such time as the Court is available to determine the best path forward to resolving the several issues amongst BEI, 94747 and BMO.

RECOMMENDATION

114. For the reasons set out in this Eighth Report, the Monitor respectfully recommends that this Honorable Court:

(a) Approve the activities of the Monitor and its legal counsel to the date of this Eighth Report;

(b) Grant limited enhanced powers to the Monitor over BEI's Operating Line, as described within this Eighth Report and the Enhanced Powers Order;

(c) Approve the Claims Identification Order and for the Monitor to facilitate a Claims Identification Process;

(d) Grant a declaration that BEI is a former employer for the purposes of WEPP, and for the Monitor to administer the WEPP process for BEI;

(e) Approve an extension of the Stay of Proceedings to October 15, 2024;

(f) Approve of the Monitors fees and disbursements, and that of its legal counsel, to May 24, 2024 and May 31, 2024, respectively;

(g) Set a hearing date for the resolution of the Purchase Price Adjustment disputes;

(h) Direct 94747 to make a payment of $131,949.49 to the Monitor to be held in trust, pending the Court's determination of Transitional Purchases and the Inventory disputes;

(i) Direct 94747 to report to the Monitor on:

a. Whether the remaining 40 Transitional Purchases (valued at $188,265.99) recorded on closing and subsequently removed by the Purchaser have been received by the Purchaser and the date of receipt for each transaction;

b. Support for the claim of 94747 for the Transitional Purchase Credits totaling $13,787.08;

c. Support for the claim of 94747 for the Pre-Closing Credit Card Amounts transferred to the Monitor on May 27, 2024 totaling $24,254.71; and

d. Update on the Transitional Purchases To Be Received in the amount of $216,206.04, specifically whether these transactions have been received by the Purchaser and the date of receipt for each transaction.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 25th day of June 2024.

GRANT THORNTON LIMITED, SOLELY IN ITS CAPACITY AS MONITOR OF BIG ERICS INC. AND TERRA NOVA OLD PORT FOODS INC. AND NOT IN ITS CORPORATE OR PERSONAL CAPACITY

Phil Clarke, CPA, CA, CIRP, LIT
Senior Vice President

Appendix A

April 2024 Order

2023 01G 3233
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c. B-3 as Amended (the "**BIA**")

IN THE MATTER OF the *Companies Creditors Arrangement Act* R.S.C., 1985 c. C-36 as Amended (the "**CCAA**"); and

AND IN THE MATTER OF an application of Big Erics Inc. ("**BEI**") and Terra Nova Old Port Foods Inc. ("**TNOPFI**") (collectively, the "**Companies**")

ORDER

Before the Honourable Justice Alexander MacDonald:

UPON HEARING counsel for the Company, and other counsel appearing for the other parties, each party as set out in the attached **Schedule A** having been duly and properly served with notice of the within application as set out in the affidavit of Melissa De Caria dated 18 March 2024.

AND UPON HEARING the Applicant's motion for the following relief, the Applicant seeks:

(a) an order abridging the notice periods pursuant to Section 11 of the CCAA and the *Rules of the Supreme Court, 1986,* Rule 3.03(1), Rule 6.04(2) and Rule 6.06;

(b) an order pursuant to Section 11 of the CCAA, directing that the service on the service list set out in **Schedule A** hereto is sufficient for the purposes of this application;

(c) An order providing for, among other things:

(i) approval of the sale of the assets of BEI (the "**Vendor**") to [redacted] (the "**Purchaser**") pursuant to an asset purchase agreement dated 12 April 2024 (the "**Asset Purchase**

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Agreement"), and authorizing and directing the Vendor to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the sale contemplated in the Asset Purchase Agreement;

(ii) granting a release in favour of the Vendor as well as each of their directors, officers, employees and advisors, the Monitor and its advisors, and the Purchaser and its directors, officers, and advisors, all as described in detail below and set out in the draft Order;

(iii) amending the Amended and Restated Initial Order dated 28 July 2023 (the "**ARIO**"), to extend the stay of proceedings until 30 June 2024, subject to the transaction as contemplated in the Asset Purchase Agreement closing on or before 15 May 2024;

(iv) accepting and approving the Monitor's Sixth and Seventh Reports and the activities of the Monitor as described therein; and

(v) such further and other relief as counsel may advise and this Court deems just.

AND UPON READING the materials filed by the Applicant, including the affidavits of Nicole Myles Brook and David Howe each dated 15 March 2024 (the **"BEI Affidavits"**), and materials filed by the Monitor, including the Monitor's Sixth and Seventh Reports, dated 18 March 2024 and 11 April 2024 respectively, and on being advised that the senior secured creditors who are likely to be affected by this Order were given notice as evidenced by the affidavit of service of Melissa De Caria referred to in the preamble above;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Applicant's motion is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that, unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meanings given to them in the Asset Purchase Agreement, the Initial Order, the ARIO, or the BEI Affidavits filed 15 March 2024.

STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period, as defined in the ARIO dated 28 July 2023 is hereby extended until 30 June 2024, subject to the transaction as contemplated in the Asset Purchase Agreement closing on or before 15 May 2024.

APPROVAL AND VESTING

4. **THIS COURT ORDERS** that the Asset Purchase Agreement and the transactions contemplated thereunder are hereby approved and the execution of the Asset Purchase Agreement is hereby authorized and approved, with such amendments as the Vendor and/or Purchaser may deem necessary or otherwise agree to, with the approval of the Monitor. The Vendor is hereby authorized and directed to perform its respective obligations under the Asset Purchase Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the transactions contemplated thereunder, and any such additional documents contemplated in the Asset Purchase Agreement.

5. **THIS COURT ORDERS** that notwithstanding any provision hereof, the closing of the Asset Purchase Agreement, with such alterations, changes or amendments as may be agreed to by the Vendor and the Purchaser, with the consent of the Monitor, provided that such alterations, changes or amendments do not materially alter or impact the transaction contemplated in the Asset Purchase Agreement and/or its applicable stakeholders will benefit from as part of the transaction contemplated thereunder.

6. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by the Monitor and the Vendor to proceed with the transactions and the Asset Purchase Agreement and that no shareholder or other approval shall be required by

the Vendor in connection therewith.

7. **THIS COURT ORDERS** that, at the time of the delivery of the Monitor's certificate (the "**Monitor's Certificate**") to the Vendor and the Purchaser (the "**Effective Time**"), substantially in the form attached as **Schedule B** hereto, the following shall occur:

(a) all of the right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, in each case free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens (maritime or otherwise), executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or all Charges (as defined in the Initial Order and ARIO) charges created by the Initial Order, the ARIO, or any other Order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Newfoundland and Labrador), or any other personal property registry system or pursuant to the *Registration of Deeds Act, 2009* (Newfoundland and Labrador), the *Mechanics' Lien Act* (Newfoundland and Labrador) or the *Mineral Act* (Newfoundland and Labrador) the *Personal Property Security Act*, (Nova Scotia), *Land Registration Act* (Nova Scotia), and *Builder's Lien Act* (Nova Scotia) or any other real property or real property related registry or recording system (all of which are collectively referred to as the "**Encumbrances**"), and, for greater certainty, this Court orders that all Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets, as applicable, and shall be of no further force and effect.

(b) For greater certainty, with respect to confirming, amending or discharging registrations at the Registry of Deeds for Newfoundland and Labrador pursuant to the *Registration of Deeds Act, 2009* including those registrations identified in **Schedule C** shall be transferred to and become registrations of the

Purchaser and extinguished as against the Vendor.

8. **THIS COURT ORDERS** for greater certainty, and without limiting the generality of the foregoing that nothing contained herein shall be deemed to be a release of any obligation of the Vendor in relation to any environmental liabilities arising either before or after the Closing Date.

9. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Vendor and the Purchaser regarding the satisfaction of the Purchase Price and satisfaction or waiver of conditions to closing under the Asset Purchase Agreement (the "**Closing Certificates**") and shall have no liability with respect to delivery of the Monitor's Certificate.

10. **THIS COURT ORDERS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after receipt of the Closing Certificates.

11. **THIS COURT ORDERS** that upon the delivery of the Monitor's Certificate, and upon filing of a copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to the Vendor and the Purchased Assets (collectively, the "**Governmental Authorities**") are hereby authorized and directed to accept delivery of such Monitor's Certificate and a copy of this Order as though they were originals and to register, as applicable, such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to give effect to the terms of this Order and the Asset Purchase Agreement. Presentment of this Order and the Monitor's Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register, as applicable, transfer of title or interest and cancel and discharge registrations against the Vendor or the Purchased Assets of any Claims or Encumbrances, and the Monitor and the Purchaser are hereby specifically authorized to discharge the registrations against the Vendor or the Purchased Assets, as applicable.

12. **THIS COURT ORDERS** that no authorization, approval or other action by and no notice to or filing with any Governmental Authority or regulatory body exercising

jurisdiction over the Vendor or the Purchased Assets is required for the due execution, delivery and performance by the Vendor of the Asset Purchase Agreement.

13. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the Purchase Price, with the same priority as they had with respect to the Purchased Assets immediately prior to the sale.

14. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Vendor or the Monitor, as the case may be, is authorized, permitted, and directed to, at the Effective Time, disclose to the Purchaser all human resources and payroll information in the Vendor records pertaining to past and current employees of the Vendor. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner which is in all materials respects identical to the prior use of such information by the Vendor prior to Closing.

15. **THIS COURT ORDERS** that, at the Effective Time, the Vendor, the Monitor and the Purchaser shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) that relate to the Vendor, including without limiting the generality of the foregoing, all taxes, penalties and interest that could be assessed against the Vendor or the Purchaser (including its affiliates and any predecessor corporations) pursuant to section 160 of the *Income Tax Act* (Canada), or any provincial equivalent, in connection with the Vendor, provided, as it relates to the Vendor, such release shall not apply to (i) transaction taxes, or (ii) Taxes in respect of the business and operations conducted by the Vendor after the Effective Time. Nothing in this paragraph shall release or discharge any Claims against Purchaser with respect to Taxes that are transferred to Purchaser.

16. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Asset Purchase Agreement the Contracts that are oral and/or in writing to which the Vendor is a party upon delivery of the Monitor's Certificate will be and remain in full

force and effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

(a) any event that occurred on or prior to the delivery of the Monitor's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Vendor);

(b) any monetary defaults in relation to the contracts incurred on or prior to the delivery of the Monitor's Certificate;

(c) the insolvency of the Vendor or the fact that the Vendor sought or obtained relief under the **CCAA;**

(d) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations, or other steps taken or effected pursuant to the Asset Purchase Agreement, the transactions contemplated thereunder, or the provisions of this Order, or any other Order of the Court in these proceedings; or

(e) any change of control of the Vendor arising from the implementation of the Asset Purchase Agreement, the transactions contemplated thereunder, or the provisions of this Order.

17. **THIS COURT ORDERS** that from and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of the Vendor then existing or previously committed by the Vendor, or caused by the Vendor, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any contract existing between such Person and the Vendor arising directly or indirectly

from the filing by the Vendor under the CCAA and the implementation of the transactions contemplated under the Asset Purchase Agreement, including without limitation any of the matters or events listed in paragraph 15 hereof, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Vendor from performing its obligations under the Asset Purchase Agreement or be a waiver of defaults by the Vendor under the Asset Purchase Agreement and the related documents.

18. **THIS COURT ORDERS** that from and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessment, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Vendor, the Purchaser, or the Purchased Assets relating in any way to or in respect of any and any other claims, obligations, and other matters which are waived, released, expunged, or discharged pursuant to this Order.

19. **THIS COURT ORDERS** that, from and after the Effective Time any Person that prior to the Effective Time had a valid right or claim against the Vendor, or the Purchased Assets shall no longer have such right or claim against the Vendor or the Purchaser.

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

(a) the pendency of these CCAA Proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of the Vendor and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Vendor;

(d) the provisions of any federal or provincial statutes pertaining to fraudulent preferences, assignments, fraudulent conveyances, transfers at undervalue, other reviewable transactions, or oppressive or unfairly prejudicial conduct;

the Asset Purchase Agreement, the implementation of the transactions contemplated thereunder (including without limitation the transfer and vesting of the Purchased Assets to the Purchaser) and any payments by the Purchaser authorized herein or pursuant to the Asset Purchase Agreement shall be binding on any trustee in bankruptcy that may be appointed in respect of the Vendor and shall not be void or voidable by creditors of the Vendor, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

RELEASES

21. **THIS COURT ORDERS** that effective upon the delivery of the Monitor's Certificate to the (i) the Vendor and its current and former directors, officers, employees, legal counsel, and advisors; (ii) the Monitor and its legal counsel, and their respective present and former directors, officers, partners, employees, and advisors, and (iii) the Purchaser, its current and former directors, officers, employees, legal counsel, and advisors (the Persons listed in (i), (ii) and (iii) being collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future claims whatsoever (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, offer, investment proposal, dealing, or other fact, matter, occurrence or thing existing or taking place prior to the delivery of the Monitor's Certificate or completed pursuant to the terms of this Order and/or in connection with the Transactions solely in respect of the Vendor and their indebtedness, including their

assets, business or affairs, or prior dealings with the Vendor (wherever or however conducted or governed), or the administration and/or management of the Vendor or these proceedings or arising in connection with the Asset Purchase Agreement, the completion of the Transactions, the closing documents, any agreement, document, instrument, matter or transaction in each case solely involving the Vendor or arising in connection with or pursuant to any of the foregoing (collectively, the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled, and barred as against the Released Parties, and are not vested nor transferred to the Purchaser or to any other entity and are extinguished, provided that nothing in this paragraph shall waive, discharge, release, cancel or bar any claim for fraud or wilful misconduct or any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

22. **THIS COURT ORDERS** that nothing in this Order waives, discharges or in any way releases any person, including the Released Parties, from any responsibility or obligation, including any Encumbrance, that was, is or may be owed to or enforceable by the Province of Newfoundland and Labrador or any Ministry or agency thereof (collectively, "**Newfoundland and Labrador Governmental Authorities**"), that is not a "claim" as defined in section 2(1) of the CCAA, including from any environmental Liability that was, is or may be owed to or enforceable by any Newfoundland and Labrador Governmental Authority that is not a "claim" as defined in section 2(1) of the CCAA, and nothing in this order in any way bars, estops, stays or enjoins any and all steps or proceedings by any Newfoundland and Labrador Governmental Authorities or any servant, agent or employee thereof in respect thereof; it being understood that nothing in this paragraph shall impact the protections in favour of the Monitor otherwise provided for herein.

THE MONITOR

23. **THIS COURT ORDERS** that the Sixth and Seventh Report, and the activities of the Monitor set out therein are hereby approved, provided, however, that only the Monitor, in its personal capacity and only with respect to its own liability, shall be entitled to rely upon or utilize in any way such approval.

24. **THIS COURT ORDERS** that the Monitor, its employees and representatives shall not be deemed directors of the Purchaser de facto or otherwise and shall incur no liability as a result of acting in accordance with this Order, other than any liability arising out of or in connection with the gross negligence or wilful misconduct of the Monitor.

25. **THIS COURT ORDERS** that no action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court following a motion brought on not less than fifteen (15) days' notice to the Monitor and its legal counsel. The entities related or affiliated with the Monitor or belonging to the same group as the Monitor (including, without limitation, any agents, employees, legal counsel or other advisors retained or employed by the Monitor) shall benefit from the protection granted to the Monitor in this paragraph.

26. **THIS COURT ORDERS** that the Monitor shall not, as a result of this Order or any matter contemplated hereby:

(a) be deemed to have taken part in the management or supervision of the management of the Vendor or the Purchaser, or to have taken or maintained possession or control of the business or property of any of the Vendor or the Purchaser, or any part thereof; or

be deemed to be in Possession (as defined in the Initial Order and ARIO) of any property of the Vendor or the Purchaser within the meaning of any applicable Environmental Legislation (as defined in the Initial Order and ARIO) or otherwise.

27. **THIS COURT ORDERS** that five (5) days prior to the Closing Date, the Vendor shall provide to the Bank of Montreal ("**BMO**") a reconciliation statement showing all of the Vendor's outstanding cheques/EFT payments (the "**Reconciliation Statement**"). The Vendor shall provide updated Reconciliation Statements each day thereafter up to the Closing Date. On the Closing Date, the Vendor's operating line with BMO shall be reduced to the amount of the outstanding cheques / EFT payments that are reflected on the Reconciliation Statement, plus a buffer of ten percent (10%).

28. **THIS COURT ORDERS** that the Vendor's operating line with BMO, together with TNOPFI's operating line with BMO, shall be terminated two (2) weeks following the

Closing Date.

29. **THIS COURT ORDERS** that the Vendor's Mastercard shall be terminated on the Closing Date.

SEALING ORDER

30. **THIS COURT ORDERS** that the Confidential Exhibits "A" to Affidavit of Nicole Myles Brook, Confidential Exhibits "A" and "B" to the Affidavit of David Howe, and Confidential Affidavit of the Purchaser, all dated 15 March 2024, and Exhibit "G" to the Monitor's Seventh Report shall be sealed with the Court until such further Order of this Court upon application by any interested party with notice to the Vendor, the Monitor, and the Purchaser.

GENERAL

31. **THIS COURT ORDERS** that, following the Effective Time, the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances against the Vendor and the Purchased Assets.

32. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

33. **THIS COURT ORDERS** that each of the Monitor, the Vendor, and the Purchaser shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States or elsewhere, for orders which aid and complement this Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Vendor, the Monitor, the Purchaser as may be deemed necessary or appropriate for that purpose.

34. **THIS COURT 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 Vendor, the Monitor, and/or the Purchaser and their

respective 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 Vendor, the Purchaser, and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Vendor, the Purchaser, and the Monitor and their respective agents in carrying out the terms of this Order.

35. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Newfoundland and Labrador Time on the date hereof.

Dated at St. John's in the Province of Newfoundland and Labrador, this 16th day of April, 2024.

Court Officer/Officer de Cour

Schedule A – Service List

2023 01G 3233
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the *Bankruptcy and Insolvency Act* R.S.C., 1985 c. B-3 as Amended (the "**BIA**");

AND IN THE MATTER OF the *Companies Creditors Arrangement Act* R.S.C., 1985 c. C-36 as Amended (the "**CCAA**");

AND IN THE MATTER OF an application of Big Erics Inc. ("**BEI**") and Terra Nova Old Port Foods Inc. ("**TNOPFI**")

Estate Nos. 51-2962147 (Terra Nova Old Port Foods Inc.)
51-2962148 (Big Erics Inc.)

Court Nos. 24543 (Terra Nova Old Port Foods Inc.)
24544 (Big Erics Inc.)

SERVICE LIST

O'KEEFE & SULLIVAN 80 Elizabeth Ave., 2nd Floor, St. John's, NL A1A 1W7 **Darren O'Keefe** dokeefe@okeefesullivan.com Tel: 709 700 0911 **RECONSTRUCT LLP** 200 Bay Street – South Tower Suit 2305 P.O. Box 120 Toronto, ON M5J 2J3 **Sharon Kour** skour@reconllp.com Tel: 416.613.8283 **Counsel for the Applicants**	**GRANT THORNTON LTD** Nova Centre, North Tower Suite 1000 - 1675 Grafton Street, Halifax, NS B3J 0E9 **Phil Clarke** Phil.Clarke@ca.gt.com Tel: 1 902 420 7191 **The Monitor**
STEWART McKELVEY Suite 1100, Cabot Place 100 New Gower St, St. John's, N.L. A1C 6K3 **Joe Thorne**	**MCINNES COOPER** 1969 Upper Water St., Suite 1300 McInnes Cooper Tower - Purdy's Wharf Halifax, NS B3J 3R7

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joethorne@stewartmckelvey.com Tel: 1.709.570.8850 **Sara Scott** sscott@stewartmckelvey.com Tel: 1.902.420.3363 **Counsel to the Monitor**	**Tony Tam** tony.tam@mcinnescooper.com Tel: 902.444.8439 **Geoffrey Spencer** geoffrey.spencer@mcinnescooper.com Tel : 709.724.5675 **Lawyers for Bank of Montreal**
DEPARTMENT OF JUSTICE CANADA National Litigation Sector Atlantic Regional Office Suite 1400, Duke Tower 5251 Duke Street Halifax, NS B3J 1P3 **Maeve Baird** maeve.baird@justice.gc.ca Tel: (709) 772-7609 **Sophie Dupre** Sophie.Dupre@justice.gc.ca Tel: (902) 407-7674 **Deanna Frappier** Deanna.Frappier@justice.gc.ca Tel: 1.902.426.7570 **Lawyers for the CRA**	**Lawson Creamer Lawyers** 133 Prince William St Suite 801, Saint John, NB E2L 2B5 **Chris Isnor** cisnor@lawsoncreamer.com Tel: (506)633-3539 **Mezzanine Debt Collateral Agents**
Bank of Montreal Montreal, Quebec, Canada **Martine Langlois** Martine.Langlois@bmo.com Tel:	**Ernst & Young Inc.** Halifax, Nova Scotia, Canada **George Kinsman** George.C.Kinsman@parthenon.ey.com Tel: 902 421 6282
Nicole Myles Brook 171 John Savage Avenue Dartmouth, NS B3B 0A8 nbrook@bigerics.com Tel: (902) 292-1732	**MCINNES COOPER** 10 Fort William Pl 5th Floor, St. John's, NL A1C 1K4 **Meghan King** meghan.king@mcinnescooper.com Tel: 709 724 8228

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Schedule B – Form of Monitor's Certificate

2023 01G 3233
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c. B-3 as Amended (the "**BIA**")

IN THE MATTER OF the *Companies Creditors Arrangement Act* R.S.C., 1985 c. C-36 as Amended (the "**CCAA**"); and

AND IN THE MATTER OF an application of Big Erics Inc. ("**BEI**") and Terra Nova Old Port Foods Inc. ("**TNOPFI**") (collectively, the "**Companies**")

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of Justice MacDonald of the Supreme Court of Newfoundland and Labrador in Bankruptcy and Insolvency (the "**Court**") dated July 18, 2023, Grant Thornton Limited was appointed as the monitor (the "**Monitor**") of Big Erics Inc. ("**BEI**") and Terra Nova Old port Foods Inc. ("**TNOPFI**", together with BEI, the "**Applicants**").

B. Pursuant to an Order of the Court dated •, the Court approved the agreement of purchase and sale made as of • (the "**Asset Purchase Agreement**") between BEI and • (the "**Purchaser**") and provided for the vesting in the Purchaser of the BEI's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section • of the Asset Purchase Agreement have been satisfied or waived by the BEI and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

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

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Monitor has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Asset Purchase Agreement;

2. The conditions to Closing as set out in section • of the Asset Purchase Agreement have been satisfied or waived by BEI and the Purchaser; and

3. The Transaction has been completed to the satisfaction of the Monitor.

4. This Certificate was delivered by the Monitor at ________ [TIME] on ________ [DATE].

GRANT THORNTON LIMITED, in its capacity as Monitor of Big Erics Inc., and not in its personal capacity

Per: ______________________________

Name:

Title:

Schedule C – Registrations to be Expunged

Nil, per Schedule 2.1 of the Asset Purchase Agreement

Appendix B

April 2024 Sealing Order

2023 01G 3233
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c. B-3 as Amended (the "**BIA**")

IN THE MATTER OF the *Companies Creditors Arrangement Act* R.S.C., 1985 c. C-36 as Amended (the "**CCAA**"); and

AND IN THE MATTER OF an application of Big Erics Inc. ("**BEI**") and Terra Nova Old Port Foods Inc. ("**TNOPFI**") (collectively, the "**Companies**")

ORDER

Before the Honourable Justice Alexander MacDonald:

UPON READING the materials filed by the Applicant, including the asset purchase agreement between the Applicant and a purchaser dated April 12, 2024 (the "**APA**") and the draft approval and vesting order filed by the Applicant (the "**Draft AVO**"):

1. **THIS COURT ORDERS** that the Draft AVO, the APA, and all appendices thereto shall be sealed with the court until the earlier of the filing of a certificate of Grant Thornton Limited in its capacity as monitor of the Applicant (the "**Monitor**") certifying that the transaction contemplated in the APA has closed, or further order of this Court.

Dated ~~ISSUED AT~~ St John's in the Province of Newfoundland and Labrador. this 16th day of April, A.D., 2024

court officer

Court Officer/Officer de Cour

Filed Apr. 16'24

Appendix C

Monitor's Certificate No. 1 on Closing of the Transaction

2023 01G 3233
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c. B-3 as Amended (the **"BIA")**

IN THE MATTER OF the *Companies Creditors Arrangement Act* R.S.C., 1985 c. C-36 as Amended (the **"CCAA");** and

AND IN THE MATTER OF an application of Big Erics Inc. **("BEI")** and Terra Nova Old Port Foods Inc. **("TNOPFI")** (collectively, the **"Companies")**

MONITOR'S CERTIFICATE NO. 1

RECITALS

A. Pursuant to an Order of Justice MacDonald of the Supreme Court of Newfoundland and Labrador in Bankruptcy and Insolvency (the **"Court")** dated July 18, 2023, Grant Thornton Limited was appointed as the monitor (the **"Monitor")** of Big Erics Inc. **("BEI")** and Terra Nova Old port Foods Inc. **("TNOPFI",** together with BEI, the **"Applicants").**

B. Pursuant to an Order of the Court dated April 16, 2024 (the “**Approval Order**”), the Court approved the agreement of purchase and sale made as of April 12, 2024 (the **"Asset Purchase Agreement")** between BEI and 94747 Newfoundland & Labrador Inc. (the **"Purchaser")** that provided for the purchase price to be paid on closing with adjustments on that purchase price post-closing as defined in the Asset Purchase Agreement.

C. The Approval Order further orders that the vesting in the Purchaser of the BEI's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of Monitor’s Certificate No. 1 confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets payable on Closing pursuant to the Asset Purchase Agreement; and (ii) that the conditions to Closing as set out in section • of the Asset Purchase Agreement have been satisfied or waived by the BEI and the Purchaser, and that the transaction is completed upon the delivery by the Monitor to the Purchaser of Monitor’s Certificate No. 2 confirming the payment of all Purchase Price Adjustments pursuant to the Asset Purchase Agreement.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Asset Purchase Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Monitor has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Asset Purchase Agreement;

2. The conditions to Closing as set out in section Seven (7) of the Asset Purchase Agreement have been satisfied or waived by BEI and the Purchaser; and

3. This Certificate was delivered by the Monitor at 12:13 AST [TIME] on May 10, 2024 [DATE], which date shall be considered the Closing Date pursuant to the Asset Purchase Agreement.

GRANT THORNTON LIMITED, in its capacity as Monitor of Big Erics Inc., and not in its personal capacity

Per: ______________________

Name: Phil Clarke, CPA, CA, CIRP, LI

Title: Grant Thornton Limited
in its capacity as Monitor of Big Erics Inc.

Appendix D

Fully Executed APA

94747 NEWFOUNDLAND & LABRADOR INC.
(the "**Purchaser**")

- and -

BIG ERICS INC.
(the "**Vendor**")

ASSET PURCHASE AGREEMENT

April 12, 2024

TABLE OF CONTENTS

ASSET PURCHASE AGREEMENT

Asset purchase agreement dated April 12, 2024 between Big Erics Inc. (the "**Vendor**"), and 94747 Newfoundland & Labrador Inc. (the "**Purchaser**"),

RECITALS

1. The Vendor is in the business of selling end-to-end products and related services across various domains, including food preparation, food service, food safety, facilities maintenance, cleaning, and sanitization, under the name "Big Erics" and "Big Erics Inc." (the "**Business**" or "BEI").

2. On 18 July 2023, the Vendor commenced proceedings under the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36 (the "**CCAA Proceedings**" and the "**CCAA**", respectively) pursuant to an order dated 18 July 2023 made by the Supreme Court of Newfoundland and Labrador sitting as the Court supervising the CCAA Proceedings (the "**Court**"), as amended and restated on 28 July 2023 (as amended and restated, the "**Initial Order**").

3. Pursuant to the Initial Order, Grant Thornton Ltd. was appointed as monitor of the Vendor under the CCAA (in such capacity, the "**Monitor**").

4. By Order dated 22 September 2023 (the "**Sale and Investment Solicitation Process Order**" or the "**SISP Order**"), the Court approved a sale and investment solicitation process (the "**SISP**") in order to enable the Vendor to solicit interest in a restructuring, recapitalization, reorganization and/or sale opportunities for all or part of the Business and/or the Vendor's assets and undertakings.

5. Among other things, the SISP Order authorizes and directs BEI to conduct the SlSP with the assistance and support of David Howe, Noseworthy Chapman, Chartered Professional Accountants (the "**SISP Advisor**").

6. Pursuant to the SISP, the Vendor and the Monitor have reviewed and evaluated all qualified bids received and have identified the Purchaser's bid for the Purchased Assets (as defined herein) on the terms set out in this Agreement as a Successful Bid (as defined in the Bidding Procedures Order).

7. The Purchaser wishes to purchase, and the Vendor has agreed to sell, the Purchased Assets pursuant to, and subject to and in accordance with the terms and conditions of this Agreement.

8. The transactions contemplated by this Agreement are subject to, *inter alia*, the approval of the Court and will be consummated pursuant to an Approval and Vesting Order (as that term is defined herein) being issued by the Court in the CCAA Proceedings.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged), the Parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Defined Terms.

As used in this Agreement, the capitalized terms listed below shall have the corresponding meanings.

(a) "**Accounts Receivable**" means all trade accounts receivable, net of accounts receivable credits but not net of Customer Deposits or deposits or upfront payments received by the Vendor from customers for Transitional Purchases, and related bills receivable, trade accounts, book debts, rebates relating to Transitional Purchases, and other amounts due, owing or accruing to the Vendor in connection with the Business, including for greater certainty, the benefit of all security (including cash deposits), guarantees and other collateral provided by or for any customer and held by the Vendor in respect of any accounts receivable, and any security, claim, remedy or other right related to any of the foregoing; provided that Excluded Receivables (as defined herein) do not and will not form part of and are excluded from the definition of Accounts Receivable.

(b) "**Action**" means any actual or threatened claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of assessment, notice of reassessment, proceeding, litigation, summons, subpoena or investigation of any nature, civil, criminal, administrative, investigative, regulatory or otherwise, whether at law or in equity, or any other claim or demand of whatever nature or kind.

(c) "**Affiliate**" of a Person means any other Person that directly or indirectly controls, is controlled by or is under common control with such Person, where "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by Contract or otherwise.

(d) "**Agreement**" means this Asset Purchase Agreement and all attached Schedules, in each case as the same may be supplemented, amended, restated or replaced from time to time in accordance with the terms hereof, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and all attached Schedules and unless otherwise indicated, references to Articles, Sections and Schedules are to Articles, Sections and Schedules in this Agreement.

(e) "**Ancillary Agreements**" means all agreements, certificates and other instruments delivered or given pursuant to this Agreement.

(f) "**Approval and Vesting Order**" means an approval and vesting order of the Court in the form attached as **Schedule "1.1(f)"** to this Agreement – or otherwise in form and in substance satisfactory to the Vendor and the Purchaser, each acting reasonably, as confirmed in writing – among other things approving this Agreement and vesting in and to the Purchaser, all right, title and interest of the Vendor in the Purchased Assets, free and clear of and from any and all Encumbrances to the extent and as provided for in such approval and vesting order.

(g) "**Assignment Order**" means an order of the Court, in form and substance satisfactory to the Purchaser, acting reasonably, authorizing and approving the assignment of one or more Consent Required Contracts for which the consent, approval or waiver of the party or parties thereto (other than the Vendor) is required to assign such Consent Required Contracts and such consent has not been obtained before the date the motion materials are filed for the Approval and Vesting Order.

(h) "**Assumed Contracts**" means all of the Contracts, including pre-payments and deposits related thereto, other than the Excluded Contracts, more specifically described at **Schedule "1.1(h)"**, which Schedule also describes how all monetary and non-monetary defaults are to be remedied for each such contract or remedied on an aggregate basis for all such contracts.

(i) "**Assumed Liabilities**" means all Liabilities and obligations of the Vendor in connection with the Purchased Assets from and after the Closing Date, including the obligation to honour pre-payments and deposits for Transitional Purchases.

(j) "**Books and Records**" means all information in any form relating to the Purchased Assets, including books of account, financial, operations, sales books, tax, business, marketing, personnel and research information and records, technical information, operating guides and manuals and all other documents, files, correspondence and other information, including all data, information and databases stored on computer-related or other electronic media, but excluding the minute books and all other corporate records and related information of the Vendor including all corporate data, information and databases stored on computer-related or other electronic media.

(k) "**Business**" has the meaning given to such term in the preamble to this Agreement.

(l) "**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which major Canadian chartered banks are closed for business in the City of St. John's, in the Province of Newfoundland and Labrador or in the Cities of Dartmouth, or Halifax, each in the Province of Nova Scotia.

(m) "**Cash Purchase Price**" has the meaning specified in Section 3.2.

(n) "**CCAA**" has the meaning given to such term in the preamble to this Agreement.

(o) "**CCAA Proceedings**" has the meaning given to such term in the preamble to this Agreement.

(p) "**Closing**" means the completion of the transaction of purchase and sale contemplated in this Agreement.

(q) “**Closing Date**” means on or before 03 May 2024, or such other date as mutually agreed between the Parties and the Monitor.

(r) “**Closing Documents**” has the meaning specified in Section 8.2.

(s) “**Conditions Certificates**” has the meaning specified in Section 8.3.

(t) “**Consent Required Contract**” means any Assumed Contract which is not assignable in whole or in part in accordance with its terms without the consent, approval or waiver of the party or parties thereto (other than the Vendor).

(u) “**Contract**” means all contracts, letters of intent, licenses, leases, agreements, obligations, promises, undertakings, arrangements, documents, commitments, entitlements or engagements, whether written or oral, to which the Vendor is a party or by which the Vendor is bound, relating to the Purchased Assets and/or the Business (including, without limitation, the Benefit Plan), all as may be amended and/or restated, and including any and all related quotations, orders, proposals or tenders which remain open for acceptance, warranties and guarantees and documents ancillary thereto.

(v) “**Court**” has the meaning given to such term in the preamble to this Agreement.“**Cure Costs**” means, in respect of any Consent Required Contract for which an Assignment Order is required, all amounts owing as at the Closing Date by the Vendor pursuant to such Consent Required Contract and all amounts required to be paid to cure any monetary defaults thereunder, if any, required to effect an assignment thereof from the Vendor to the Purchaser, together with any fee or other monetary concession approved by the Purchaser and granted in connection with obtaining any Assignment Order for such Consent Required Contract, including all administrative fees and counsel fees of the counterparties required to be paid to obtain such Assignment Order.

(w) “**Customer Deposits**” means amounts paid by customers for goods and/or services in advance of receiving the related goods and/or services but does not include any deposits or upfront payments received by the Vendor from customers for Transitional Purchases.

(x) “**Deposit**” has the meaning specified in Section 3.2.

(y) “**Due Diligence**” means a complete investigation by the Purchaser of the Purchased Assets and the Business of the Vendor, including but not limited to operational, financial and legal due diligence, and of all associated records, data, and information.

(z) “**Employee Plan**” means all:

(i) contracts, agreements, plans, arrangements or policies (written or oral) providing for incentive compensation, deferred compensation, bonuses, profit-sharing, severance or termination pay, share appreciation, share option, share purchase or other stock related rights relating to the Business; and

(ii) health or other medical benefits (other than the Canadian Pension Plan, and other similar health plans established and administered by any other province and workers' compensation insurance provided pursuant to applicable Law), life or other insurance (including any self-insured arrangements), dental, disability, salary continuation, vacation, automobile, supplemental unemployment benefits, post-employment, retirement or supplemental retirement benefits (including compensation, health, medical or life insurance benefits) related to the Business;

which is maintained, administered or contributed to by or on behalf of the Vendor and to the extent which it covers any Employee or former employee of the Vendor;

(aa) "**Employees**" means any and all (i) employees who are actively at work (including full-time, part-time or temporary employees) of the Vendor; and (ii) employees of the Vendor who are on leaves of absence (including maternity leave, parental leave, disability leave, sickness leave, workers' compensation and other statutory leaves) as at the Closing Date;

(bb) "**Encumbrance**" means other than Permitted Encumbrances any mortgage, charge, pledge, hypothec, security interest, deemed trust (statutory or otherwise), assignment, lien (statutory or otherwise), leases, right of way, title defects, options, claim, Action, adverse claims, encumbrances, easement, right of retention, ownership or title retention agreement or arrangement, conditional sale, deemed or statutory trust, restrictive covenant, judgment, writ or notice of seizure, writ or notice of execution, notice of sale, right of a third party (including any contractual rights such as, without limitation, purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual right) or encumbrance of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing (including without limitation any conditional sale or title retention agreement, or any capital or financing lease), it being understood that the definition given to such term in the Approval and Vesting Order shall supersede and be deemed to constitute the applicable definition of this term in this Agreement.

(cc) "**Excluded Receivables**" means prepaid expenses including those related to Taxes, insurance and any other Contracts that are cancelled or otherwise terminated effective on or before the Closing Date, promotional purchase credits, rebates, deviation credits, promotional or similar payments from suppliers or their agents or buying groups or similar organization, and other similar amounts due, owing or accruing to the Vendor in connection with the conduct of the Business up to the Closing Date. For clarity, Excluded Receivables shall not include rebates relating to Transitional Purchases.

(dd) "**Excluded Assets**" has the meaning specified in Section 2.2.

(ee) "**Excluded Contracts**" means all of the Contracts listed in **Schedule "1.1(ee)"** to this Agreement.

(ff) "**Excluded Liabilities**" means all Liabilities and obligations of the Vendor that are not Assumed Liabilities and includes, without limitation, all Liabilities relating to the Excluded Assets, the Excluded Contracts, and the Non-Transferred Employee Liabilities.

(gg) "**Goodwill**" means the goodwill of the Business and documents relevant thereto including, without limitation, all of the Vendor's right, title, interest and privileges in relation to the customer lists, telephone numbers, email addresses, brand, logos and the exclusive right of the Purchaser to represent itself as operating the Business in continuation of and in succession to the Vendor.

(hh) "**Governmental Authorities**" means any domestic or foreign governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, Courts, bodies, boards, tribunals or dispute settlement panels or other law or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

(ii) "**Governmental Order**" means any order, writ, judgment, injunction, decree, stipulation, determination, award, decision, sanction or ruling entered by or with any Governmental Authority.

(jj) "**Initial Order**" has the meaning specified in the preamble to this Agreement.

(kk) "**Intellectual Property**" means all intellectual property of the Vendor used by or currently being developed for use in the Business or related to the Purchased Assets, and all rights of the Vendor therein, including without limitation:

(i) all patents, patent applications and other patent rights, including provisional and continuation patents;

(ii) all registered and unregistered trade-marks, service marks, logos, slogans, trade names, corporate names, business names and other indicia of origin, and all applications and registrations therefor;

(iii) registered and unregistered copyrights and mask works, including all copyright in and to computer software programs and applications and registrations of such copyright;

(iv) internet domain names, applications and reservations for internet domain names, uniform resource locators and the corresponding internet sites;

(v) industrial designs; and

(vi) trade secrets and proprietary information not otherwise listed in (a) through (e) above, including, without limitation, all inventions (whether or not patentable), invention disclosures, moral and economic rights of authors and inventors (however denominated), confidential information, technical data, customer lists, corporate and business names, trade names, trade dress, brand names, know-how, mask works, circuit topography, formulae, methods (whether or not patentable), designs, processes, procedures, technology, business methods, source codes, object codes, computer software programs (in either source code or object code form), databases, data collections and other proprietary information or material of any type, and all derivatives, improvements and refinements thereof, howsoever recorded or unrecorded.

(ll) "**Inventory**" means all inventories of every kind and nature, wheresoever situate, owned by the Vendor and pertaining to the Business including, without limitation, all inventories of raw materials, work-in-progress, finished goods, supplies, parts, packaging in connection with the Business, and those inventories listed in **Schedule "1.1(ll)"**;

(mm) "**Laws**" means any principle of common law and all applicable (i) laws, constitutions, treaties, statutes, codes, ordinances, orders, decrees, rules, regulations and by-laws, (ii) judgments, orders, writs, injunctions, decisions, awards and directives of any governmental entity; and (iii) to the extent that they have the force of law, standards, policies, guidelines, Notices and protocols of any Governmental Authorities.

(nn) "**Letter of Intent**" means the binding offer letter (and any appendices thereto) between the Purchaser and the Vendor, dated March 8, 2024.

(oo) "**Liabilities**" means liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured, or otherwise.

(pp) "**Monitor's Certificate**" means the certificate, substantially in the form to be attached to the Approval and Vesting Order, to be delivered by the Monitor to the Vendor and the Purchaser in accordance with Section 8.3, and thereafter filed by the Monitor with the Court.

(qq) "**Non-Transferred Employee Liabilities**" means all Liabilities relating to any of the Vendor's current or former employees who are not Transferring Employees, including wages, vacation pay, termination costs, Notice or pay in lieu of Notice, severance, wrongful and constructive dismissal damages, human rights claims, all Liabilities pursuant to any Employee Plan and any other damages arising from the loss of employment by any such employee.

(rr) "**Notice**" has the meaning specified in Section 10.1.

(ss) “**Parties**” collectively means the Vendor and the Purchaser and any other Person who may become a party to this Agreement.

(tt) “**Permitted Encumbrances**” means all those Encumbrances described in **Schedule “1.1(tt)”** to this Agreement.

(uu) “**Purchaser’s Plans**” has the meaning set out in Section 6.5(b).

(vv) “**Permits**” means all permits, licences, certificates, approvals, authorizations, and registrations, or any item with a similar effect, issued or granted by any Governmental Authority in favour of the Vendor and that is necessary or related to the Purchased Assets.

(ww) “**Person**” means an individual, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated organization, joint venture or other entity and pronouns have a similarly extended meaning.

(xx) “**Premises**” means, collectively, all of the locations at which the Vendor operates the Business, being the following:

(i) 171 John Savage Avenue Burnside Industrial Park Dartmouth, Nova Scotia, B3B 0A8; and

(ii) 99 Blackmarsh Road St. John's, Newfoundland and Labrador, A1E 1S6.

(yy) “**Premises Lease**” means, collectively, all of the lease agreements for the Premises.

(zz) “**Purchase Price**” has the meaning specified in Section 3.1, subject to any change pursuant to Section 3.1.

(aaa) “**Purchased Assets**” has the meaning specified in Section 2.1.

(bbb) “**Purchaser**” has the meaning specified in the preamble to this Agreement.

(ccc) “**Real Property**” means, collectively, the Vendor’s interest, if any, in any and all real or immovable property used for the Business covered by a Premises Lease, including for reference but without limitation the real property parcels described in **Schedule “1.1(ccc)”** to this Agreement, together with all plants, buildings, structures, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) thereon or forming part thereof.

(ddd) “**Sale** and Investment Solicitation **Process**” has the meaning specified in the preamble to this Agreement.

(eee) “**SISP Order**” has the meaning specified in the preamble to this Agreement.

(fff) “**Sanctions**” has the meaning specified in Section 5.2.

(ggg) “**Successful Bid**” has the meaning specified in the Sale Process Order.

(hhh) “**Successful Bidder**” has the meaning specified in the Sale Process Order.

(iii) “**Tax Act**” means the *Income Tax Act* (Canada), as amended and any relevant legislation of a province imposing tax similar to the *Income Tax Act* (Canada).

(jjj) “**Taxes**” means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies, rates, withholdings, dues, contributions and other charges, collections or assessments of any kind whatsoever imposed or collected by any Governmental Authority; (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed on or in respect of amounts of the type described in clause (i) above or this clause (ii); and (iii) any Liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party.

(kkk) “**Tax Returns**” means any and all returns, reports, declarations, elections, Notices, forms, designations, filings, and other documents filed or required to be filed in respect of Taxes.

(lll) “**Transferring Employees**” has the meaning set out in Section 6.5(b).

(mmm) “**Transitional Purchases**” means (i) the existing and outstanding ordering or other purchase of any and all goods being produced, assembled, or held for shipping to the Vendor, (ii) goods in transit or (iii) other goods or products ordered or purchased by the Vendor with the written approval of the Purchaser, and all of which are delivered after the Closing Date for the purposes of or to better enable the Purchaser carrying on the Business after the Closing.

(nnn) “**Vendor**” has the meaning specified in the preamble to this Agreement.

(ooo) “**WIP**” has the meaning specified in Section 6.6(b).

1.2 References and Usage.

Unless expressly stated otherwise, in this Agreement:

(a) reference to a gender includes all genders;

(b) the singular includes the plural and vice versa;

(c) “or” is used in the inclusive sense of “and/or”;

(d) “any” means “any and all”;

(e) the words “including”, “includes” and “include” mean “including (or includes or include) without limitation”;

(f) the phrase "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of";

(g) $ or dollars refers to the Canadian currency unless otherwise specifically indicated;

(h) a statute includes all rules and regulations made under it, if and as amended, re-enacted or replaced from time to time;

(i) a Person includes its predecessors, successors and permitted assigns;

(j) the term "Notice" refers to oral or written Notices except as otherwise specified;

(k) the term "Agreement" and any reference in this Agreement to this Agreement or any other agreement or document includes, and is a reference to, this Agreement or such other agreement or document as it may have been, or may from time to time be amended, restated, replaced, supplemented or novated and all schedules to it, except as otherwise provided in this Agreement; and

(l) whenever payments are to be made or an action is to be taken on a day which is not a Business Day, such payment will be required to be made or such action will be required to be taken on or not later than the next succeeding Business Day and in the computation of periods of time, unless otherwise stated, the word "from" means "from and excluding" and the words "to" and "until" each mean "to and including".

1.3 Headings, etc.

The use of headings (e.g. Article, Section, etc.) in this Agreement is reference only and is not to affect the interpretation of this Agreement. References in the Agreement to Article, Section etc., unless otherwise specified, shall mean the applicable Article, Section, etc. of this Agreement.

1.4 Schedules.

The following schedules attached to this Agreement form an integral part of this Agreement for all purposes of it. In case of discrepancy between the content of Schedules "1.1(ccc)", "2.1" or "3.3" of this Agreement and any equivalent schedule(s) appended to the Approval and Vesting Order – whether in the form attached as Schedule "3.3" to this Agreement or otherwise in form and in substance satisfactory to the Vendor and the Purchaser, each acting reasonably, as confirmed in writing – the schedules to the Approval and Vesting Order shall supersede and be deemed to constitute the applicable schedule(s) to this Agreement.

Schedule "1.1(f)" – Draft Approval and Vesting Order

Schedule "1.1(h)" – Assumed Contracts

Schedule "1.1(ee)" – Excluded Contracts

Schedule "1.1(tt)" – Permitted Encumbrances

Schedule "1.1(ccc)" – Description of Real Property

Schedule "2.1" – Encumbrances to be deleted and expunged including from title to the Real Property

Schedule "2.2(f)" – Other Excluded Assets

Schedule "2.4" – Other Excluded Liabilities

Schedule "3.3" – Purchase Price Determination

1.5 Interpretation if Closing Does Not Occur.

If Closing does not occur, each provision of this Agreement which assumes that the Purchaser has acquired the Purchased Assets shall be construed as having been contingent upon Closing having occurred.

ARTICLE 2
PURCHASE AND SALE

2.1 Purchased Assets.

Subject to the terms and conditions of this Agreement, the Vendor agrees to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase from the Vendor on the Closing Date, on an "as is, where is" basis, all of the Vendor's right, title and interest in the Vendor's property, assets and undertakings of every kind and description and wheresoever situate, of the Business, other than the Excluded Assets (collectively, the "**Purchased Assets**"), free and clear of all Encumbrances (including for reference but without limitation those Encumbrances affecting the Real Property described in **Schedule "2.1"** to this Agreement) other than Permitted Encumbrances, and the Purchased Assets shall include:

(a) **Accounts Receivable.** All right, title and interest of the Vendor in and to the Accounts Receivables;

(b) **Inventory.** All right, title and interest of the Vendor in and to the Inventory;

(c) **Goodwill.** All of the Vendor's right, title, interest and privileges in and to the Goodwill;

(d) **Equipment and Supplies.** All machinery, equipment, furnishings, furniture, parts, dies, molds, tooling, tools, computer and information technology equipment and hardware, inventory, supplies, accessories, appliances, fixtures and other tangible personal and moveable property owned by the Vendor and used in connection with the Business and, notwithstanding anything to the contrary, shall not include the Inventory;

(e) **Assumed Contracts.** All Assumed Contracts and all rights, title, interests and obligations thereunder;

(f) **Vehicles.** All motor vehicles, including all trucks, vans, cars and forklifts registered in the name of the Vendor and used for the Business;

(g) **Computer Software.** All software and documentation used in the Business, including, all electronic data processing systems, program specifications, input data, report layouts, formats, algorithms, record file layouts, diagrams, functional specifications, narrative descriptions, flow charts, and operating manuals;

(h) **Real Property.** The Real Property;

(i) **Intellectual Property.** All right, title and interest of the Vendor in and to the Intellectual Property owned by or licensed to the Vendor for use in connection with the Business or the Purchased Assets, including domain names;

(j) **Books and Records.** The Books and Records of the Vendor related to the Business, the Purchased Assets, or the Assumed Liabilities;

(k) **Claims.** All claims of the Vendor relating to the Business or the Purchased Assets whether choate or inchoate, known or unknown, presently discoverable or not, contingent or otherwise;

(l) **Permits.** All Permits, to the extent the foregoing are transferable;

(m) **Insurance.** The interest of the Vendor, relating to the period following the Closing, in (a) all contracts of insurance, insurance policies and insurance plans which are assets of or maintained in connection the Purchased Assets, (b) any insurance proceeds net of any deductibles recovered by the Vendor under all other contracts of insurance, insurance policies (excluding director and officer policies) and insurance plans between the date of this Agreement and the Closing Date, and (c) the full benefit of the Vendor's rights to insurance claims relating to the Business in respect of events occurring after the Closing and amounts recoverable in respect thereof net of any deductible to the extent any of the foregoing are transferable; but excluding the full benefit of the Vendor's rights to insurance premium or other payment or credit refunds, and claims relating to the Business and amounts recoverable in respect thereof net of any deductible to the extent any of the foregoing are transferable for the period prior to the Closing; and

(n) **Other Property.** All other property, assets and undertakings of the Vendor of whatever nature or kind (including WIP) used in or connected to the Business and/or the Purchased Assets other than Excluded Assets and those related to Excluded Contracts.

2.2 Excluded Assets.

The Purchased Assets shall not include any of the following assets (collectively, the "**Excluded Assets**"):

(a) the Excluded Receivables and Excluded Contracts;

(b) the shares (including shares, other securities or similar interests issued by any other entity), corporate seals, organizational documents, minute books, share certificate books, financial statements and records, corporate Tax Returns, books of account or other records having to do with the corporate organization of the Vendor;

(c) all Employee Plans and assets attributable thereto;

(d) Cash on hand or in any account, including deposit accounts in banks, companies, trust companies and similar institutions in the name of or for the benefit of the Vendor;

(e) All shares, stock, warrants, bonds, debentures, debenture stock, investment certificates or other securities together with renewals thereof, substitutions therefore, in the name of or for the benefit of the Vendor;

(f) all other assets, properties and things listed on **Schedule "2.2(f)"** to this Agreement; and

(g) such Purchased Assets as the Purchaser may indicate by Notice in writing to the Vendor and the Monitor prior to the filing of the motion materials for the Approval and Vesting Order, which specified Purchased Assets shall thereafter be deemed Excluded Assets, without any adjustment to the Purchase Price.

2.3 Assumed Liabilities.

Subject to this transaction Closing on the Closing Date, the Purchaser agrees to discharge, perform and fulfil the Assumed Liabilities.

2.4 Excluded Liabilities

(a) The Purchaser shall not assume and shall have no obligation to discharge, perform or fulfil any of the Excluded Liabilities including, without limitation, any other Liabilities listed on **Schedule "2.4"** to this Agreement.

(b) The Purchaser shall advise the Vendor and/or the SISP Advisor no less than 10 Business Days prior to the Vendor applying to the Court for approval of the subject transaction, subject to the Vendor providing the date for the approval hearing immediately upon the scheduling of the same, on excluded contracts/capital leases and/or other monthly operating costs, re. Software subscriptions, etc. that will form part of the "Excluded Assets and/or "Excluded Contracts". The Purchaser shall make best efforts with the Vendor to identify all known capital leases, monthly operating fixed costs, etc. on a timely basis.

(c) The Vendor shall provide all supplier agreements, customer agreements, and employment contracts for the Vendor's employees herein to the Purchaser prior to the Closing Date. The Purchaser shall review the same and advise the Vendor and/or the SISP Advisor no less than 10 Business Days prior to the Vendor applying to the Court for approval of the subject transaction, subject to the Vendor providing the date for the approval hearing immediately upon the scheduling of the same, which agreements the Vendor may be required to terminate prior to the Closing Date. Any such supplier agreements, customer agreements, or employee contracts so designated for termination shall be deemed to form part of "Excluded Assets" and/or "Excluded Contracts".

(d) the Vendor shall transfer and/or assign the remaining supplier agreements to the Purchaser on the Closing Date pursuant to the relevant Closing Document(s).

(e) the Vendor shall transfer and/or assign the remaining customer contracts/agreements to the Purchaser on the Closing Date pursuant to the relevant Closing Document(s).

2.5 Assignment and Assumption of Consent Required Contracts.

(a) Notwithstanding anything in this Agreement, the Purchaser shall not assume and has no obligation to discharge any Liability or obligation under or in respect of any Consent Required Contract unless: (a) the consent, approval or waiver of the party or parties to such Consent Required Contract (other than the Vendor) required to assign such Consent Required Contract has been obtained on terms satisfactory to the Purchaser acting reasonably and the value of such Consent Required Contract has enured to the Purchaser; or (b) such Consent Required Contract is subject to an Assignment Order.

(b) The Vendor, with the reasonable assistance and involvement of the Purchaser if the Vendor requests it, shall request and negotiate the consent, approval or waiver of the party or parties to each Consent Required Contract (other than the Vendor), directly with such party or parties, towards the assignment of such Consent Required Contract prior to the filing of the motion materials for the Approval and Vesting Order.

(c) In the event that the consent, approval or waiver required to assign any Consent Required Contract is not obtained before the date the motion materials are filed for the Approval and Vesting Order, the Vendor shall, if the Purchaser requests it in writing prior to Closing, make all reasonable efforts to obtain an Assignment Order for such Consent Required Contract in form and substance satisfactory to the Vendor and the Purchaser, each acting reasonably.

(d) Subject to Closing, the Purchaser shall be responsible for and pay directly to creditors thereof all Cure Costs for each Consent Required Contracts assigned to the Purchaser at Closing or pursuant to an Assignment Order.

(e) Nothing in this Agreement will constitute an agreement to assign or an attempted assignment of any rights, obligations or Permits: (i) of which the assignment requires any consent or approval that has not been obtained, and the assignment of which is not or may not be effected through an Assignment Order or any other form of Order of the Court, or (ii) which under applicable Law is not assignable.

ARTICLE 3
PURCHASE PRICE

3.1 Purchase Price.

The purchase price payable by the Purchaser to the Vendor for the Purchased Assets (the "**Purchase Price**") shall be determined in accordance with Schedule 3.3 and subject to the adjustments outlined in paragraph 3.4.

3.2 Payment of the Purchase Price.

The Purchaser shall pay and satisfy the Purchase Price as follows:

(a) the Purchaser has paid to the Vendor's Counsel a deposit of **$70,000.00** (the "**Deposit**"), which Deposit shall be held in trust by the Monitor's Counsel and in accordance with the SISP Order and shall be credited towards the Purchase Price at Closing, subject to Sections 3.3, 9.1 and 9.2 of this Agreement;

(b) the Purchaser shall pay to the Monitor's Counsel in trust in accordance with the provisions of the Approval and Vesting Order an amount equal the Closing an amount equal to the Purchase Price less the Deposit and less $225,000.00 of the portion of the Purchase Price allocated to the Inventory (the "**Cash Purchase Price**");

(c) the Purchaser shall pay the Monitor's Counsel in trust the balance of the Purchase Price, being the $225,000.00 portion of the Purchase Price allocated to the Inventory, by way of a $75,000.00 payment on or before each of 30, 60 and 90 days after the Closing, and as security for the payment of said amounts, the Purchaser shall on the Closing execute and deliver to the Bank of Montreal a security agreement creating a second priority security interests over the Purchased Assets;

(d) In respect of the costs (including any transportation or delivery costs and related expenses incurred by the Vendor) of the Transitional Purchases (but less any monies collected by the Vendor for Transitional Purchases that are not replenishable and less any deposits or upfront payments received by the Vendor from customers for Transitional Purchases, without duplication), the Purchaser shall pay to the Monitor's counsel in trust the full amounts relating thereto within 5 Business Days of each receipt or delivery (including in the case of any direct shipments to or as directed by a customer) of such goods to the customer or to the Vendor or its assignee as may be directed in the Approval and Vesting Order (and if not so directed by such Order then as the Vendor and Purchaser shall agree on the Closing Date); and

(e) any adjustments to the Purchase Price shall be paid in accordance with Section 3.4.

3.3 Deposit

(a) The Deposit shall be held by the Monitor's Counsel in a non-interest-bearing trust account.

(b) The Deposit shall be subject to Sections 3.2, 6.4(c), 9.1, and 9.2 of this Agreement and, notwithstanding anything to the contrary, the Deposit shall be subject to Section 36 of the SISP Order.

3.4 Purchase Price Adjustments

Adjustments to the Purchase Price, as may be required, shall be made by the parties as follows:

(a) A final Inventory amount will be determined within no more than 5 Business Days after the Closing Date and the Purchase Price that is to be paid for the Inventory, as further detailed in Schedule 3.3 hereto, shall be adjusted downward by 15% of the amount, if any, by which the value of Inventory at the time of Closing Date is less than $3,400,000.00 (the "**Inventory Target**", and shall be adjusted upward by 100% of the amount, if any, by which the value of Inventory at the time of Closing Date is greater than $3,400,000.00. For greater certainty, the value of Inventory for any such upward adjustment shall not include deposits. For greater certainty, all Inventory values or valuations shall be less the value of all consignment Inventory, and all value attributable to such consignment Inventory shall not be included whatsoever in any adjustment to the Purchase Price described in those paragraphs. The Vendor shall provide the Purchaser with all information, records, and agreements that the Purchaser requires, in its sole discretion, to confirm and validate all consignment Inventory and values with respect thereto.

(b) On or before the date that is 30 days following the Closing Date, by agreement between the Vendor and the Purchaser, in consultation with the Monitor and the Bank of Montreal, the Purchase Price shall be adjusted dollar for dollar, without double counting, upward or downward (the "**AR Reconciliation")** by the amount by which the Accounts Receivable as of the Closing Date is greater than or less than $1,700,000.00 (the "**AR Target**"). The Vendor or Purchaser, as applicable, shall then pay to the other party the adjustment within 1 business day following completion of the AR Reconciliation being agreed upon. For clarity, on the Closing Date the Monitor's Counsel in trust shall receive payment from the Purchaser based on the AR Target and then shall receive additional payment, as applicable, based on the AR Reconciliation as follows:

(i) 80% of the Accounts Receivable aged less than 90 days; and

(ii) 25% of the Accounts Receivable that are aged greater or equal to 90 days.

(c) On or before the date that is 30 days following the Closing Date, by agreement between the Vendor and the Purchaser, the Purchase Price shall be adjusted dollar for dollar, without double counting, upward or downward (the "**Customer Deposit Reconciliation")** by the amount by which the Customer Deposits as of the Closing Date is greater than or less than the estimated Customer Deposits in accordance with **Schedule 3.3**. The Vendor or Purchaser, as applicable, shall then pay to the other party the adjustment amount within 1 business day following completion of the Customer Deposit Reconciliation being agreed upon.

(d) On the Closing Date, the Purchase Price shall be increased and paid to reflect the pro-rata portion of any rent or other costs incurred and paid in association with any Premises Lease or the Real Property, provided such amount is incurred and paid prior to Closing and covers the period from the Closing Date to the end of the period for which the relevant payment was made.

3.5 Purchase Price Allocation.

The Purchase Price shall be allocated among the Purchased Assets in the manner and form set out in **Schedule "3.3"** to this Agreement. Such allocation shall be binding and the Purchaser and Vendor shall report the purchase and sale of the Purchased Assets and file all filings which are necessary or desirable for purposes of any Taxes to give effect to such allocations and shall not take any position or action inconsistent with such allocation. Any post-Closing adjustments to the Purchase Price described herein shall be allocated in a manner consistent with this Section 3.3.

3.6 No Effect on Other Rights.

The determination of the Purchase Price in accordance with the provisions of this Article will not limit or affect any other rights or causes of action either the Purchaser or the Vendor may have with respect to the representations, warranties or covenants in its favour contained in this Agreement.

ARTICLE 4
TAX MATTERS

4.1 Transfer Taxes.

Subject to section 4.2, the Purchaser shall be liable for and shall pay all sales Taxes and all other similar Taxes properly payable upon and in connection with the sale, assignment and transfer of the Purchased Assets from the Vendor to the Purchaser, other than any Taxes payable on the Vendor's net income, profits or gains.

4.2 Tax Elections.

The Parties shall use their commercially reasonable efforts in good faith to minimize (or eliminate) any Taxes payable under the *Excise Tax Act* (Canada) in respect of the Closing by, among other things, making such elections and taking such steps as may be provided for under that Act (including, for greater certainty, making a joint election in a timely manner under Section 167 of that Act or Section 22 of the Tax Act) as may reasonably be requested by the Purchaser in connection with the Closing.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Vendor.

The Vendor represents and warrants as follows to the Purchaser and acknowledges and agrees that the Purchaser is relying upon the representations and warranties (without which the Purchaser would not have accepted this Agreement) in connection with its purchase of the Purchased Assets and its assumption of the Assumed Liabilities, provided that the Parties agree that all such representations and warranties shall end, be of no effect and merge upon completion of the Closing.

(a) **Incorporation and Qualification.** Each of the corporations constituting the Vendor is a corporation incorporated and existing under the laws of jurisdiction of its formation. Each of the corporations constituting the Vendor has the corporate power and authority to own and operate its property and the Purchased Assets, carry on its Business and enter into and perform its obligations under this Agreement and each of the Ancillary Agreements to which it is a party.

(b) **Corporate Authorization.** Subject to the issuance of the Approval and Vesting Order, the execution and delivery of and performance by the Vendor of this Agreement and each of the Ancillary Agreements to which it is a party and the consummation of the transactions contemplated by them have been duly authorized by all necessary and corporate action on the part of each of them or otherwise authorized by Order of the Court including, without limitation, the Approval and Vesting Order.

(c) **Execution and Binding Obligation.** Subject to the issuance of the Approval and Vesting Order, this Agreement and each of the Ancillary Agreements to which the Vendor is a party have been duly executed and delivered by the Vendor and constitute legal, valid and binding agreements of it, enforceable against it in accordance with their respective terms.

(d) **Residence of the Vendor.** The Vendor is not a non-resident of Canada within the meaning of the *Tax Act*. None of the Vendor is a non-Canadian within the meaning of the *Investment Canada Act*.

(e) **HST Registrant.** The Vendor is a registrant for the purposes of the tax imposed under Part IX of the *Excise Tax Act* (Canada) and its registration number is 786790428 RT0001, and the Purchased Assets constitute all or substantially all of the assets used by the Vendor in carrying on the Business other than the Excluded Assets.

5.2 Representations and Warranties of the Purchaser.

The Purchaser represents and warrants as follows to the Vendor and acknowledges and agrees that the Vendor is relying on such representations and warranties in connection with its sale of the Purchased Assets:

(a) **Incorporation and Corporate Power**. The Purchaser is an entity that is duly formed and validly existing under the laws of the jurisdiction of its formation, has full power and capacity to own the Purchased Assets and to carry on the Business as now conducted, and has the power and authority to enter into and perform its obligations under this Agreement and each of the Ancillary Agreements to which it is a party.

(b) **Corporate Authorization**. The execution and delivery of and performance by the Purchaser of this Agreement and each of the Ancillary Agreements to which it is a party and the consummation of the transactions contemplated by them have been duly authorized by all necessary action on the part of the Purchaser.

(c) **Execution and Binding Obligation.** This Agreement and each of the Ancillary Agreements to which the Purchaser is a party have been duly executed and delivered by the Purchaser and constitute legal, valid and binding agreements of the Purchaser, enforceable against it in accordance with their respective terms.

(d) **No Conflict.** The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of Notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions or obligations to which the Purchaser is bound.

(e) **HST Registrant.** The Purchaser is, or will be as at Closing, a registrant for the purposes of the tax imposed under Part IX of the *Excise Tax Act* (Canada) and its registration number is 786790428 RT0001.

(f) **Sanctions Not Applicable.** None of the Purchaser, any of its subsidiaries or, to the knowledge of the Purchaser, any director, officer, agent, employee, Affiliate or representative of the Purchaser or any of its subsidiaries is, or is controlled or 50% or more owned by or is acting on behalf of, a Person currently the subject of applicable economic sanctions including those administered or enforced by the government of Canada, the United States of America, or the United Kingdom (collectively, "**Sanctions**"). None of the Purchaser or any of its subsidiaries is located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions. To the Purchaser's knowledge, neither it nor any of its subsidiaries has engaged in any dealings or transactions with or for the benefit of a Person subject to Sanctions. The Purchaser has procedures and policies in place designed to ensure compliance with Sanctions.

5.3 No Other Representations or Warranties.

The representations and warranties given by the Vendor in Section 5.1 are the only representations and warranties of the Vendor (which for the purposes of section 5.3 and 5.4 shall include the "SISP Advisor") in connection with this Agreement and the transactions contemplated by it. Except for the representations and warranties given by the Vendor in Section 5.1, the Purchaser is purchasing the Purchased Assets on an "as is, where is" basis and does not rely upon any statements, representations, promises, warranties, conditions or guarantees whatsoever by the Vendor or the Monitor, whether express or implied (by operation of law or otherwise), oral or written, legal, equitable, conventional, collateral or otherwise, regarding any of the assets to be acquired or any of the liabilities to be assumed or the completeness of any information provided in connection therewith. No representation, warranty or condition is expressed or can be implied as to title, Encumbrances, description, fitness for purpose, existence, merchantability, condition, quantity or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets, the Business, or the Assumed Liabilities.

5.4 As is, Where is.

THE PURCHASER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, THE PURCHASED ASSETS AND THE BUSINESS ARE PURCHASED AND THE ASSUMED LIABILITIES ARE ASSUMED BY THE PURCHASER "AS IS, WHERE IS" AS THEY MAY EXIST AT THE CLOSING DATE WITH ALL FAULTS AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, IN FACT OR BY LAW WITH RESPECT TO THE PURCHASED ASSETS, THE BUSINESS, AND THE ASSUMED LIABILITIES, AND WITHOUT ANY RECOURSE TO ANY OF THE VENDOR, THE MONITOR OR ANY OF THEIR DIRECTORS, OFFICERS, SHAREHOLDERS, EMPLOYEES, AGENTS, OR OTHER REPRESENTATIVES OR ADVISORS, OTHER THAN FOR KNOWING AND INTENTIONAL FRAUD. THE PURCHASER AGREES TO ACCEPT THE PURCHASED ASSETS, THE BUSINESS, AND THE ASSUMED LIABILITIES IN THE CONDITION, STATE AND LOCATION THEY MAY BE IN ON THE CLOSING DATE BASED ON THE PURCHASER'S OWN INSPECTION, EXAMINATION AND DETERMINATION WITH RESPECT TO ALL MATTERS AND WITHOUT RELIANCE UPON ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE MADE BY OR ON BEHALF OF OR IMPUTED TO ANY OF THE VENDOR OR THE MONITOR, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT. The description of the Purchased Assets and Assumed Liabilities contained herein is for the purpose of identification only and the inclusion of any item in such description does not confirm the existence of any such items or that any such item is owned by the Vendor. Any documents, materials and information provided by the Vendor or Monitor to the Purchaser with respect to the Purchased Assets or Assumed Liabilities (including any confidential information memorandums, management presentations, or material made available in the electronic data room or in connection with the Sale Process) have been provided to the Purchaser solely to assist the Purchaser in undertaking its own due diligence, and the Vendor and/or Monitor have not made and are not making any representations or warranties, implied or otherwise, to or for the benefit of the Purchaser as to the accuracy and completeness of any such documents, materials or information or the achievability of any valuations, estimates or projections. The Purchaser acknowledges that it has not and will not rely upon any such documents, materials or information in any manner, whether as a substitute for or supplementary to its own due diligence, searches, inspections and evaluations. The Vendor and/or Monitor and their respective Affiliates, directors, officers, employees, agents and advisors shall not be liable for any inaccuracy, incompleteness or subsequent changes to any such documents, materials or information. Unless specifically stated in this Agreement, the Purchaser acknowledges and agrees that no representation, warranty, term or condition, understanding or collateral agreement, whether statutory, express or implied, oral or written, arising by custom or usage of trade, legal, equitable, conventional, collateral or otherwise, is being given by the Vendor or Monitor in this Agreement or in any instrument provided in connection with this Agreement, as to description, fitness for purpose, sufficiency to carry on any business, operation, merchantability, quantity, condition, ownership, quality, value, suitability, durability, environmental condition, assignability or marketability thereof, or in respect of any other matter or thing whatsoever, and all of the same are hereby expressly excluded.

ARTICLE 6
OTHER COVENANTS OF THE PARTIES

6.1 Motion for Approval and Vesting Order

As soon as reasonably practicable after the date of execution of this Agreement or such other time as the Purchaser may agree to in writing, the Vendor shall serve and file with the Court a motion for the issuance of the Approval and Vesting Order. The Vendor shall use their best efforts to seek the issuance and entry of the Approval and Vesting Order.

6.2 Access by Purchaser.

Subject to applicable Law, until 5 Business Days prior to the Closing:

(a) the Vendor shall, upon reasonable Notice, allow the Purchaser and its employees, agents, counsel, accountants or other representatives, lenders, potential lenders and potential investors to have reasonable access to the premises of the Vendor, the Purchased Assets including all Books and Records, customer and supplier lists, and the Assumed Contracts. Such access shall be at the Purchaser's sole and exclusive risk and cost, during normal business hours, and without undue interference with the Vendor's operations;

(b) notwithstanding anything to the contrary, upon the execution of this Agreement, the Vendor shall provide the Purchaser with copies of all customer and supplier contracts and the Purchaser and Vendor shall cooperate with each other to facilitate the Purchaser contacting any suppliers to, or customers of, the Business or the Vendor in the capacity of a prospective Purchaser of the Purchased Assets and the Business;

(c) the Vendor shall, upon reasonable Notice, provide to the Purchaser or its employees, agents, counsel, accountants or other representatives such financial and operating data and other information with respect to the Purchased Assets and the Vendor (to the extent such data or information is in the Vendor's possession or, using commercially reasonable efforts, can be obtained by the Vendor or the Monitor) as the Purchaser from time to time reasonably requests; and

(d) Notwithstanding anything to the contrary in this Agreement, the Vendor shall not be required to disclose any information to the Purchaser if such disclosure would, in the Vendor's sole discretion: (i) cause significant competitive harm to the Vendor and the Business, if the transactions contemplated by this Agreement are not consummated; (ii) jeopardize any solicitor-client, litigation or other privilege; or (iii) contravene any applicable Law, fiduciary duty or binding agreement entered into before the date of this Agreement. The Purchaser shall, and shall cause its employees, agents, counsel, accountants or other representatives to abide by the terms of the non-disclosure agreement executed between the Purchaser and the

Vendor dated 4 August 2023 with respect to any access or information provided under this Section 6.2.

6.3 Access by Monitor.

From the Closing Date, the Purchaser shall, upon reasonable Notice, Permit representatives of the Monitor or any other person authorized by the Court to have reasonable access during normal business hours to the Books and Records for the purpose of completing its mandate from time to time, including and without limiting the generality of the foregoing, the Monitor, at the request of the Bank of Montreal, shall be permitted to review all Books and Records of the Vendor relating to the Purchased Assets with respect to any price adjustments, allocation or determination.

6.4 Title and Risk.

(a) The Purchased Assets shall be and remain at the risk of the Vendor until Closing and at the risk of the Purchaser from and after Closing.

(b) If, prior to Closing, the Purchased Assets are substantially physically damaged or destroyed by fire, casualty or otherwise, then, at its sole option, the Purchaser may decline to complete the Transaction. Such option shall be exercised within 15 calendar days after notification to the Purchaser by the Vendor of the occurrence of such physical damage or destruction (or prior to the Closing Date if such occurrence takes place within 15 calendar days of the Closing Date), in which event this Agreement shall be terminated automatically. If the Purchaser does not exercise such option, it shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. Where any physical damage or destruction is not substantial, the Purchaser shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such physical damage or destruction. For the purposes of this section, substantial physical damage or destruction shall be deemed to have occurred if the physical loss or damage to the Purchased Assets exceeds 15% of the total Purchase Price (inclusive of the Deposit).

(c) If, prior to the Closing Date, all or a material part of the Purchased Assets is expropriated or a notice of expropriation or intent to expropriate all or a material part of the Real Property is issued by any Governmental Authority, the Vendor shall immediately advise the Purchaser thereof by Notice in writing. The Purchaser shall, by Notice in writing given within five Business Days after the Purchaser receives Notice in writing from the Vendor of such expropriation, elect to either: (i) complete the Transaction contemplated herein in accordance with the terms hereof without reduction of the Purchase Price, and all compensation for expropriation shall be payable to the Purchaser and all right, title and interest of Vendor to such amounts, if any, shall be assigned to the Purchaser on a without recourse basis; or (ii) terminate this Agreement and not complete the Transaction, in which case all rights and obligations of the Vendor and the Purchaser (except for those obligations which are expressly stated to survive the termination of this Agreement) shall terminate, and the Deposit shall be returned to the Purchaser forthwith.

6.5 Employees

(a) On the Closing Date, the Vendor shall terminate all Employees of the Business and the Purchaser shall offer employment, conditional on completion of the transactions contemplated by this Agreement, to each Transferring Employee on terms and conditions substantially the same as the terms and conditions of employment provided by the Vendor to such Transferring Employees immediately prior to the Closing. All Non-Transferred Employee Liabilities shall be dealt with in the CCAA Proceedings or any subsequent bankruptcy of the Vendor in accordance with the entitlement and priority afforded to such Actions under applicable Law. The Purchaser shall not assume or be liable for any Non-Transferred Employee Liabilities.

(b) Any employees who accept offers of employment by Purchaser and who begin active employment with Purchaser as of the Closing Date (the "**Transferring Employees**") shall cease to participate in all Employee Plans and shall be entitled to participate in Purchaser's benefit plans, programs, policies and arrangements (the "**Purchaser's Plans**"). Periods of employment with Vendor, to the extent recognized under the Benefit Plans immediately before the Closing Date, shall be taken into account for purposes of determining, as applicable, eligibility for participation, eligibility for early retirement and subsidy, distributions, vestings and benefit accrual of any Transferring Employee under the applicable Purchaser's Plans.

6.6 Accounts Receivable

(a) The Vendor shall close its Accounts Receivable as at the Closing Date.

(b) On the Closing Date, the Vendor shall provide an update on any outstanding Work in Progress ("**WIP**") and the percentage of work completed on any contract(s) and/or project(s).

(c) All new accounts receivable generated after the Closing Date by the Purchaser shall be to the exclusive benefit of the Purchaser.

(d) The Purchaser shall use its best efforts to assist the Monitor with the collection of the Excluded Receivables. If any Excluded Receivables are received by the Purchaser or if the Purchaser receives any inquiry concerning any of them, then they shall be paid or directed to be paid, as the case may be, to a bank account as directed by the Monitor in writing within 2 business days of receipt or as may otherwise be addressed in the Approval and Vesting Order.

(e) If any Accounts Receivable are received by the Vendor or the Monitor, then they shall be paid to a bank account directed by the Purchaser in writing within 2 business days of receipt.

6.7 Inventory

(a) The Vendor shall close its Inventory as at the Closing Date, and provide an updated "Item Velocity – Total Organization and By Warehouse" Report which includes, but is not limited to, Item Number, Item Description, Group Name, BP Name, MRP, STKG, UOM, In Stock, On SO, On PO, Avg Cost, Last Sale, Last Purchase Date, Total Cost, and Total Units Sold.

(b) The Purchaser shall, acting reasonably, confirm and validate the finalized Inventory value within 5 Business Days Closing Date.

(c) The Purchaser shall have the right to conduct an Inventory count, complete test counts, cross verify cost values, review completed cycle counts, etc. prior to the Closing Date.

(d) The Vendor shall continue to manage all Inventory purchases within the applicable limits under its Bank of Montreal credit facility. The Vendor shall not make any new purchase of items that are Transitional Purchases outside of the normal course of business, nor shall the Vendor make any new purchase of Inventory or Transitional Purchases between April 8, 2024 and the Closing Date without written consent of the Purchaser and the Monitor.

6.8 Notices required under Assumed Contracts.

The Vendor and the Monitor shall provide Notices (in form and substance acceptable to the Purchaser, acting reasonably) that are required by the terms of the Assumed Contracts in connection with the transaction contemplated pursuant to the Approval and Vesting Order and this Agreement.

6.9 Transfer of the Purchased Assets.

The Vendor and the Purchaser shall cooperate and take all necessary steps and proceedings to permit title to the Purchased Assets to be duly and validly transferred and assigned to the Purchaser at the Closing pursuant to the Approval and Vesting Order and this Agreement, free from all Encumbrances except Permitted Encumbrances.

6.10 Actions to Satisfy Closing Conditions.

(a) The Vendor shall use its commercially reasonable efforts to take or cause to be taken all such actions so as to ensure compliance with all of the conditions set forth in Section 7.1.

(b) The Purchaser shall use its commercially reasonable efforts to take or cause to be taken all such actions so as to ensure compliance with all of the conditions set forth in Section 7.2.

6.11 Prohibited Use of Name

Following the Closing Date, the Vendor shall discontinue any and all use whatsoever of the name and brand "Big Erics" and "Big Erics Inc." and similar names, and any other registered or unregistered business names used by the Vendor from time to time in the Business.

ARTICLE 7
CONDITIONS OF CLOSING

7.1 Conditions for the Benefit of the Purchaser.

The purchase and sale of the Purchased Assets and the assumption of the Assumed Liabilities are subject to the following conditions being satisfied on or prior to the Closing Date, which conditions are for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser in its sole discretion:

(a) **Successful Bid.** The Purchaser shall continue to be the Successful Bidder, following the completion of the Sale Process.

(b) **Truth of Representations and Warranties**. The representations and warranties of the Vendor contained in this Agreement were true and correct as of the date of this Agreement and are true and correct as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date and the Vendor shall have executed and delivered a certificate of a senior officer to that effect. Upon the delivery of such certificate, the representations and warranties of the Vendor in Section 5.1 will be deemed to have been made on and as of the Closing Date with the same force and effect as if made on and as of such date.

(c) **Performance of Covenants.** The Vendor shall have fulfilled or complied with all covenants contained in this Agreement required to be fulfilled or complied with by it at or prior to the Closing, and the Vendor shall have executed and delivered a certificate of an authorized representative to that effect.

(d) **No Legal Action.** There shall be no order issued by any Governmental Authority to enjoin, restrict or prohibit the transaction contemplated under this Agreement.

(e) **Deliveries.** The Vendor shall have delivered or caused to be delivered to the Purchaser the following in form and substance satisfactory to the Purchaser acting reasonably:

(i) the certificates referred to in Section 7.1(b) and 7.1(c);

(ii) the originals of the Books and Records, excluding those in connection with the Excluded Assets;

(iii) the Purchased Assets, which shall be delivered *in situ*, other than the cash held in the Vendor's bank accounts on the Closing Date, which shall be transferred to the Purchaser;

(iv) all conveyances, deeds, bills of sale, transfers, assignments, registrations, consents and other documents necessary to complete the transaction contemplated herein and to vest in the Purchaser the Vendor's right, title and interest in the Purchased Assets, duly executed by the Vendor;

(v) proof that it has taken all corporate steps necessary to authorize and effect the transactions and documents contemplated by this Agreement and the sale of the Purchased Assets;

(vi) a direction to make payment to the Vendor (or assignee) of the Purchase Price as contemplated in this Agreement, duly executed by the Vendor;

(vii) a receipt for the Closing Payment made on the Closing Date, duly executed by the Vendor; and

(viii) the HST election referred to in Section 4.2, duly executed by the Vendor.

7.2 Conditions for the Benefit of the Vendor.

The purchase and sale of the Purchased Assets and the assumption of the Assumed Liabilities are subject to the following conditions being satisfied on or prior to the Closing Date, which conditions are for the exclusive benefit of the Vendor and may be waived, in whole or in part, by the Vendor in its sole discretion.

(a) **Truth of Representations and Warranties.** The representations and warranties of the Purchaser contained in this Agreement were true and correct as of the date of this Agreement and are true and correct as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date and the Purchaser shall have executed and delivered a certificate of a senior officer to that effect. Upon delivery of such certificate, the representations and warranties of the Purchaser in Section 5.2 will be deemed to have been made on and as of the Closing Date with the same force and effect as if made on and as of such date.

(b) **Performance of Covenants.** The Purchaser shall have fulfilled or complied with all covenants contained in this Agreement required to be fulfilled or complied with by it at or prior to Closing and the Purchaser shall have executed and delivered a certificate of a senior officer to that effect.

(c) **Deliveries.** The Purchaser shall have delivered or caused to be delivered to the Vendor the following in form and substance satisfactory to the Vendor, acting reasonably, or to such other person as may be indicated:

(i) all resolutions of the board of directors of the Purchaser approving the entering into and completion of the transactions contemplated by this Agreement and the Ancillary Agreements;

(ii) a certificate of status, compliance, good standing or like certificate with respect to the Purchaser issued by appropriate government official of the jurisdiction of its incorporation;

(iii) certificates referred to in Section 7.2(a) and 7.2(b);

(iv) the HST election referred to in Section 4.2, duly executed by the Purchaser;

(v) the Cash Purchase Price; and

(vi) the Purchaser's Conditions Certificate, referred to in Section 8.3, delivered to the Monitor.

(d) **Proceedings.** All proceedings to be taken in connection with the transactions contemplated in this Agreement and any Ancillary Agreement are reasonably satisfactory in form and substance to the Vendor, acting reasonably, and the Vendor shall have received copies of all the instruments and other evidence as it may reasonably request in order to establish the consummation of such transactions and the taking of all proceedings in connection therewith.

(e) **Legal Action.** There shall be no order issued by any Governmental Authority delaying, restricting or preventing consummation of the transactions contemplated herein.

7.3 Conditions for the Benefit of the Purchaser and the Vendor.

The purchase and sale of the Purchased Assets is subject to the following conditions being satisfied on or prior to the Closing Date, which conditions are for the benefit of both the Vendor and the Purchaser and may be jointly waived, in whole or in part, by the Vendor and the Purchaser.

(a) **Approval and Vesting Order.** The Approval and Vesting Order shall have been obtained and shall not have been appealed, set aside, varied or stayed or, if appealed or stayed, all appeals shall have been dismissed and all stays shall have been lifted, respectively. The Vendor and the Purchaser acknowledge and agree that this Agreement is subject to Court approval, and Closing the transactions contemplated herein is subject to the issuance of the Approval and Vesting Order.

(b) **Monitor's Certificate.** The Monitor shall have delivered the Monitor's Certificate to the Vendor and the Purchaser.

ARTICLE 8
CLOSING

8.1 Date, Time and Place of Closing.

Closing will take place on the Closing Date by exchanging signature pages of the Parties electronically, or at such place, on such other date and at such other time as may be consented to by the Monitor and agreed upon in writing between the Vendor and the Purchaser.

8.2 Closing Procedures.

(a) All documents detailed in the Closing Agenda (the "**Closing Documents**") shall be mutually agreed to and executed by the Vendor and Purchaser on or before 11 April 2024.

(b) Subject to satisfaction or waiver by the relevant Party of the conditions of Closing, on the Closing Date, the Closing shall be deemed completed upon the Monitor lifting the escrow on the Monitor's Certificate.

8.3 Monitor's Certificate.

When the conditions to Closing set out in Sections 7.1, 7.2, and 7.3 (other than the condition in Section 7.3(b)) have been satisfied and/or waived by the Vendor and/or the Purchaser, as applicable, the Vendor and the Purchaser or their respective counsel will each deliver to the Monitor confirmation that such conditions of Closing, as applicable, have been satisfied and/or waived (the "**Conditions Certificates**"). Upon receipt of the Conditions Certificates, the Monitor shall: (a) issue the Monitor's Certificate to the Purchaser and the Buyer, at which time the Closing will be deemed to have occurred; and (b) file a copy of the Monitor's Certificate with the Court and provide a copy of same to the service list in the CCAA Proceedings. In the case of (a) and (b), the Monitor will be relying exclusively on the Conditions Certificates without any obligation whatsoever to verify the satisfaction or waiver of the applicable conditions. The Parties hereby acknowledge and agree that the Monitor shall have no liability to the Parties in connection with the Monitor's Certificate or otherwise in connection with this Agreement.

8.4 Post-Closing Receipts

If, after Closing, any Excluded Assets are paid to or otherwise received by the Purchaser, then the Purchaser shall hold such assets in trust for the Vendor and shall promptly deliver such assets to the Monitor.

ARTICLE 9
TERMINATION

9.1 Termination Rights.

(a) This Agreement will be terminated automatically, without any action by either Party, if the Approval and Vesting Order is not granted by 30 April 2024, or such later date as may be agreed to be the Parties.

(b) This Agreement may, by Notice in writing given on or prior to the Closing Date, be terminated:

(i) by mutual consent of the Vendor and the Purchaser;

(ii) by the Purchaser, if:

(A) there has been a material breach of this Agreement by the Vendor and, where such breach is reasonably capable of being cured, such breach has not been waived by the Purchaser in writing or cured within 15 days following written Notice of such breach by the Purchaser; or

(B) any of the conditions in Section 7.1 have not been satisfied and it becomes reasonably apparent that any of such conditions will never be satisfied or will not satisfied by the Closing Date (other than as result of the failure of the Purchaser to perform any of its material obligations under this Agreement) and the Purchaser has not waived such condition in writing at or prior to Closing;

(c) by the Vendor, if:

(i) there has been a material breach of this Agreement by the Purchaser and, where such breach is reasonably capable of being cured, such breach has not been waived by the Vendor in writing or cured within 15 days following written Notice of such breach by the Vendor; or

(ii) any of the conditions in Section 7.2 have not been satisfied and it becomes reasonably apparent that any of such conditions will never be satisfied or will not satisfied by the Closing Date (other than as result of the failure of the Vendor to perform any of its material obligations) and the Vendor has not waived such condition in writing at or prior to Closing.

9.2 Effect of Termination.

(a) If this Agreement is terminated pursuant to Section 9.1(c) (and if the Vendor proves that such breach as described in Section 9.1(c)(i) is or was attributable directly to any failure or omission of the Purchaser to fulfill its obligations under this Agreement or if the Vendor proves that the Purchaser directly failed to perform any condition in Section 7.2 that is or was reasonably capable of being performed or caused to be performed by the Purchaser directly), the Deposit shall be earned by, become the property of, be paid to and be retained by the Vendor as compensation for such termination and the underlying reasons therefor, and the Vendor thereby acknowledges and agrees that such termination and payment of the Deposit shall be the Vendor's sole and exclusive compensation and remedy in respect of this Agreement, including without limitation in respect of Closing not occurring and any other matter or thing occurring or not occurring due in whole or in part to Closing or any step thereto not occurring, and the Vendor shall have no further right or claim of any nature or description whatsoever against the Purchaser or the Monitor, except solely for gross negligence or wilful misconduct as determined by final Order of the Court.

(b) If this Agreement is terminated pursuant to Section 9.1(c) (and if the Vendor does not prove that such breach as described in Section 9.1(c)(i) is or was attributable directly to any failure or omission of the Purchaser to fulfill its obligations under this Agreement or if the Vendor does not prove that the Purchaser directly failed to perform any condition in Section 7.2 that is or was reasonably capable of being performed or caused to be performed by the Purchaser directly), the Deposit shall be returned to the Purchaser in accordance with Section 9.2(c).

(c) If this Agreement is terminated pursuant to Section 9.1(a) or 9.1(b), or if the Deposit is to be returned pursuant Section 9.2(b), the Deposit shall be returned to the Purchaser without any interest, and the Purchaser acknowledges and agrees that such termination and return of the Deposit shall be the Purchaser's sole and exclusive compensation and remedy in respect of this Agreement, including without limitation in respect of Closing not occurring and any other matter or thing occurring or not occurring due in whole or in part to Closing or any step thereto not occurring, and the Purchaser shall have no further right or claim of any nature or description whatsoever against the Vendor or the Monitor, except solely for gross negligence or wilful misconduct as determined by final Order of the Court.

9. Survival.

If this Agreement is terminated pursuant to Section 9.1, this Agreement shall be of no further force or effect; provided, however, that this Section 9.2, ARTICLE 10, and provisions of this Agreement that by their nature should survive to the benefit of the Vendor or the Purchaser, as the case may be, shall survive such termination of this Agreement.

ARTICLE 10
MISCELLANEOUS

10.1 Notices.

Any notice, direction or other communication given regarding the matters contemplated by this Agreement (each a "**Notice**") must be in writing, sent by personal delivery, courier or email addressed:

(a) to the Purchaser at:

Harold Snow Service Group
70 Portugal Cove Road, Suite 101,
St. John's, NL A1B 2M3
Attention: Trevor Melendy
Email: tmelendy@haroldsnow.ca

With a copy to:

BOYNECLARKE LLP
99 Wyse Road, Unit 600
Dartmouth, NS B3A 4S5
Attention: Kelly J. Powell
Email: kpowell@boyneclarke.ca

(b) to the Vendor at:

Nicole Myles Brook
c/o Suite 202, 80 Elizabeth Ave.,
St. John's, NL, A1A 1W7
Attn: Darren O'Keefe, as agent for Nicole Myles Brook
Email: nicole@mylesandcompany.com

With a copy to:

O'KEEFE & SULLIVAN
Suite 202, 80 Elizabeth Ave.,
St. John's, NL, A1A 1W7
Attn: Darren O'Keefe
Email: dokeefe@okeefesullivan.com

(c) in each case, with a further copy to the Monitor as follows:

Grant Thornton Ltd.
Nova Centre, North Tower
Suite 1000 – 1675 Grafton Street
Halifax, NS B3J 0E9
Attn: Phil Clarke, the Montior
Email: phil.clarke@ca.gt.com

With a copy to:

STEWART MCKELVEY
1741 Lower Water St
Suite 600, Halifax, NS B3J 0J2
Attn: Sara Scott
Email: sscott@stewartmckelvey.com

A Notice is deemed to be given and received (i) if sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, or (ii) if sent by email, on the next Business Day. A Party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a Notice will be assumed not to be changed. Sending a copy of a Notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the Notice to that Party.

10.2 Time of the Essence.

Time shall be of the essence in respect of the obligations of the Parties arising prior to Closing under this Agreement.

10.3 Announcements.

No press release, public statement or announcement or other public disclosure with respect to this Agreement or the transactions contemplated in this Agreement may be made prior to Closing except with the prior written consent and joint approval of the Vendor, the Purchaser and the Monitor. Where such disclosure is required by Law, the Party required to make such disclosure will use its commercially reasonable efforts to obtain the approval of the other Party as to the form, nature and extent of the disclosure. After the Closing, any disclosure by the Vendor may be made only with the prior written consent and approval of the Purchaser unless such disclosure is required by Law, in which case the Vendor shall use its commercially reasonable efforts to obtain the approval of the Purchaser as to the form, nature and extent of the disclosure. Notwithstanding the foregoing, this Agreement may be disclosed publicly in Court materials provided that the Vendor or the Monitor may make redactions and seek any sealing order they deem necessary or appropriate.

10.4 Third Party Beneficiaries.

Except as otherwise provided in this Agreement, (i) the Vendor and the Purchaser intend that this Agreement will not benefit or create any right or cause of action in favour of any Person, other than the Parties and (ii) no Person, other than the Parties, is entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum. The Parties reserve their right to vary or rescind the rights at any time and in any way whatsoever, if any, granted by or under this Agreement to any Person who is not a Party, without Notice to or consent of that Person.

10.5 Expenses.

Except as otherwise expressly provided in this Agreement, each Party will pay for its own costs and expenses (including the fees and expenses of legal counsel, accountants and other advisors) incurred in connection with this Agreement or any Ancillary Agreements and the transactions contemplated by them.

10.6 Amendments.

This Agreement may only be amended, supplemented or otherwise modified by written agreement signed by the Vendor and the Purchaser.

10.7 Waiver.

No waiver of any of the provisions, in whole or in part, of this Agreement or any Ancillary Agreement will constitute a waiver of any other provision (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided. No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's acceptance of any certificate delivered on Closing or failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

10.8 Entire Agreement.

This Agreement, together with the Ancillary Agreements, (i) constitutes the entire agreement between the Parties; (ii) supersedes all prior agreements, understandings, negotiations, and discussions of the Parties, whether written or verbal; and (iii) sets forth the complete and exclusive agreement between the Parties, in all cases, with respect to the subject matter herein. For greater certainty and without limiting the foregoing, this Agreement supersedes and fully replaces the Letter of Intent, which Letter of Intent shall be terminated as of the date hereof.

10.9 Successors and Assigns

(a) Upon execution of the Agreement by the Parties, it will be binding upon and enure to the benefit of the Vendor, the Purchaser and their respective successors and permitted assigns.

(b) Except as provided in this Section 10.9, neither this Agreement nor any of the rights or obligations under this Agreement may be assigned or transferred, in whole or in part, by any Party without the prior written consent of the other Party. Upon giving Notice to the Vendor at any time on or prior to the Closing Date, the Purchaser may assign this Agreement or any of its rights and/or obligations under this Agreement to any of its Affiliates, provided that such Affiliate and the Purchaser shall be jointly and severally liable with respect to all of the obligations of the Purchaser, including the representations, warranties, covenants, indemnities and agreements of the Purchaser.

10.10 Severability.

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any Court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

10.11 Governing Law.

(a) This Agreement is governed by and will be interpreted and construed in accordance with the laws of the Province of Newfoundland and Labrador and the federal laws of Canada applicable therein.

(b) Each Party irrevocably attorns and submits to the exclusive jurisdiction of the Court (and appellate Courts therefrom) and waives objection to the venue of any proceeding in such Court or that such Court provides an inappropriate forum.

10.12 Counterparts.

This Agreement may be executed (including by electronic means) in any number of counterparts, each of which (including any electronic transmission of an executed signature page), is deemed to be an original, and such counterparts together constitute one and the same instrument.

10.13 Monitor

In addition to all of the protections granted to the Monitor under the CCAA or any order of the Court in these CCAA Proceedings, the Vendor and the Purchaser acknowledge and agree that the Monitor shall have no liability whatsoever with respect to this Agreement.

[Remainder of page intentionally left blank. Signature pages follow.]

IN WITNESS WHEREOF the Parties have executed this Asset Purchase Agreement.

BIG ERICS INC.

Per: ______________________________
Name: Nicole Myles Brook
Title: President

____

94747 NEWFOUNDLAND & LABRADOR INC.

Per: ______________________________
Name: Trevor Melendy
Title: President

Schedule "1.1(f)"

Draft Approval and Vesting Order

Attached.

2023 01G 3233
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c. B-3 as Amended (the "**BIA**")

IN THE MATTER OF the *Companies Creditors Arrangement Act* R.S.C., 1985 c. C-36 as Amended (the "**CCAA**"); and

AND IN THE MATTER OF an application of Big Erics Inc. ("**BEI**") and Terra Nova Old Port Foods Inc. ("**TNOPFI**") (collectively, the "**Companies**")

ORDER

Before the Honourable Justice Alexander MacDonald:

UPON HEARING counsel for the Company, and other counsel appearing for the other parties, each party as set out in the attached **Schedule A** having been duly and properly served with notice of the within application as set out in the affidavit of Melissa De Caria dated 18 March 2024.

AND UPON HEARING the Applicant's motion for the following relief, the Applicant seeks:

(a) an order abridging the notice periods pursuant to Section 11 of the CCAA and the *Rules of the Supreme Court, 1986,* Rule 3.03(1), Rule 6.04(2) and Rule 6.06;

(b) an order pursuant to Section 11 of the CCAA, directing that the service on the service list set out in **Schedule A** hereto is sufficient for the purposes of this application;

(c) An order providing for, among other things:

(i) approval of the sale of the assets of BEI (the "**Vendor**") to [redacted] Newfoundland & Labrador Inc. (the "**Purchaser**'') pursuant to an asset purchase agreement dated 12 April 2024 (the "**Asset Purchase**

Agreement"), and authorizing and directing the Vendor to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the sale contemplated in the Asset Purchase Agreement;

(ii) granting a release in favour of the Vendor as well as each of their directors, officers, employees and advisors, the Monitor and its advisors, and the Purchaser and its directors, officers, and advisors, all as described in detail below and set out in the draft Order;

(iii) amending the Amended and Restated Initial Order dated 28 July 2023 (the "**ARIO**"), to extend the stay of proceedings until 30 June 2024, subject to the transaction as contemplated in the Asset Purchase Agreement closing on or before 15 May 2024;

(iv) accepting and approving the Monitor's 6th and 7th Reports and the activities of the Monitor as described therein; and

(v) such further and other relief as counsel may advise and this Court deems just.

AND UPON READING the materials filed by the Applicant, including the affidavits of Nicole Myles Brook and David Howe each dated 15 March 2024 (the **"BEI Affidavits"**), and materials filed by the Monitor, including the Monitor's 6th and 7th Reports, dated 18 March 2024**,** and 11 April 2024 respectively, and on being advised that the senior secured creditors who are likely to be affected by this Order were given notice as evidenced by the affidavit of service of Melissa De Caria referred to in the preamble above;

SERVICE

2. **THIS COURT ORDERS** that the time for service of the Applicant's motion is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

1. **THIS COURT ORDERS** that, unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meanings given to them in the Asset Purchase Agreement, the Initial Order, the ARIO, or the BEI Affidavits filed 15 March 2024.

STAY PERIOD

2. **THIS COURT ORDERS** that the Stay Period, as defined in the ARIO dated 28 July 2023 is hereby extended until 30 June 2024 subject to the transaction as contemplated in the Asset Purchase Agreement closing on or before 15 May 2024.

APPROVAL AND VESTING

3. **THIS COURT ORDERS** that the Asset Purchase Agreement and the transactions contemplated thereunder are hereby approved and the execution of the Asset Purchase Agreement is hereby authorized and approved, with such amendments as the Vendor and/or Purchaser may deem necessary or otherwise agree to, with the approval of the Monitor. The Vendor is hereby authorized and directed to perform its respective obligations under the Asset Purchase Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the transactions contemplated thereunder, and any such additional documents contemplated in the Asset Purchase Agreement.

4. **THIS COURT ORDERS** that notwithstanding any provision hereof, the closing of the Asset Purchase Agreement, with such alterations, changes or amendments as may be agreed to by the Vendor and the Purchaser, with the consent of the Monitor, provided that such alterations, changes or amendments do not materially alter or impact the transaction contemplated in the Asset Purchase Agreement and/or its applicable stakeholders will benefit from as part of the transaction contemplated thereunder.

5. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by the Monitor and the Vendor to proceed with the transactions and the Asset Purchase Agreement and that no shareholder or other approval shall be required by

the Vendor in connection therewith.

6. **THIS COURT ORDERS** that, at the time of the delivery of the Monitor's certificate (the "**Monitor's Certificate**") to the Vendor and the Purchaser (the "**Effective Time**"), substantially in the form attached as **Schedule B** hereto, the following shall occur:

(a) all of the right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, in each case free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens (maritime or otherwise), executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or all Charges (as defined in the Initial Order and ARIO) charges created by the Initial Order, the ARIO, or any other Order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Newfoundland and Labrador), or any other personal property registry system or pursuant to the *Registration of Deeds Act, 2009* (Newfoundland and Labrador), the *Mechanics' Lien Act* (Newfoundland and Labrador) or the *Mineral Act* (Newfoundland and Labrador) the *Personal Property Security Act*, (Nova Scotia), *Land Registration Act* (Nova Scotia), and *Builder's Lien Act* (Nova Scotia) or any other real property or real property related registry or recording system (all of which are collectively referred to as the "**Encumbrances**"), and, for greater certainty, this Court orders that all Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets, as applicable, and shall be of no further force and effect.

(b) For greater certainty, with respect to confirming, amending or discharging registrations at the Registry of Deeds for Newfoundland and Labrador pursuant to the *Registration of Deeds Act, 2009* including those registrations identified in **Schedule C** shall be transferred to and become registrations of the

Purchaser and extinguished as against the Vendor.

7. **THIS COURT ORDERS** for greater certainty, and without limiting the generality of the foregoing that nothing contained herein shall be deemed to be a release of any obligation of the Vendor in relation to any environmental liabilities arising either before or after the Closing Date.

8. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Vendor and the Purchaser regarding the satisfaction of the Purchase Price and satisfaction or waiver of conditions to closing under the Asset Purchase Agreement (the "**Closing Certificates**") and shall have no liability with respect to delivery of the Monitor's Certificate.

9. **THIS COURT ORDERS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after receipt of the Closing Certificates.

10. **THIS COURT ORDERS** that upon the delivery of the Monitor's Certificate, and upon filing of a copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to the Vendor and the Purchased Assets (collectively, the "**Governmental Authorities**") are hereby authorized and directed to accept delivery of such Monitor's Certificate and a copy of this Order as though they were originals and to register, as applicable, such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to give effect to the terms of this Order and the Asset Purchase Agreement. Presentment of this Order and the Monitor's Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register, as applicable, transfer of title or interest and cancel and discharge registrations against the Vendor or the Purchased Assets of any Claims or Encumbrances, and the Monitor and the Purchaser are hereby specifically authorized to discharge the registrations against the Vendor or the Purchased Assets, as applicable.

11. **THIS COURT ORDERS** that no authorization, approval or other action by and no notice to or filing with any Governmental Authority or regulatory body exercising

jurisdiction over the Vendor or the Purchased Assets is required for the due execution, delivery and performance by the Vendor of the Asset Purchase Agreement.

12. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the Purchase Price, with the same priority as they had with respect to the Purchased Assets immediately prior to the sale.

13. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Vendor or the Monitor, as the case may be, is authorized, permitted, and directed to, at the Effective Time, disclose to the Purchaser all human resources and payroll information in the Vendor records pertaining to past and current employees of the Vendor. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner which is in all materials respects identical to the prior use of such information by the Vendor prior to Closing.

14. **THIS COURT ORDERS** that, at the Effective Time, the Vendor, the Monitor and the Purchaser shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) that relate to the Vendor, including without limiting the generality of the foregoing, all taxes, penalties and interest that could be assessed against the Vendor or the Purchaser (including its affiliates and any predecessor corporations) pursuant to section 160 of the *Income Tax Act* (Canada), or any provincial equivalent, in connection with the Vendor, provided, as it relates to the Vendor, such release shall not apply to (i) transaction taxes, or (ii) Taxes in respect of the business and operations conducted by the Vendor after the Effective Time. Nothing in this paragraph shall release or discharge any Claims against Purchaser with respect to Taxes that are transferred to Purchaser.

15. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Asset Purchase Agreement the Contracts that are oral and/or in writing to which the Vendor is a party upon delivery of the Monitor's Certificate will be and remain in full

force and effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

(a) any event that occurred on or prior to the delivery of the Monitor's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Vendor);

(b) any monetary defaults in relation to the contracts incurred on or prior to the delivery of the Monitor's Certificate;

(c) the insolvency of the Vendor or the fact that the Vendor sought or obtained relief under the **CCAA;**

(d) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations, or other steps taken or effected pursuant to the Asset Purchase Agreement, the transactions contemplated thereunder, or the provisions of this Order, or any other Order of the Court in these proceedings; or

(e) any change of control of the Vendor arising from the implementation of the Asset Purchase Agreement, the transactions contemplated thereunder, or the provisions of this Order.

16. **THIS COURT ORDERS** that from and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of the Vendor then existing or previously committed by the Vendor, or caused by the Vendor, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any contract existing between such Person and the Vendor arising directly or indirectly

from the filing by the Vendor under the CCAA and the implementation of the transactions contemplated under the Asset Purchase Agreement, including without limitation any of the matters or events listed in paragraph 15 hereof, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Vendor from performing its obligations under the Asset Purchase Agreement or be a waiver of defaults by the Vendor under the Asset Purchase Agreement and the related documents.

17. **THIS COURT ORDERS** that from and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessment, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Vendor, the Purchaser, or the Purchased Assets relating in any way to or in respect of any and any other claims, obligations, and other matters which are waived, released, expunged, or discharged pursuant to this Order.

18. **THIS COURT ORDERS** that, from and after the Effective Time any Person that prior to the Effective Time had a valid right or claim against the Vendor, or the Purchased Assets shall no longer have such right or claim against the Vendor or the Purchaser.

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

(a) the pendency of these CCAA Proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of the Vendor and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Vendor;

(d) the provisions of any federal or provincial statutes pertaining to fraudulent preferences, assignments, fraudulent conveyances, transfers at undervalue, other reviewable transactions, or oppressive or unfairly prejudicial conduct;

the Asset Purchase Agreement, the implementation of the transactions contemplated thereunder (including without limitation the transfer and vesting of the Purchased Assets to the Purchaser) and any payments by the Purchaser authorized herein or pursuant to the Asset Purchase Agreement shall be binding on any trustee in bankruptcy that may be appointed in respect of the Vendor and shall not be void or voidable by creditors of the Vendor, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

RELEASES

20. **THIS COURT ORDERS** that effective upon the delivery of the Monitor's Certificate to the (i) the Vendor and its current and former directors, officers, employees, legal counsel, and advisors; (ii) the Monitor and its legal counsel, and their respective present and former directors, officers, partners, employees, and advisors, and (iii) the Purchaser, its current and former directors, officers, employees, legal counsel, and advisors (the Persons listed in (i), (ii) and (iii) being collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future claims whatsoever (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, offer, investment proposal, dealing, or other fact, matter, occurrence or thing existing or taking place prior to the delivery of the Monitor's Certificate or completed pursuant to the terms of this Order and/or in connection with the Transactions solely in respect of the Vendor and their indebtedness, including their

assets, business or affairs, or prior dealings with the Vendor (wherever or however conducted or governed), or the administration and/or management of the Vendor or these proceedings or arising in connection with the Asset Purchase Agreement, the completion of the Transactions, the closing documents, any agreement, document, instrument, matter or transaction in each case solely involving the Vendor or arising in connection with or pursuant to any of the foregoing (collectively, the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled, and barred as against the Released Parties, and are not vested nor transferred to the Purchaser or to any other entity and are extinguished, provided that nothing in this paragraph shall waive, discharge, release, cancel or bar any claim for fraud or wilful misconduct or any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

21. **THIS COURT ORDERS** that nothing in this Order waives, discharges or in any way releases any person, including the Released Parties, from any responsibility or obligation, including any Encumbrance, that was, is or may be owed to or enforceable by the Province of Newfoundland and Labrador or any Ministry or agency thereof (collectively, "**Newfoundland and Labrador Governmental Authorities**"), that is not a "claim" as defined in section 2(1) of the CCAA, including from any environmental Liability that was, is or may be owed to or enforceable by any Newfoundland and Labrador Governmental Authority that is not a "claim" as defined in section 2(1) of the CCAA, and nothing in this order in any way bars, estops, stays or enjoins any and all steps or proceedings by any Newfoundland and Labrador Governmental Authorities or any servant, agent or employee thereof in respect thereof; it being understood that nothing in this paragraph shall impact the protections in favour of the Monitor otherwise provided for herein.

THE MONITOR

22. **THIS COURT ORDERS** that the Sixth and Seventh Report, and the activities of the Monitor set out therein are hereby approved, provided, however, that only the Monitor, in its personal capacity and only with respect to its own liability, shall be entitled to rely upon or utilize in any way such approval.

23. **THIS COURT ORDERS** that the Monitor, its employees and representatives shall not be deemed directors of the Purchaser de facto or otherwise and shall incur no liability as a result of acting in accordance with this Order, other than any liability arising out of or in connection with the gross negligence or wilful misconduct of the Monitor.

24. **THIS COURT ORDERS** that no action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court following a motion brought on not less than fifteen (15) days' notice to the Monitor and its legal counsel. The entities related or affiliated with the Monitor or belonging to the same group as the Monitor (including, without limitation, any agents, employees, legal counsel or other advisors retained or employed by the Monitor) shall benefit from the protection granted to the Monitor in this paragraph.

25. **THIS COURT ORDERS** that the Monitor shall not, as a result of this Order or any matter contemplated hereby:

(a) be deemed to have taken part in the management or supervision of the management of the Vendor or the Purchaser, or to have taken or maintained possession or control of the business or property of any of the Vendor or the Purchaser, or any part thereof; or

(b) be deemed to be in Possession (as defined in the Initial Order and ARIO) of any property of the Vendor or the Purchaser within the meaning of any applicable Environmental Legislation (as defined in the Initial Order and ARIO) or otherwise.

26. **THIS COURT ORDERS** that five (5) days prior to the Closing Date, the Vendor shall provide to the Bank of Montreal ("**BMO**") a reconciliation statement showing all of the Vendor's outstanding cheques/EFT payments (the "**Reconciliation Statement**"). The Vendor shall provide updated Reconciliation Statements each day thereafter up to the Closing Date. On the Closing Date, the Vendor's operating line with BMO shall be reduced to the amount of the outstanding cheques / EFT payments that are reflected on the Reconciliation Statement, plus a buffer of ten percent (10%).

27. **THIS COURT ORDERS** that the Vendor's operating line with BMO, together with TNOPFI's operating line with BMO, shall be terminated two (2) weeks following the

Closing Date.

28. **THIS COURT ORDERS** that the Vendor's Mastercard shall be terminated on the Closing Date.

SEALING ORDER

29. **THIS COURT ORDERS** that the Confidential Exhibits "A" to Affidavit of Nicole Myles Brook, Confidential Exhibits "A" and "B" to the Affidavit of David Howe, and Confidential Affidavit of the Purchaser, all dated 15 March 2024, and Exhibit "G" to the Monitor's Seventh Report shall be sealed with the Court until such further Order of this Court upon application by any interested party with notice to the Vendor, the Monitor, and the Purchaser.

GENERAL

30. **THIS COURT ORDERS** that, following the Effective Time, the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances against the Vendor and the Purchased Assets.

31. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

32. **THIS COURT ORDERS** that each of the Monitor, the Vendor, and the Purchaser shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States or elsewhere, for orders which aid and complement this Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Vendor, the Monitor, the Purchaser as may be deemed necessary or appropriate for that purpose.

33. **THIS COURT 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 Vendor, the Monitor, and/or the Purchaser and their

respective 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 Vendor, the Purchaser, and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Vendor, the Purchaser, and the Monitor and their respective agents in carrying out the terms of this Order.

34. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Newfoundland and Labrador Time on the date hereof.

Schedule "1.1(h)"
Assumed Contracts

Attached.

Vendor Code	Vendor Name	Including Contract	Agreement Type	Additional Agreements	Additional Agreements 2
V00135	3M CANADA COMPANY	Yes	Authorized Distributor Price List		
V00148	ADVANTAGE MAINTENANCE PRODUCTS	Yes	Authorized Distributor Price List		
V00155	ALADDIN TEMP-RITE CANADA INC.	Yes	Authorized Distributor Price List		
V01241	ALTO-SHAAM CANADA -	Yes	ESI Buying Group Rebate Structure		
V00172	ANTONEE -	Yes	ESI Buying Group Rebate Structure		
V14078	APW WYOTT BAKERS PRIDE	Yes	Authorized Distributor Price List		
V01243	ARC INTERNATIONAL NORTH AMERICA -	Yes	Authorized Distributor Price List	Dealer Specific Loyalty Program	Special Price List (on specific stocking/seasonal SKUs)
V00197	AXIA DISTRIBUTION CORP. -	Yes	ESI Buying Group Rebate Structure		
V00212	BEACON ELECTRIC LTD.	Yes	Authorized Distributor Price List		
V00220	BETCO CORPORATION LTD	Yes	Authorized Distributor Price List	Dealer Specific Loyalty Program	Pricing Deviation Contracts
V00221	BEVERAGE-AIR -	Yes	ESI Buying Group Rebate Structure		
V14310	BOCAR (MOUNT ROYAL CHAMOIS INC)	Yes	Authorized Distributor Price List		
V00245	BROWNE GROUP INC. -	Yes	ESI Buying Group Rebate Structu	Special Price List (on specific stocking/seasonal SI	Business Development Funds Agreement
V00251	BUNN-O-MATIC CORP CANADA -	Yes	ESI Buying Group Rebate Structure		
V00253	BURLODGE CANADA LIMITED	Yes	Authorized Distributor Price List		
V00265	CAMBRO MANUFACTURING CO. -	Yes	ESI Buying Group Rebate Structu	Dealer Specific Loyalty Program	
V00272	CANADIAN ENERGY	Yes	Authorized Distributor Price List		
V01794	CANTERBURY COFFEE	Yes	Authorized Distributor Price List		
V00291	CELCO INCORPORATED $CDN -	Yes	ESI Buying Group Rebate Structu	Special Price List (on specific stocking/seasonal SI	Dealer Specific Loyalty Program
V01251	CELCO INCORPORATED $USD -	Yes	ESI Buying Group Rebate Structu	Special Price List (on specific stocking/seasonal SKUs)	
V01885	CHESTER'S INTERNATIONAL, LLC	Yes	Authorized Distributor Price List		
V01784	COLOR AD PACKAGING LTD.	Yes	Authorized Distributor Price List		
V14164	COMPACT APPLIANCES	Yes	Authorized Distributor Price List		
V00334	COPELAND CANADA INC	Yes			
V00352	CROWN VERITY INCORPORATED CAN -	Yes	ESI Buying Group Rebate Structure		
V00368	DANA CHEMICALS INC.	Yes	Authorized Distributor Price List		
V00371	DANESCO -	Yes	ESI Buying Group Rebate Structure		
V14313	DEGREE COMMERCIAL INC	Yes	Authorized Distributor Price List		
V00385	DIAMOND GROUP, THE	Yes	Authorized Distributor Price List		
V00393	DIVERSEY CANADA INC. 2 -	Yes	Authorized Distributor Price List	Pricing Deviation Contracts	
V14183	DOT FOODS CANADA, INC	Yes	Authorized Distributor Price List		
V00402	DOYON INC	Yes	ESI Buying Group Rebate Structure		
V00411	DYNAMIC INTERNATIONAL LTD -	Yes	ESI Buying Group Rebate Structure		
V14352	E.L. BUGDEN LIMITED	Yes	Authorized Distributor Price List		
V00417	EAST COAST LAUNDRY	Yes	Authorized Distributor Price List		
V00549	EASTWARD ENERGY	Yes	Authorized Distributor Price List		
V00431	EDGEWOOD MATTING LTD	Yes	Authorized Distributor Price List		
V00432	EDLUND COMPANY, LLC -	Yes	ESI Buying Group Rebate Structure		
V01306	EFI SALES LTD	Yes	ESI Buying Group Rebate Structu	Special Price List (on specific stocking/seasonal SKUs)	
V00441	ENJAY CONVERTERS LTD.	Yes	Authorized Distributor Price List		
V00446	ESSENTIAL INDUSTRIES (U.S.)	Yes	Authorized Distributor Price List		
V00447	EURODIB -	Yes	ESI Buying Group Rebate Structure		
V01673	FAEMA CANADA	Yes	Authorized Distributor Price List		
V00453	FAST KITCHEN HOODS	Yes			
V00071	FLANAGAN AGENCIES INC.	Yes	Authorized Distributor Price List		
V00301	FOOD SERVICE SOLUTIONS - ESI	Yes			
V00485	FROST PRODUCTS LIMITED	Yes	Authorized Distributor Price List		
V00495	GARLAND COMMERCIAL RANGES -	Yes	Authorized Distributor Price List	Dealer Specific Loyalty Program	Special Price List (on specific stocking/seasonal SKUs)

V00496	GBS FOODSERVICE EQUIP LTD -	Yes	Authorized Distributor Price List			
V01789	GE BARBOUR INC.	Yes	Authorized Distributor Price List			
V00507	GLOBAL INDUSTRIAL	Yes	Authorized Distributor Price List			
V01324	GLOBE COMMERCIAL PRODUCTS -	Yes	Authorized Distributor Price List	Dealer Specific Loyalty Program	Special Price List (on specific stocking/seasonal SKUs)	
V00509	GLOBE FOOD EQUIPMENT -	Yes	ESI Buying Group Rebate Structure			
V00511	GOJO CANADA INC.	Yes	Authorized Distributor Price List	Dealer Specific Loyalty Program	Pricing Deviation Contracts	
V01790	GOLD MEDAL PRODUCTS CO.	Yes	Authorized Distributor Price List	Dealer Specific Loyalty Program	Special Price List (on specific stocking/seasonal SKUs)	
V01791	GREAT WESTERN PRODUCTS	Yes	Authorized Distributor Price List			
V00522	GROSFILLEX INCORPORATED -	Yes	ESI Buying Group Rebate Structure			
V00529	HABCO MANUFACTURING INC -	Yes	ESI Buying Group Rebate Structure			
V00543	HATCH INDUSTRIES LIMITED	Yes	Authorized Distributor Price List			
V00544	HATCO CORPORATION $CDN -	Yes	ESI Buying Group Rebate Structu	Special Price List (on specific stocking/seasonal SKUs)		
V00560	HOBART FOOD EQUIPMENT	Yes	ESI Buying Group Rebate Structu	Dealer Specific Loyalty Program	Special Price List (on specific stocking/seasonal SKUs)	
V01683	ITALIANA FOODTECH INC.	Yes	Authorized Distributor Price List			
V14337	JACKSTACK INTERNATIONAL N.V.	Yes	Authorized Distributor Price List			
V00622	KARCHER NORTH AMERICA	Yes	Authorized Distributor Price List			
V00127	KECA INTERNATIONAL	Yes	Authorized Distributor Price List			
V00628	KEEP COOL REFRIGERATION	Yes	Authorized Distributor Price List			
V00635	KILOTECH -	Yes	ESI Buying Group Rebate Structure			
V14301	KRUGER PRODUCTS INC	Yes	Authorized Distributor Price List	Dealer Specific Loyalty Program	Pricing Deviation Contracts	
V14358	LES ALIMENTS CUISIFIN INC - FINEST COOKW	Yes	Authorized Distributor Price List	Special Price List (on specific stocking/seasonal SKUs)		
V00656	LIBBEY CANADA INCORPORATED	Yes	Authorized Distributor Price List			
V01252	Libbey Tabletop ProgramwithGldf	Yes	ESI Buying Group Rebate Structu	Dealer Specific Loyalty Program	Special Price List (on specific stocking/seasonal SKUs)	
V00657	LIEBERMAN TRANCHEMONTAGNE INC.	Yes	Authorized Distributor Price List			
V01502	MARITIME CUSTOM RESTAURANT HOODS	Yes				
V14388	MARRA FORNI	Yes				
V00695	MAT TECH -	Yes	Authorized Distributor Price List			
V00035	MEGCOUR FOODSERVICE INC.	Yes	Authorized Distributor Price List			
V00711	MERCER TOOL CORP. -	Yes	ESI Buying Group Rebate Structure			
V00715	METROPOLITAN WIRE CAN. LTD -	Yes	Authorized Distributor Price List			
V00721	MIDDLEBY COOKING SYS.	Yes	ESI Buying Group Rebate Structure			
V01289	MILNECO LTD. SPECIALTY EQUIPME	Yes	Authorized Distributor Price List			
V00744	MOYER DIEBEL LIMITED -	Yes	Authorized Distributor Price List	Special Price List (on specific stocking/seasonal SKUs)		
V14329	MURPHY'S GROUND PATROL LTD	Yes	Authorized Distributor Price List			
V00748	MVP GROUP $CDN -	Yes	ESI Buying Group Rebate Structure			
V00755	NACECARE SOLUTIONS	Yes	Authorized Distributor Price List			
V00786	NUTRAMERICA INC.	Yes	Authorized Distributor Price List			
V00792	OMCAN MANUFACTURING -	Yes	ESI Buying Group Rebate Structure			
V00824	PERLICK CORPORATION	Yes	Authorized Distributor Price List			
V00825	PERMUL LIMITED $CDN -	Yes	Authorized Distributor Price List	Dealer Specific Loyalty Program		
V01822	PICO INC. -	Yes	ESI Buying Group Rebate Structure			
V01653	POLYKAR(NL) -	Yes	Authorized Distributor Price List			
V01741	POLYKAR(NS) -	Yes	Authorized Distributor Price List	Dealer Specific Loyalty Program		
V01792	PREFERRED POPCORN LLC	Yes	Authorized Distributor Price List			
V00855	PRISM CARE CORP. -	Yes	Authorized Distributor Price List			
V14231	R3 RELIABLE REDISTRIBUTION	Yes	Authorized Distributor Price List			
V00025	RABCO FOOD SERVICE	Yes	ESI Buying Group Rebate Structure			
V00876	RATIONAL CANADA INC.	Yes	Authorized Distributor Price List	Dealer Specific Loyalty Program	Special Price List (on specific stocking/seasonal SKUs)	
V00069	RMT DISTRIBUTORS LTD.	Yes	Authorized Distributor Price List			
V00899	ROBOT COUPE USA INC. -	Yes	ESI Buying Group Rebate Structu	Special Price List (on specific stocking/seasonal SKUs)		
V00906	RONCO -	Yes	Authorized Distributor Price List	Dealer Specific Loyalty Program	Special Price List (on specific stocking/seasonal SKUs)	
V00913	RUBBERMAID COMMERCIAL PROD	Yes	Authorized Distributor Price List	Dealer Specific Loyalty Program	Business Development Funds Agreement	
V00948	SERVE CANADA -	Yes	ESI Buying Group Rebate Structure			

V00969	SOLUTIONS JYJ	Yes				
V00975	SOUTHBEND, A MIDDLEBY CO	Yes	ESI Buying Group Rebate Structure			
V00996	STAR MANUFACTURING INT'L -	Yes	ESI Buying Group Rebate Structure			
V01001	STEELITE INTERNATIONAL -	Yes	ESI Buying Group Rebate Structu	Dealer Specific Loyalty Program		
V01010	STRUCTURAL CONCEPTS CORP -	Yes	ESI Buying Group Rebate Structure			
V14332	SUPRAMATIC	Yes	Authorized Distributor Price List			
V01025	SUTTON FOOD SOLUTIONS INC	Yes	Authorized Distributor Price List	Dealer Specific Loyalty Program	Special Price List (on specific stocking/seasonal SKUs)	
V01027	SWISS ARMY BRANDS INCORPORATED -	Yes	ESI Buying Group Rebate Structure			
V01030	SWISSMAR IMPORTS LIMITED -	Yes	ESI Buying Group Rebate Structure			
V00049	SYSTEMES NORBEC INC.	Yes	Authorized Distributor Price List	Dealer Specific Loyalty Program		
V01408	T&S EXPORTS -	Yes	ESI Buying Group Rebate Structu	Dealer Specific Loyalty Program		
V01036	TABLECRAFT PRODUCTS -	Yes	ESI Buying Group Rebate Structure			
V01037	TABLEWARE SOLUTIONS	Yes	Authorized Distributor Price List			
V01038	TARRISON PRODUCTS LTD. -	Yes	ESI Buying Group Rebate Structure			
V01042	TENNANT SALES & SERVICE COMPANY	Yes	Authorized Distributor Price List	Dealer Specific Loyalty Program		
V01045	TFI FOOD EQUIPMENT SOLUTIONS	Yes	Authorized Distributor Price List			
V14327	THE VOLLRATH COMPANY	Yes	ESI Buying Group Rebate Structu	Dealer Specific Loyalty Program	Business Development Funds Agreement	
V01057	TOTAL TABLETOP PLUS -	Yes	ESI Buying Group Rebate Structure			
V01831	TREAT PLANET	Yes	Authorized Distributor Price List			
V01066	TRUE REFRIGERATION CANADA -	Yes	ESI Buying Group Rebate Structu	Dealer Specific Loyalty Program	Special Price List (on specific stocking/seasonal SKUs)	
V01084	VENTURES INTERNATIONAL PRODUCT	Yes	Authorized Distributor Price List	Dealer Specific Loyalty Program		
V00850	VISTA TEXTILES	Yes	Authorized Distributor Price List			
V01096	W.D. COLLEDGE CO. LTD.	Yes	ESI Buying Group Rebate Structu	Dealer Specific Loyalty Program		
V01610	WIPECO INDUSTRIES - .	Yes	Authorized Distributor Price List	Dealer Specific Loyalty Program		
V01123	WOODSTONE CORPORATION	Yes	Authorized Distributor Price List			
V01128	WORLD TABLEWARE INC	Yes	Authorized Distributor Price List			
V01133	ZWILLING JA HENCKELS CAN	Yes	Authorized Distributor Price List	Dealer Specific Loyalty Program		

ASSUMED CONTRACTS

Project Name	Including Contract	Contract w/	Project Value	Margin %	AWARDED	Est Completion Date
CCOA (Avondale Construction)	Yes	Avondale	$104,000.00	5.51%	YES	Q2-24
Springhill - PCL	Yes	PCL	$180,000.00	8.09%	YES	Q1-24
The Willows - O'Leary Construction	Yes	O'Leary Construction	$47,000.00	7.05%	YES	Q1-24
Moncton Boys & Girls Club (Day In the Life)	Yes	MBGC	$62,000.00	8.98%	YES	Q1-24
Fredericton Northside School (Marco Constructio	N/A	Marco Construction	$195,000.00	8.85%	Not Officially	Q2-24
Ronald Mcdonald House (RCS)	Yes	RCS Construction	$7,500.00	14.13%	YES	Q3-24
AAFC RDC Canada Jobsite - JMJ HOLDINGS	Yes	JMJ Holdings	$3,600.00		YES	Q1-24
Stella Maris (Avondale Construction)	Yes	Avondale	$125,000.00	8.00%	YES	Q1-24
Keltic Lodge Outdoor Freezer	Yes		$80,000.00	10.00%	YES	Q1-24
NSCC Sydney Waterfront	Yes	NSCC	$50,000.00	10.16%	YES	Q1-24
STAC - Perish Church (Kimber Construction)	Yes	Jim Kimber Construction	$93,000.00	8.00%	YES	Q2-24

Vendor Name	Nature of Service	Including Contract	
ABELL PEST CONTROL INC	R & M - Building	Yes	
Access Information Management	R & M - Office Equip	Yes	
Aclaros	Softwares and IT services	Yes	
Adobe Inc	Softwares and IT services	Yes	
Allnovascotia.com	Memberships & Subscriptio	Yes	
Armour Transport Inc.	Transportation	Yes	
ATLANTIC LOCKSMITH LTD	R & M - Building	Yes	
Authorize.Net	Softwares and IT services	Yes	
Autoquotes	Softwares and IT services	Yes	
Avalon Recycling Service Ltd	R & M - Building	Yes	
Bell Aliant	Telephone & Internet	Yes	
Bell Canada	Telephone	Yes	
Bids Alert	Memberships & Subscriptio	Yes	
Black & Mcdonald Ltd	R & M - Building	Yes	
Blue Cross	Health Insurance	Yes	
Boom IT	Softwares and IT services	Yes	
BORDER BROKERS	Transportation	Yes	
Bulletproof	Softwares and IT services	Yes	
Cabot Pest Control Ltd	R & M - Building	Yes	
CABOT SHIPPING SUPPLIES LTD.	Supplies	Yes	
CAL LEGROW INSURANCE LIMITED	Insurance	Yes	
CANADA SAFETY	Training & Development	Yes	
CANADIAN SPRINGS	Supplies	Yes	
Cansel	Printing and Stationery	Yes	
Caring Counts Business Training & Service	Legal and Consulting	Yes	
CDW Electrical	R & M - Building	Yes	
Ceridian	Memberships & Subscriptio	Yes	
COMMERCIAL ELECTRIC LTD	R & M - Building	Yes	
Community Courier	Transportation	Yes	
Construction Association of NS	Memberships & Subscriptio	Yes	
Construction Safety NS	Memberships & Subscriptio	Yes	
Cox & Palmer	Legal and Consulting	Yes	
CP DISTRIBUTORS	R & M - Building	Yes	

Crocker Transport	Transportation	Yes	
Cross Town Express	Transportation	Yes	
Dave Peet Siding & Renovations	R & M - Building	Yes	
Day & Ross Inc	Transportation	Yes	
De Lage Landon Copiers	R & M - Office Equip	Yes	
Demonts	Transportation	Yes	
DENIS OFFICE SUPPLIES	Printing and Stationery	Yes	
DGNL Consulting Ltd	Transportation	Yes	
Dun & Bradstreed Canada - V00407	Memberships & Subscriptio	Yes	
EMBERLEY'S TRANSPORT LIMITED	Transportation	Yes	
Emberley's Transport Ltd	Transportation	Yes	
Enverus Canada Inc	Memberships & Subscriptio	Yes	
Federal Express Canada Corporation	Transportation	Yes	
Food Service Solutions	Transportation	Yes	
Foodservice Equipment (FEDA)	Memberships & Subscriptio	Yes	
Frederiction Chamber of Commerce	Memberships & Subscriptio	Yes	
G.N. JOHNSTON EQUIPMENT CO. LTD.	Forklift	Yes	
GERHARDT TRUCKING	Transportation	Yes	
GFL Environmental Inc	R & M - Building	Yes	
GH Power	Transportation	Yes	
GLOW SIGNS & PROMOTIONS LIMITED	Advertising	Yes	
Go Daddy.com	Softwares and IT services	Yes	
Green Lawn moving	R & M - Building	Yes	
Halifax Chamber of Commerce	Memberships & Subscriptio	Yes	
Harveys Oil	Heat & Light	Yes	
Heritage Gas/ Eastward Energy	Heat & Light	Yes	
Hospitality NFLD & Labrador	Memberships & Subscriptio	Yes	
Image Wear	Transportation	Yes	
Imaginit Tech	Softwares and IT services	Yes	
Indeed.com	Memberships & Subscriptio	Yes	
Independent Security Service Atlantic	Transportation	Yes	
INDUSTRIAL SAFETY WORLD IN	R & M - Building	Yes	
Information Protection Service	R & M - Office Equip	Yes	
IRON APPLE (733641 NB INC)	Legal and Consulting	Yes	

J & M MURPHY LIMITED	Supplies	Yes	
Kanstor Inc	R & M - Building	Yes	
KINSELLA SERVICES	R & M - Building	Yes	
KOST KLIP MANUFACTURING LTD	Supplies	Yes	
LAWRENCE CAINES- DG Goods training	Training & Development	Yes	
LIVINGSTON INTERNATIONAL	Transportation	Yes	
MACKIE MOVING SYSTEMS	Transportation	Yes	
Mailchimp	Softwares and IT services	Yes	
Malwarebytes	Softwares and IT services	Yes	
Manulife	Benefits	Yes	
Martin's Fire Safety Ltd	R & M - Building	Yes	
MBW Courier Inc.	Transportation	Yes	
Microsoft 365	Softwares and IT services	Yes	
Midland Courier	Transportation	Yes	
Midland Rebate	Transportation	Yes	
Midland Transport	Transportation	Yes	
Move Logistics Ltd.	Transportation	Yes	
New Hooks Transportation	Transportation	Yes	
NLCSA (Construction Association)	Memberships & Subscriptio	Yes	
NORTH SHORE ROOFING	R & M - Building	Yes	
NS Water	Heat & Light	Yes	
Oceanex Inc	Transportation	Yes	
Parker Plumbing & Heating Ltd.	R & M - Building	Yes	
Penneys Transport	Transportation	Yes	
PIK-FAST EXPRESS INC.	Supplies	Yes	
PLUMBING PLUS LTD.	R & M - Building	Yes	
Power NL	Heat & Light	Yes	
Power NS	Heat & Light	Yes	
Printer Tech Solution Inc	R & M - Office Equip	Yes	
Purolator Inc	Transportation	Yes	
Restaurant Ass. Nova Scotia	Memberships & Subscriptio	Yes	
Restaurant Association of NS	Advertising	Yes	
Ricks Pallets	Transportation	Yes	
Royal Environmantal Inc	R & M - Building	Yes	
SAP	Softwares and IT services	Yes	
SCOTIA SAFETY TRAINING	Training & Development	Yes	
Shopify	Softwares and IT services	Yes	

SMITH STOCKLEY LIMITED	R & M - Building	Yes	
Sonicwall	Softwares and IT services	Yes	
St. John's Board of Trade	Memberships & Subscriptior	Yes	
STANLEY'S	R & M - Building	Yes	
Supercity Office Systems	R & M - Office Equip	Yes	
Survey Monkey	Memberships & Subscriptior	Yes	
Terminix Canada	R & M - Building	Yes	
THE FAX & PRINTER GUY INC	R & M - Office Equip	Yes	
TRANS PRO LOGISTICS	Transportation	Yes	
TRANSPORT MARITIME SERVICES INTL LTD	Transportation	Yes	
Tyco Integrated Fire Security	R & M - Building	Yes	
Uline Shipping Specialists	Transportation	Yes	
ULINE SHIPPING SUPPLY SPECIALISTS	Supplies	Yes	
Vaaem Backup	Softwares and IT services	Yes	
Venor Recruitment Ltd	Recruitment	Yes	
VENTURES INTERNATIONAL PRODUCT	Transportation	Yes	
WILLIAMS & GOSSE ENERGY SOLUTIONS L	R & M - Office Equip	Yes	
Wilsons Security	R & M - Building	Yes	
Women Presidents Organisation	Memberships & Subscriptior	Yes	
Worksafenb- V01127	Memberships & Subscriptior	Yes	

FOREIGN NAME	Including Contract	EXPIRY DATE	Concessions	Disposable/Paper	Equipment	JANITORIAL SUPPLIES	kitchen-Supplies	Grand Total	estimated GP
ARAMARK (COMPASS CONTRACT)	Yes	2024-10-31				$98,010.04		$98,010.04	21.00%
ARAMARK-HEALTH (COMPASS CONTRACT)	Yes	2024-10-31				$113,831.91		$113,831.91	21.00%
ARAMARK-SCHOOL (COMPASS CONTRACT)	Yes	2024-10-31				$19,199.59		$19,199.59	21.00%
CLARENVILLE INN	Yes	2024-06-23				$6,884.00		$6,884.00	21.00%
COLEMAN	Yes	2024-10-31		$165,200.42	$927.90			$166,128.32	22.70%
COMPASS	Yes	2024-05-31				$762.41		$762.41	21.00%
COMPASS-ECCL	Yes	2024-05-31		$45,441.60		$256,476.67	$9,002.18	$310,920.45	22.50%
COMPASS-EDUCATION	Yes	2024-05-31				$10,228.87		$10,228.87	21.00%
COMPASS-EDUCATION-TENDER	Yes	2024-10-31				$318.88	$17.07	$335.95	21.00%
COMPASS-HEALTH-EVS-TENDER	Yes	2024-10-31			$432.67	$8,067.08	$77.98	$8,577.73	21.00%
COMPASS-HEALTH-TENDER	Yes	2024-10-31				$79,291.41	$23,935.64	$103,227.05	21.00%
COMPASS-SCHOOL	Yes	2024-05-31				$85,221.52		$85,221.52	21.00%
COMPASS-TENDER	Yes	2024-10-31				$17,131.72	$987.33	$18,119.05	21.00%
CONA-SCHOOL	Yes	2024-03-31		$8,491.08		$7,355.50		$15,846.58	21.00%
COUCHE-TARD (POPCORN formally Cape Do'r)	Yes	2024-10-31	$202,283.23					$202,283.23	26.60%
CPS-ARAMARK(COMPASS CONTRACT)	Yes	2024-10-31				$78,479.30		$78,479.30	22.60%
CROMBIE (kruger and Diversey)	Yes	2024-01-31		$167,397.23		$23,063.76		$190,460.99	18.00%
CROTHALL - COMPASS-HEALTH-EVS-TENDER	Yes	2024-10-31			$10,495.91	$288,244.00		$298,739.91	21.00%
CROTHALL - COMPASS-HEALTH-TENDER	Yes	2024-10-31				$4,548.72		$4,548.72	24.00%
EASTERN HEALTH-NL HEALTH LARGE	Yes	2024-10-31				$1,192.14		$1,192.14	24.00%
EASTERN HEALTH-NL HEALTH LARGE	Yes	2024-12-31				$1,461.53		$1,461.53	24%
EASTERN HEALTH-NL HEALTH LARGE	Yes	2025-06-30		$29,827.00	$104.76	$30,506.30	$7,579.36	$68,017.42	24%
EASTERN HEALTH-NL HEALTH LARGE-TENDER	Yes	2024-10-31				$5,660.12		$5,660.12	24%
FOODLAND-SOBEYS	Yes	2024-02-29				$1,329.84		$1,329.84	26%
GOULDING	Yes	2024-08-08				$13,696.74		$13,696.74	24%
HORIZON HEALTH (Ice and water dispensors Scottsman)	Yes	2024-10-31				$194,184.63	$9,296.79	$203,481.42	10%
LABRADOR CATERING-ECCL	Yes	2024-05-31		$42,347.24		$320,756.13	$4,914.28	$368,017.65	23%
MARINEINS-SCHOOL (Compass)	Yes	2024-03-31				$1,134.58		$1,134.58	24%
MORRISON - COMPASS-HEALTH-EVS-TENDER	Yes	2024-10-31				$37,625.00		$37,625.00	21%
MORRISON - COMPASS-HEALTH-TENDER	Yes	2024-10-31				$52,637.70	$5,805.82	$58,443.52	21%
MUN-SCHOOL	Yes	2024-03-31				$5,228.85		$5,228.85	26%
NL HEALTH LARGE-TENDER	Yes	2024-10-31				$33,669.25	$1,826.32	$35,495.57	21%
PEI HEALTH-HEALTH (Smallwares, Rational chemicals)	Yes	2024-10-31		$105,949.21		$9,816.00	$46,068.66	$161,833.87	18%
SCANDINAVIAN BUILDING SERVICES	Yes	2024-02-29				$45,533.06		$45,533.06	26%
SOBEYS (matting)	Yes	2024-02-29				$4,283.07		$4,283.07	14%
T.R.A-SOBEYS Matting	Yes	2024-02-29	$9,601.62			$169.51		$9,771.13	14%
WESTERN HEALTH-NL HEALTH LARGE	Yes	2024-09-30			$471.06	$105,823.46	$1,575.13	$107,869.65	23%
NSHA-TENDER (dial for dining tender)	Yes				$912,000.00			$912,000.00	12%

ASSUMED CONTRACTS

Landlord	Location	Including Contract
Pro Reit Acquisition (1) Inc.	171 John Savage Avenue, Dartmouth,	Yes
Lighthouse Realty Atlantic Inc. ("LRA	99 Blackmarsh Rd, St. John's NL	No

Schedule “1.1(ee)”
Excluded Contracts

Subject to Section 2.4(b):

1. Avetta.
2. Lease for the 99 Blackmarsh Road St. John's, Newfoundland and Labrador, A1E 1S6 premises.

Schedule "1.1(tt)"

Permitted Encumbrances

The Premises Lease as defined herein.

Schedule "1.1(ccc)"

Description of Real Property

Nil.

Schedule "2.1"

Encumbrances to be deleted and expunged including from title to the Real Property (all information as registered per Registry of Deeds of Newfoundland and Labrador).

Nil.

Schedule "2.2(f)"
Other Excluded Assets

Nil.

Schedule “2.4”
Other Excluded Liabilities

(a) any Liabilities of the Vendor arising or incurred in connection with the negotiation, preparation, investigation and performance of this Agreement, the transaction documents ancillary to this Agreement and the transactions contemplated hereby and thereby, including fees and expenses of counsel, accountants, consultants, advisers and others;

(b) any Liabilities in respect of all indebtedness of the Vendor to all persons;

(c) any Liabilities for Taxes payable by the Vendor;

(d) any Liabilities related to the Non-Transferred Employee Liabilities;

(e) any Liabilities in respect of any pending or threatened Action arising out of, relating to or otherwise in respect of the operation of the Business or the Purchased Assets to the extent such Action relates to such operation on or before the Closing Date;

(f) any product Liability or similar claim or Action for injury to a person or property which arises out of or is based upon any express or implied representation, warranty, agreement or guarantee made by the Vendor, or by reason of the improper performance or malfunctioning of a product, improper design or manufacture, failure to adequately package, label or warn of hazards or other related product defects of any products at any time manufactured or sold or any service performed by the Vendor;

(g) any recall, design defect or similar claims or Actions of any products manufactured or sold or any service performed by the Vendor;

(h) any Liabilities of the Vendor in respect of the Transferring Employees to the extent that such Liabilities are based on facts, circumstances or events that arise on or before the Closing on the Closing Date and any Liabilities of the Vendor in respect of any employees of the Vendor including, without limitation, wages, salary, bonus, vacation pay and other compensation, all Liabilities under employee Benefit Plans of the Vendor relating to employment of all persons in the Business prior to the Closing Date, all severance and seniority payments, damages for wrongful dismissal and all related costs in respect of the termination by the Vendor of the employment of any employee who does not accept the Purchaser’s offer of employment referred to in Section 6.5(a);

(i) all liabilities for claims and Actions for injury, disability, death or workers’ compensation arising from or related to employment in the Business prior to the Closing Date;

(j) any environmental Actions, or Liabilities under environmental laws, to the extent arising out of or relating to facts, circumstances or conditions existing on or before the Closing on the Closing Date or otherwise to the extent arising out of any actions or omissions of the Vendor;

(k) any trade accounts payable of the Vendor;

(l) any Liabilities of the Business relating or arising from unfulfilled commitments, quotations, purchase orders, customer orders or work orders;

(m) any Liabilities to indemnify, reimburse or advance amounts to any present or former officer, director, employee or agent of the Vendor (including with respect to any breach of obligations by such person);

(n) any Liabilities associated with debt, loans or credit facilities of the Vendor or the Business owing to financial institutions or creditors;

(o) any Liabilities payable by the Vendor under any Lease for the Business' Premises; and

(p) any Liabilities arising out of, in respect of or in connection with the failure of the Vendor or any of its Affiliates to comply with any Law or Governmental Order.

Schedule "3.3"
Purchase Price Determination

The Purchase Price shall be determined as follows:

(a) $1,700,000 for Accounts Receivable (the "**AR Target**");

(b) Customer Deposits: Five (5) days prior to the Closing Date, an estimate of the Customer Deposits shall be determined by the Vendor and shall be applied, without duplication, to reduce the Purchase Price;

(c) $525,000.00 for the Inventory (the "**Inventory Target**");

(d) the purchase price to be paid for Transitional Purchases shall be determined in accordance with paragraph 3.4(a);

(e) $175,000.00 shall be allocated to the capital and intangible assets, which collectively include the Purchased Assets as described in:

(i) Section 2.1(c) (Goodwill);

(ii) Section 2.1**Error! Reference source not found.** (Current Assets);

(iii) Section 2.1(d) (Equipment and Sales);

(iv) Section 2.1(e) (Contracts);

(v) Section 2.1(f) (Vehicles);

(vi) Section 2.1(g) (Computer Software);

(vii) Section 2.1(h) (Real Property);

(viii) Section 2.1(i) (Intellectual Property);

(ix) Section 2.1(j) (Books and Records);

(x) Section 2.1(k) (Claims);

(xi) Section 2.1(l) (Permits);

(xii) Section 2.1(m) (Insurance); and

(xiii) Section 2.1(n) (Other Property).

Appendix E

94747 Agreement to Trade Accounts Receivable Reconciliation

Hines, Corey

Subject: RE: BEI - PPA for AR and Customer Deposits

CAUTION: EXTERNAL EMAIL. DO NOT CLICK ON LINKS OR OPEN ATTACHMENTS YOU DO NOT TRUST
DO NOT ENTER YOUR GT PASSWORD ON ANY EXTERNAL EMAIL REQUEST

From: Joshua Santimaw <JSantimaw@boyneclarke.ca>
Sent: June 12, 2024 10:13 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Joe Thorne <joethorne@stewartmckelvey.com>
Subject: RE: BEI - PPA for AR and Customer Deposits

This is an external email.

Sara,

We agree with the figures as presented except with respect to the Customer Deposits. They should be reduced by $20,000.00 per the attached spreadsheet and the below from 947 NLL

Please see attached deposit details for customer credited in BMO on May 09 2024, but not reported in our AR deposit submitted on May 10 2024 **$345,979**

947NLL needs to adjust this deposit when we create invoice for the customer, that is still pending as goods not received yet- Invoice for customer is pending.

Therefore, this amount **$20,334** should be added to deposit details. Total deposits should be **$366,313**

Please make this correction and provide us with the overall figure, if any, that 947 NLL would owe the Monitor taking into the account the amounts currently held in trust by the Monitor.

Joshua J. Santimaw
Partner
T 902.460.3451 **F** 902.463.7500

From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: June 10, 2024 1:18 PM
To: Joshua Santimaw <JSantimaw@boyneclarke.ca>
Cc: Joe Thorne <joethorne@stewartmckelvey.com>
Subject: FW: BEI - PPA for AR and Customer Deposits

ATTENTION – This message comes from an external sender. If you were not expecting it, use caution before opening attachments or clicking on links.

Josh,

See below from the Monitor and some issues that have been identified with the amounts for AR.

Further, attached are wiring instructions for the first $75k payment. If it has already been wired, please send along the confirmation details.

Sara

Sara L. Scott*
Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Clarke, Phil <Phil.Clarke@ca.gt.com>
Sent: June 10, 2024 11:42 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>; Joe Thorne <joethorne@stewartmckelvey.com>
Cc: Hines, Corey <Corey.Hines@ca.gt.com>
Subject: BEI - PPA for AR and Customer Deposits

This is an external email.

Sara / Joe:

Please find attached, and summarized below, is the PPA for Accounts Receivable pursuant to 3.4 (b) of the APA and 3.4 (c) of the APA. The calculation was completed by BEI. The Monitor has reviewed and is in agreements. The net of the 2 is an additional payment to the estate of $56,396.51.

Note – We are still reviewing the goods in transit information provided by Purchaser. They appear to be deducting customer deposits from the amount, which were already deducted from the amount payable on closing. The Purchaser is entitled to deduct for Customer deposits on a dollar for dollar basis, but only once. If they deduct them off GIT, then the amount payable on account of AR increased for the same corresponding amount. To help with ease of calculation we have done a separate calculation for the Customer Deposits.

If you could please send to the Purchaser for review and confirmation.

Big Erics Inc. Accounts Receivable Reconciliation on Closing			
	AR Balance		**Purchase Price**
Aged AR 0-90 Days	$ 2,138,379.15	80%	$ 1,710,703.32
Aged AR 91+ Days	$ 293,396.03	25%	$ 73,349.01
Trade AR on Closing	**$ 2,431,775.18**		**$ 1,784,052.33**
Target AR Paid on Closing			$ 1,700,000.00
Due from Purchaser			**$ 84,052.33**

Big Erics Inc. Customer Deposit Reconciliation on Closing	
Customer Deposits - May 5, 2024 (Used for Closing)	$ 318,140.31
Customer Deposits - May 10, 2024 (Closing)	$ 345,796.13
Credit To Purchaser	**-$ 27,655.82**

Cheers,

Phil Clarke | Partner
Grant Thornton LLP
1000 - 1675 Grafton St | Halifax | NS B3J 0E9
T +1 902 420 7191
E Phil.Clarke@ca.gt.com | **W** http://www.grantthornton.ca/

Grant Thornton

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Appendix F

94747 Agreement to Customer Deposit Reconciliation

Hines, Corey

Subject: RE: BEI - Customer Deposit Reconciliation

CAUTION: EXTERNAL EMAIL. DO NOT CLICK ON LINKS OR OPEN ATTACHMENTS YOU DO NOT TRUST
DO NOT ENTER YOUR GT PASSWORD ON ANY EXTERNAL EMAIL REQUEST

From: Joshua Santimaw <JSantimaw@boyneclarke.ca>
Sent: Thursday, June 13, 2024 10:38:23 AM
To: Sara L. Scott <sscott@stewartmckelvey.com>
Cc: Joe Thorne <joethorne@stewartmckelvey.com>
Subject: RE: BEI - Customer Deposit Reconciliation

This is an external email.

Hi Sara,

Thank you for this. I understand Phil and Cory are working on a spreadsheet as regards the money held and money 947 NLL owes to the Monitor so we can get this behind us so only the BMO Account is an issue. I understand you are addressing that as well.

Can you send that along so we can get this completed.

Joshua J. Santimaw
Partner
T 902.460.3451 **F** 902.463.7500

From: Sara L. Scott <sscott@stewartmckelvey.com>
Sent: June 12, 2024 9:28 PM
To: Joshua Santimaw <JSantimaw@boyneclarke.ca>
Cc: Joe Thorne <joethorne@stewartmckelvey.com>
Subject: BEI - Customer Deposit Reconciliation

ATTENTION – This message comes from an external sender. If you were not expecting it, use caution before opening attachments or clicking on links.

Hi Josh,

The Monitor has reviewed the material you have supplied and agrees that the deposit needs to be accounted for. As a result, the revised AR reconciliation is below.

Regards, Sara

Big Erics Inc. Accounts Receivable Reconciliation on Closing			
	AR Balance		Purchase Price
Aged AR 0-90 Days	$ 2,138,379.15	80%	$ 1,710,703.32
Aged AR 91+ Days	$ 293,396.03	25%	$ 73,349.01
Trade AR on Closing	**$ 2,431,775.18**		**$ 1,784,052.33**
Target AR Paid on Closing			$ 1,700,000.00
Due from Purchaser			**$ 84,052.33**

Big Erics Inc. Customer Deposit Reconciliation on Closing	
Customer Deposits - May 5, 2024 (Used for Closing)	$ 318,140.31
Customer Deposits - May 10, 2024 (Closing)	$ 345,796.13
Additional Customer Deposit Not Recorded on Closing	$ 20,334.71
Credit To Purchaser	**-$ 47,990.53**

Sara L. Scott*
Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

Appendix G

BMO General Security Agreement

SECURITY AGREEMENT

The undersigned **94747 NEWFOUNDLAND & LABRADOR INC.** (hereinafter called the "**Debtor**"), hereby enters into this Security Agreement with Bank of Montreal (hereinafter called the "**Bank**") for valuable consideration and as security for the payment of the amount of $225,000.00, as set out in paragraph 3.2(c) of the Asset Purchase Agreement dated April 16, 2024, and interest thereon and for the repayment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, of the Debtor to the Bank (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "**Obligations**"). This Security Agreement is entered into pursuant to and is governed by the applicable *Personal Property Security Acts* of Nova Scotia, Newfoundland and Labrador, and any other Province, insofar as it affects personal property located in Nova Scotia, Newfoundland and Labrador and any other Province.

1. The Debtor hereby represents and warrants to the Bank that it has assets at, *inter alia,* the locations set forth in Schedule "A" attached hereto:

2. The Debtor hereby:

   (a) mortgages and charges to the Bank as and by way of a fixed and specific mortgage and charge, and grants to the Bank a security interest in, all its present and future equipment and any proceeds therefrom, including, without limiting the generality of the foregoing, all fixtures, plant, machinery, tools and furniture now or hereafter owned or acquired or in respect of which the Debtor has rights now or in the future and any equipment;

   (b) mortgages and charges to the Bank, and grants to the Bank a security interest in, all its present and future inventory and any proceeds therefrom, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service;

   (c) assigns, transfers and sets over to the Bank and grants to the Bank a security interest in, all its present and future intangibles and any other proceeds therefrom, including, without limiting the generality of the foregoing, all its present and future accounts, accounts receivable, contract rights and other choses in action of every kind or nature now due or hereafter to become due, including insurance rights arising from or out of the assets referred to in sub-clauses (a) and (b) above;

   (d) grants, mortgages, charges, transfers and assigns to the Bank a security interest in, all its present and future chattel papers, documents of title, instruments, money and securities, and any proceeds therefrom;

   (e) mortgages and charges to the Bank by way of a fixed and specific mortgage and charge, and grants to the Bank a security interest in any other personal property otherwise described in Schedule "A" hereto;

   (f) charges in favour of the Bank as and by way of a floating charge its undertaking and all its property and assets, real and personal, moveable or immovable, of whatsoever nature and kind, both present and future (other than property and assets validly held or subjected to a security interest or a specific mortgage, charge or assignment provided for in sub-clauses (a), (b), (c) or (d) above and to the exceptions hereinafter contained). For the purpose of this Security Agreement, the equipment, inventory, intangibles, undertaking and all other property and assets of the Debtor referred to in this clause 2 are hereinafter sometimes collectively called the "**Collateral**". Without limiting the generality of the description of Collateral as set out in this clause 2, and for greater certainty, the Collateral shall include all present and future personal property of the Debtor of the type described in any Schedule attached hereto. The Debtor agrees that it shall promptly advise the Bank in writing of any acquisition of personal property which is not of the type herein described. The Debtor agrees to execute and deliver from time to time, at its own expense, amendments to this Security Agreement or additional security agreements, which may be reasonably required by the Bank to ensure attachments of security interests in such personal property.

3. The Collateral is on the date hereof primarily situate or located at the location(s) set out in clause 1 hereof but may from time to time be located at other premises of the Debtor. The Collateral may also be located at other places while in transit to and from such locations and premises; and the Collateral may from time to time be situate or located at any other place when on lease or consignment to any lessee or consignee from the Debtor.

4. It is hereby declared that the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor, is hereby or shall be excepted out of the mortgages, charges and security interests hereby created, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term of years, for the time being demised, as aforesaid upon trust to assign and dispose of the same as any purchaser of such term of years shall direct. There shall also be excluded from the security created by this Security Agreement any property of the Debtor that constitutes consumer goods for the personal use of the Debtor.

5. The Debtor shall not without the prior written consent of the Bank sell or dispose of any of the Collateral other than that described in sub-clause (b) of clause 2 above which may be sold only in the ordinary course of business and for the purpose of carrying on the same; and if the amounts of any of the intangibles referred to in sub-clause (c) of clause 2 above or any proceeds arising from the collateral described in sub-clauses (a) and (b) of clause 2 above shall be paid to the Debtor, the Debtor shall receive the same as agent of the Bank and forthwith pay over the same to the Bank. The Debtor agrees that the Bank may require any account debtor of the Debtor, on default, to make payment to the Bank and the Bank may take control of any proceeds referred to in sub-clauses (a), (b) and (c) of clause 2 hereof and may hold all amounts received from any account debtors and any proceeds as cash collateral as part of the Collateral and as security for the Obligations of the Debtor to the Bank.

6. The Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all and singular every such further acts, deeds, transfers, assignments, security agreements and assurances as the Bank may reasonably require for the better granting, transferring, assigning, charging, setting over, assuring and confirming unto the Bank the property and assets hereby mortgaged and charged or subjected to security interests or intended so to be or which the Debtor may hereafter become bound to mortgage, charge, transfer, assign or subject to a security interest in favour of the Bank and for the better accomplishing and effectuating of this Security Agreement.

7. The Debtor shall at all times have and maintain insurance over the Collateral against risks of fire (including so-called extended coverage), theft, and such other risks as the Bank may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Bank. The Debtor shall promptly pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Bank as its interest hereunder may appear and shall, if required, furnish the Bank with certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions.

8. The Debtor shall at all times upon request by the Bank furnish the Bank with such information concerning the Collateral as the Bank may reasonably request, including lists of inventory and equipment and lists of accounts and accounts receivable showing the amounts owing upon each account and securities therefor.

9. The Debtor covenants with the Bank as follows:

(a) It will at all times maintain its corporate existence;

(b) It will carry on and conduct its business in a proper and efficient business-like manner in accordance with good business practice;

(c) Except for the prior charge granted to Sallyport Commercial Finance, it will not, without the prior written consent of the Bank, which consent shall not be unreasonably withheld, make, give or create any mortgage, charge or assignment, or other security, whether fixed or floating, on any of its undertaking, property or assets ranking in priority to or *pari passu* with the security hereby constituted, and that it will not permit or suffer the registration of any lien, encumbrance or charge, statutory or otherwise, on or in respect of any of its property and assets;

(d) It will keep or cause to be kept proper books of account in accordance with sound accounting practices;

(e) It will observe and conform to all valid requirements of any governmental authority relative to any of its property, assets and undertakings;

(f) It will maintain and keep in good repair the Collateral and will refrain from damaging or destroying same;

(g) It will cause all taxes, rates, license fees and any other charges assessed or imposed upon it and its property, or any part thereof, to be paid when the same become due and payable;

(h) It will insure and keep insured its insurable interest in the Collateral including inventory and any other insurable property of the Debtor against such perils and in such amounts as may be usual and prudent with companies carrying on similar business or holding similar assets, with losses on the Collateral payable to the Bank, and upon the written request of the Bank, will furnish it with copies and an assignment of such policies of insurance;

(i) It will not, without the prior written consent of the Bank, sell, transfer, assign, or otherwise dispose of any of its assets other than in the ordinary course of its business;

10. The Debtor shall be in default under this Security Agreement upon the occurrence of any one of the following events:

(a) the Debtor shall default under any of the Obligations;

(b) the Debtor shall default in the due observance or performance of any covenant, undertaking or agreement heretofore or hereafter given to the Bank, whether contained herein or not and including any covenant or undertaking set out in any Schedule to this Security Agreement;

(c) an execution or any other process of any court shall become enforceable against the Debtor or a distress or analogous process shall be levied upon the property of the Debtor or any part thereof;

(d) the Debtor shall become insolvent or commit an act of bankruptcy, or make an assignment in bankruptcy or a bulk sale of its assets or a bankruptcy petition shall be filed or presented against the Debtor and not be bona fide opposed by the Debtor; or

(e) the Debtor shall cease to carry on business.

11. Subject to the provisions of the Addendum contained in Schedule “B” hereto, upon any default under this Security Agreement, the Bank may declare any or all of the Obligations to be immediately due and payable and may proceed to realize the security hereby constituted and to enforce its rights by entry; or by the appointment by instrument in writing of a receiver or receivers of the subject matter of such security or any part thereof and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Bank or not, and the Bank may remove any receiver or receivers so appointed and appoint another or others in his or their stead; or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Debtor. Any such receiver or receivers so appointed shall have power to take possession of the Collateral or any part thereof and to carry on the business of the Debtor, and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor, and to further charge the Collateral in priority to the security constituted by this Security Agreement as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine. In exercising any powers any such receiver or receivers shall act as agent or agents for the Debtor and the Bank shall not be responsible for his or their actions.

In addition, the Bank may enter upon the applicable premises and lease or sell the whole or any part or parts of the Collateral. The Debtor agrees that considering the nature of that part of the Collateral that is not perishable it will be commercially reasonable to sell such part of the Collateral:

(a) as a whole or in various lots;

(b) by a public sale or call for tenders by advertising such sale once in a local daily newspaper at least seven (7) days before such sale; and

(c) by private sale after the receipt by the Bank of at least two offers from prospective purchasers who may include persons related to or affiliated with the Debtor or other customers of the Bank.

Any such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Bank in its sole discretion may seem advantageous and such sale may take place whether or not the Bank has taken possession of such property and assets.

No remedy for the realization of the security hereof or for the enforcement of the rights of the Bank shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term 'receiver" as used in this Security Agreement includes a receiver and manager.

12. Any and all payments made in respect of the Obligations from time to time and moneys realized from any securities held therefor (including moneys realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Bank may see fit, and the Bank shall at all times and from time to time have the right to change any appropriation as the Bank may see fit.

13. The Debtor agrees to pay all reasonable expenses, including solicitor's fees and disbursements on a solicitor and client basis and the remuneration of any receiver appointed hereunder, incurred by the Bank in the preparation, perfection and enforcement of this Security Agreement, including all expenses incurred by the Bank and its agents to put into place and confirm the priority of any security interest in this Security Agreement and the payment of such expenses shall be secured hereby.

14. The Bank may waive any default herein referred to; provided always that no act or omission by the Bank in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or the rights resulting therefrom.

15. The Debtor acknowledges that value has been given, that the Debtor has rights in the Collateral and that the parties have not agreed to postpone the time for attachment of any security interest in this Security Agreement.

16. The security hereof is in addition to and not in substitution for any other security now or hereafter held by the Bank and shall be general and continuing security notwithstanding that the Obligations of the Debtor shall at any time or from time to time be fully satisfied or paid.

17. Nothing herein shall obligate the Bank to make any advance or loan or further advance or loan or to renew any note or extend any time for payment of any indebtedness or liability of the Debtor to the Bank.

18. This Security Agreement shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Debtor and the Bank.

19. This Security Agreement is a security agreement within the meaning of the *Personal Property Security Act* of Nova Scotia, Newfoundland and Labrador, and any other Province where the Collateral is located, unless the context otherwise requires. The word "Debtor", the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations or partnerships and if more than one, shall apply and be binding upon each of them severally, The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation and, where the Debtor is a partnership, any new partnership resulting from the admission of new partners or any other change in the Debtor, including, without limiting the generality of the foregoing, the death of any or all of the partners.

20. The Debtor hereby:

    (a) acknowledges receipt of a copy of this Security Agreement; and

    (b) waives all rights to receive from the Bank a copy of any financing statement, financing change statement or verification statement filed at any time in respect of this Security Agreement.

IN WITNESS WHEREOF this Security Agreement has been executed by the Debtor on the __3__ day of May, 2024.

94747 NEWFOUNDLAND & LABRADOR INC.

Per: Trevor Melendy

Name: Trevor Melendy

Title: President

I have authority to bind the corporation

SCHEDULE "A"

Location of Collateral:

171 John Savage Drive, Dartmouth, Nova Scotia

99 Blackmarsh Road, St. John's, Newfoundland and Labrador

SCHEDULE "B"

Addendum

The Bank acknowledges and agrees that it shall not be entitled to enforce this Security Agreement until such time as the Supreme Court of Newfoundland and Labrador issues a Distribution Order in the CCAA proceedings of Big Erics Inc.

Appendix H

94747 Inventory Purchase Price Adjustment and Issues

Hines, Corey

From: Kelly Powell <KPowell@boyneclarke.ca>
Sent: May 17, 2024 5:03 PM
To: Clarke, Phil; 'sscott@stewartmckelvey.com'; 'joethorne@stewartmckelvey.com'; Dave A. Howe; Darren O'Keefe
Cc: Lauren Dalton; Trevor Melendy; David Boyd; Joshua Santimaw; Kathleen O'Reilly
Subject: BEI Final Inventory Amount
Attachments: 2024-MAY-14-EXPIRED AND DAMAGE PRODUCTS.xlsx; 2024-MAY-14-RACKING EXPENSE.xlsx

Hi everyone,

Pursuant to Section 3.4(a) of the Asset Purchase Agreement ("**APA**"), attached please find the Inventory Adjustments Schedule/final Inventory amount as of May 17.

Our related comments on behalf of the Purchaser (**947NLL**) are as follows:

Inventory Adjustments

We have performed limited inventory counts and had meetings with Big Erics management to discuss the Inventory categories. The definition of Inventory is that it is a "saleable product available for resale to a third party". You will note that the Two Tabs in the attached schedule address Expired Chemical Products and Damaged Goods. Neither of these items fall within the definition of saleable products. Based on discussions with management, they acknowledged to 947NLL Representatives that they were directed to not make any adjustments to the Inventory, though these were known issues prior to the CCAA process, and only provide aggregate totals by each location for the inventory matters In our view this is a "failure to disclose" matter and have removed this product from the Purchased Inventory.

Expired Chemicals Issues

St. John's Location:

For your information outside of the above Expired Chemicals, included in Inventory in the Dartmouth location, BEI held expired chemicals in the St. John's location. These chemicals were written off and not included on the Inventory list and thereby were not purchased by 947NLL. 947NLL removed the Purchased Inventory from the St. John's location by May 15, 2024. The Expired Chemicals, which are the property of BEI, have been left on the premises at Blackmarsh Road.

Dartmouth Location:

As outlined above, Expired and non-saleable chemicals were included in the Inventory totals. We have excluded these Chemicals from Inventory. Big Erics Management also informed 947NLL Representatives that they had received quotes for the removal and transportation of these goods to a recycling centre. Big Erics Management was directed not to address and leave in inventory.

We would request BEI and/or the Monitor address the removal of the expired chemicals from the Dartmouth property. We can facilitate and address though at BEI"s cost.

Other Adjustments

St. John's Movement Costs

Per the APA, 947NLL purchased the BEI saleable inventory, at both locations, though excluded the St. John's leased location. BEI acknowledged and signed the APA on this basis. BEI had an obligation to deliver these goods or make them available to 947NLL prior to the Closing Date. This means that BEI had the responsibility to remove the BEI Inventory from the St. John's location prior to Closing and deliver them to 947NLL's location. This view, we understand, is also held by the Court.

Based on this, 947NLL shall be seeking an adjustment for moving costs associated with the removal of the inventory from this location and the rents paid by 947NLL for the post Closing period. These amounts are still being tabulated. This note is to make you aware of the issue.

St. John's Assets

947NLL purchased the Capital Assets of the Company. This included the industrial racking at both premises. LRAI''s legal counsel strongly asserted that the Industrial Racking at this location could not be removed and was a leasehold improvement. This position was not, prior to Closing, made known to 947NLL by BEI representatives and 947NLL included the value of this racking in its Offer. It is still held by LRAI within the St. Johns Blackmarsh Road location.

It is our position that BEI can deliver the racking to 947NLL and/or provide an Adjustment to the Capital Asset Amount as BEI is not able to deliver this asset. We estimate the adjustment to be $35,000 (see attached). This is to purchase used racking of similar quality and size.

We look forward to your comments.

Thanks,
Kelly

Kelly J. Powell
Lawyer - Business Law Team
T 902.469.9500
F 902.463.7500
Direct Dial 902.460.3458

Assistant: Kathleen O'Reilly
T 902.469.9500 ext. 209
Email: koreilly@boyneclarke.ca

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Halifax, Nova Scotia B2Y 3Z5
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STOCK STATUS	TABS	INV VALUE	NO. OF SKEWS	REASON
IN BE STOCK	EXPIRED AND IN STOCK	$ 209,339.00	210	EXPIRED
IN BE STOCK	SERVE 20	$ 9,255.00	74	INV WITH NICOLE MYLES BROOK FOR ONLINE SALE. PHYSICAL STOCK NOT IN BEI
IN BE STOCK	DMG WAREHOUSE	$ 31,246.67	38	EXPIRED AND DAMAGED
	IN STOCK DISPUTABLE	**$ 249,840.67**		
	CONSIGNMENT	**$ 76,248.00**		
	MAY 10th 2024 12pm INV VALUE	**$ 3,114,027.62**		
	BEI ACTUAL INV VALUE AT CLOSING	**$ 2,787,938.95**		
NOT IN STOCK	EXPIRED WRITTEN OFF AND INHOUSE	$ 148,814.00	311	**EXPIRED AND WRITTEN OFF BUT NEVER DISPOSED OFF MAJORITY IN CHEMICAL, AS CHEMICAL DISPOSABLE IS EXPENSIVE**

RACKING EXPENSE:

DESCRIPTION	QTY	EACH	PRICE
LABOUR , FORKLIFT, MAN LIFT ANCHOR EXPENSE			$ 15,000.00
BEAM a beam 9’ long x 1.5 thick x 4.5 deep	200	$ 25.00	$ 5,000.00
BEAM upright 42” deep x 16’ high	200	$ 60.00	$ 12,000.00
BOLTS AND NUTS			$ 3,000.00
		TOTAL	**$ 35,000.00**

BOYNECLARKE
LAWYERS | LLP

DELIVERY VIA:
E-mail: dokeefe@okeefesullivan.com

FILE REFERENCE:
174956

Joshua J. Santimaw
Direct Dial: (902) 460-3451
Facsimile: (902) 463-7500
E-mail: jsantimaw@boyneclarke.ca

Halifax Regional
Municipality

99 Wyse Road, Suite 600
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NS Canada **B3A 4S5**

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June 11, 2024

Darren O'Keefe
O'KEEFE & SULLIVAN
80 Elizabeth Street – Suite 202
St. John's, NL
A1A 1W7

Dear Mr. O'Keefe:

Re: CCAA of Big Erics Inc.

As you are aware, we act for 94747 Newfoundland and Labrador Inc. ("947 NLL") which purchased the assets of Big Eric's Inc. on May 10, 2024, pursuant to an Asset Purchase Agreement ("APA"). The APA contained various schedules, one if which is the Approval and Vesting Order ("AVO").

This letter is in response to your email (a) regarding adjustments to Inventory and other related matters dated May 21, 2024, (b) the outstanding closing documents of BEI that have yet to be signed and returned to the undersigned, and (c) the outstanding name change of BEI.

A. Response

The APA states, in part, the following:

> **1.1 Defined Terms**
>
> (ll) **"Inventory"** means all inventories of every kind and nature, wherever situate, owned by the Vendor and pertaining to the Business, including, without limitation, all inventories of raw materials, work-in-progress, finished goods, supplies, parts, packaging in connection with the Business and those inventories listed in Schedule 1.1(ll)
>
> …
>
> **2.1 Purchased Assets**
>
> (d) **Equipment and Supplies.** All machinery, equipment, furnishings, furniture, parts, dies, molds, tools, computer and

information technology equipment and hardware, inventory, supplies, accessories, appliances, fixtures and other tangible personal and moveable property owned by the Vendor and used in connection with Business and, notwithstanding anything to the contrary, shall not include the Inventory.

…

3.4 Purchase Price Adjustments

(a) A final Inventory amount will be determined within no more than 5 Business Days after the Closing Date and the Purchase Price that is to be paid for the Inventory, as further detailed in Schedule 3.3 hereto shall be adjusted downward by 15% of the amount, if any, by which the value of Inventory at the time of Closing Date is less than $3,400,000.00.

…

5.4. As is, where is.

The Purchaser acknowledges and agrees that, **except as expressly set forth herein**, the Purchased Assets and the Business are Purchased and the Assumed Liabilities are Assumed by the Purchaser "As Is, Where Is", as they may exist at the Closing Date with all faults and without any representations or warranties …

…

7.1 Conditions for the Benefit of the Purchaser

(e) **Deliveries**. The Vendor shall have delivered or caused to be delivered to the Purchaser the following in form and substance **satisfactory to the Purchaser** acting reasonably:

…

(iii) the Purchased Assets, which shall be delivered *in situ*, other than cash held in the Vendor's bank accounts on the Closing Date, which shall be transferred to the Purchaser.

BOYNECLARKE LAWYERS | LLP

The APA does not displace any term or condition contained in the AVO. Indeed, it should be read harmoniously with the APA.

The AVO states in part, the following:

> 4. **THIS COURT ORDERS** that notwithstanding any provision hereof, the closing of the Asset Purchase Agreement, with such alterations, changes or amendments as may be agreed to by the Vendor and the Purchaser, with the consent of the Monitor, provided that such alterations, changes or amendments do not materially alter or impact the transaction contemplated in the Asset Purchase Agreement and/or its applicable stakeholders will benefit from as part of the transaction contemplated thereunder.
>
> …
>
> 7. **THIS COURT ORDERS** for greater certainty, and without limiting the generality of the foregoing that nothing contained herein shall be deemed to be a release of any obligation of the Vendor in relation to any environmental liabilities arising either before or after the Closing Date.

It is axiomatic that contract negotiations must be conducted in good faith. 947 NLL entered into those negotiations in good faith. It is fair to say, as will demonstrated herein, that BEI did not negotiate in good faith with respect to certain aspects of this transaction; nor did it proceed with good faith and due diligence as set forth at section 18.6 of the *Companies Creditors' Arrangement Act*.

(i) Chemicals

BEI provided various inventory lists to 947 NLL during the due diligence phase and at the time of closing. In St. John's, BEI maintained expired chemicals but correctly removed them from the inventory list and wrote them off. Thus, they were not purchased by 947 NLL on the closing date.

However, BEI concealed from 947 NLL that it had expired chemicals in its Dartmouth location. Following the closing, 947 NLL had access to the full inventory list and learned that certain chemicals expired over two (2) years ago. This expiration information is not readily available and would not have been found during any due diligence. Only BEI could obtain the expiration date from the company that sells the chemicals.

Further, and based on the foregoing, the fact that these were specifically concealed when the chemicals in St. John's were not, demonstrates the absence of good faith on the part of BEI.

These expired chemicals are not satisfactory to the Purchaser since they contravene section 7.1 (e) of the APA. They are not saved by the "AS IS, WHERE IS" clause because of the language "except as expressly stated herein" withing that clause, which means that the goods must be satisfactory or do not have to be accepted by 947 NLL. Thus, they belong to BEI and the inventory should be adjusted accordingly pursuant to the APA.

Notwithstanding the above, the chemicals are a dangerous good as defined by the Nova Scotia *Environment Act*. They must be disposed of at a plant in Mississauga, Ontario. We understand BEI received a quote before the closing date, but did not proceed with their destruction and concealed this quote from 947 NLL.

The expired chemicals are an environmental liability, and their disposal remains with BEI per the AVO. 947 NLL requests that BEI accept delivery of these chemicals at its former location in St. John's or at another place it deems suitable for delivery. The adjustment can occur after they are shipped to BEI.

(ii) damaged goods

Again, BEI concealed from 947 NLL that it maintained damaged goods at its locations. These damaged goods were specifically referred to in its Inventory spreadsheet that 947 NLL was privy to after the closing. Prior to the closing and throughout due diligence, BEI specifically removed this column from the spreadsheet. For example, there is a specific reference to "damaged, cannot sell" for certain inventory.

Due diligence would not have allowed 947 NLL to uncover what goods were damaged and were not available for sale. These damaged goods are not satisfactory to 947 NLL pursuant to 7.1 (e) of the APA and are not saved by paragraph "AS IS, WHERE IS" clause for the same reasons above.

The damaged goods should form part of the inventory adjustment under the APA.

(iii) racking

The Purchased Assets include the fixtures and moveable property of BEI per section 2.1 (d) of the APA. The racking at the St. John's location may be a fixture or may be moveable. That does not need to be determined since 947 NLL purchased both. 947 NLL could not remove that racking because it was bolted to the floor of the leased premises and not prepared for movement by BEI. BEI should have had this equipment ready for movement so we could obtain the same from BEI. Otherwise, BEI should indemnify 947 NLL for purchasing racking.

(iv) Serv20

947 NLL understands that Nicole Myles-Brook and/or her partner removed goods from BEI to fulfill on-line orders for Amazon or E-Bay. The goods taken were coded in the inventory list they kept separately entitled “Serv20”.

This inventory column was also willfully concealed from 947 NLL and due diligence would not have uncovered the same. This only came to light following the closing. These items removed that are not accounted for should also not form part of the inventory.

B. Response to outstanding closing documents of Big Erics Inc.

On May 10, 2024, you undertook to provide several executed closing documents of BEI. We have requested these documents on multiple occasions including via email on May 13, 16, and 23, 2024. These undertakings remain unfulfilled.

We urge you to immediately provide us with executed copies of these closing documents in order to satisfy your related undertakings. The list of these outstanding documents is excerpted below from your closing letter for your ease of reference:

> (i) To provide an executed Trademark Authorization and Direction for "Big Erics";
>
> (ii)To provide an executed Form to reinstate "Janitor's Market" business name;
>
> (iii)To provide an executed Form to reinstate "Jessom Food Equipment" business name;
>
> (iv) To provide an executed Form to change owner for "Janitor's Market" business name;
>
> (v) To provide an executed Form to change owner for "Jessom Food Equipment" business name;
>
> (vi)To provide an executed Form for consent to use name for "Big Erics";
>
> (vii)To provide an executed Form for consent to use name for "Big Erics At Home"; and
>
> (viii) To provide an executed Form for consent to use name for "Ignite the Senses".

BOYNECLARKE LAWYERS | LLP

C. Response to outstanding name change of Big Erics Inc.

On May 10, 2024, by way of your closing letter addressed to my attention, you undertook to change the name of BEI as soon as is commercially reasonable. We reminded you of this commitment via email on May 29, 2024. This undertaking remains unfulfilled. We urge you to immediately complete this name change in order to satisfy your related undertaking.

We would also ask that you also have the sign removed or covered over on the Blackmarsh Road sight as well to meet this requirement.

We look forward to hearing from you on the above and, if not, we intend to proceed with an application before the Court regarding the issues raised herein.

Thank you for your courtesy and cooperation.

Yours truly,

BOYNECLARKE LLP

Joshua J. Santimaw
c. Joe Thorne and Sara Scott
Phil Clarke

O'KEEFE & SULLIVAN

BY EMAIL

Boyne Clarke LLP
99 Wyse Rd Unit 600,
Dartmouth, NS
B3A 4S5
Attn: Josh Santimaw
Email: JSantimaw@boyneclarke.ca

21 June 2024

Mr. Santimaw:

Re: Big Erics Inc. and Terra Nova Old Port Foods Inc.
(In: Re) *Companies Creditors Arrangement Act*, RSC 1985
2023 01G 3233

Allegations by 94747 Newfoundland & Labrador Inc. concerning a certain Asset Purchase Agreement dated 12 April 2024 (the "APA").

We are in receipt of your letter dated 11 June 2024 with respect to the above noted. Defined terms used in this letter shall have the meaning attributed to them in the APA.

We would respond as follows:

1. Generally, with respect to any inventory adjustments, these must be completed in strict accordance with the APA and AVO, and under the supervision of the SISP Advisor and the Monitor, working in collaboration with the Purchaser's accountants.

2. As you know, the Purchased Assets sold were all of the assets of BEI, other than those defined as "Excluded Assets" (APA s.2.2). The Purchased Assets include "all right, title and interest of the Vendor in and to the Inventory" (APA s.2.1). Inventory, in turn, means "all inventories of every kind and nature, wheresoever situate, owned by the Vendor and pertaining to the Business including, **without limitation,** all inventories of raw materials, work-in-progress, finished goods, supplies, parts, packaging in connection with the Business" [APA. s.1.1(mm)]. Of course, even if some of BEI assets do not fall within the definition of Inventory, it can still be a Purchased Asset (APA s 2.1).

3. As noted, under the APA, the Purchaser can exclude certain assets before the Closing Date, provided it gives "(n)otice in writing to the Vendor and the Monitor prior to the filing of the motion materials for the Approval and Vesting Order, which specified Purchased Assets shall thereafter be deemed Excluded Assets, without any adjustment to the Purchase Price" (APA. s. 2.2).

4. At no time prior to filing the motion materials for the Approval and Vesting Order (the "**AVO**") did the Purchaser provide written Notice to the Vendor or Monitor that it intended to exclude the "chemicals" (referred to in your letter). Similarly, it failed to provide notice of its intention to abandon certain other assets (referred to in the letter from William Cahill sent on 07 June 2024). These assets are therefore included in the sale and must be collected by your client, *in situ*. At this juncture, that must be done by seeking access from the Landlord, which in the past has been offered by Mr. Cahill as counsel.

5. As noted, the Purchased Assets were to be delivered to the Purchaser "*in situ*" on the Closing Date (APA s. 7.1 (e)). The Purchaser had up until 5 Business Days prior to the Closing Date to finalize its due diligence on the Purchased Assets and confirm they were "satisfactory" and in the same condition as inspected prior to the hearing of the motion for the AVO (APA s. 6.2). We understand the Purchaser did, in fact, inspect the Purchased Assets both on its own and in conjunction with its professional advisors and finance partners.

6. In your letter you refer to the books and records of BEI and suggest that there was a deliberate attempt to conceal information from the Purchaser by deliberate manipulation of these books and records. These are serious allegations and will be treated as such should your client be so misguided as to pursue them formally. *To wit*, any such allegations are strictly denied, and the fact is that BEI went well beyond its obligations including but not limited to its provision of information and documentation to the Purchaser's finance partners. There was never any attempt to conceal information from the Purchaser.

7. Not only did the Purchaser have access to the books and records of BEI, but it also had access to employees of BEI from whom it could have sought additional information on certain Purchased Assets, if it were so inclined, and further, had ample opportunity to physically inspect the Purchased Assets. The Purchased Assets were physically inspected by the Purchaser, its agents and finance partner's more than once. Similarly, the Purchaser sought and received additional information on certain Purchased Assets, and the initial Closing Date was postponed to enable the Purchaser and its finance partner to continue due diligence beyond the limitations under the APA.

8. We also remind your client of the framework of its Modified Binding Offer submitted on 08 March 2024, where it says:

> "947 NLL acknowledges and confirms that it: (i) has had an opportunity to conduct all required due diligence to support this Offer, and has relied upon its own independent review, investigation and inspection in making this Offer; and (ii) is not relying upon any written or oral statements, representations, promises, warranties, conditions, or guaranties, whether express or implied (by operation of law or otherwise), made by any person or party, including the Applicants, the SISP Advisor and the Monitor regarding the Proposed Transaction, the SISP or any information provided in connection therewith; (iii) is making this Offer on an "as is, where is" basis, (iv) is bound by the terms of the SISP and the SISP Approval Order, and (v) is subject to the exclusive jurisdiction of the Court with respect to any disputes or other controversies arising under or in connection with the SISP or this Offer. 947 NLL shall bear

its own costs and expenses (including legal and advisor fees) in connection with the Proposed Transaction."

9. In your letter you say that the Purchased Assets had to be "satisfactory to the Purchaser" and that following the Closing Date they were deemed unsatisfactory, and as such, are somehow excluded from the sale. You erroneously refer to section s.7.1 of the APA. A proper reading of this section of the APA, in conjunction with the other clauses of the APA cited above, establishes that the Purchaser had until 5 Business Days prior to the Closing Date to confirm the Purchased Assets were satisfactory. Following the expiry of this time frame, the Purchaser was obligated to close the transaction and accept all of the Purchased Assets, as defined in the APA. The Vendor was obligated to ensure all of the Purchased Assets, as defined in the APA, were delivered *in situ*. We refer to the "as is, where is" clause (APA s. 5.4), which clearly includes the Purchaser's agreement that they acquired all the Purchased Assets ""AS IS, WHERE IS" AS THEY MAY EXIST AT THE CLOSING DATE WITH ALL FAULTS…". It is also relevant to note that the Purchaser delivered to the Monitor its Conditions Certificate (APA s.8.3) which confirms acceptance.

10. With respect to the AVO and the section of your letter titled "Chemicals" – we fail to see how the referenced provisions of the AVO are engaged. Your client purchased all of the chemicals *in situ* at both the St. John's, NL and Dartmouth, NS locations. These chemicals do not present an environmental liability as contemplated in the AVO, and no such liability existed on the Closing Date. As you rightly point out, these chemicals were purchased "as is, where is". The only liability that could occur is *if* their owner (your client) does not handle them properly.

11. Similar to our comments above on the "Chemicals" – BEI would respond likewise as it relates to "damaged goods" referred to in your letter. All "damaged goods", insofar as they form part of the Purchased Assets, were purchased "as is, where is".

12. We have already responded to your client's claim concerning the "racking" in prior letters and will not do so again here. Our position on this remains unchanged.

13. Finally, with respect to your allegations concerning goods sold by Mr. Brook on consignment, these goods were provided to Mr. Brook to be sold on eBay and Amazon, during the pandemic and for some time after, in consultation with Stuart Palliser, BEI's Chief Operating Officer. As has been previously explained to your client, Mr. Brook undertook this sales work to allow BEI to access sales channels it was not previously exploiting.

14. Following Closing, it was discovered that Mr. Brook still had some BEI inventory in his possession, and he tried to return that inventory to the Purchaser on two occasions, but your client refused to accept it. Your client refused acceptance notwithstanding it agreed to purchase on an "as is, where is" basis, all of the Vendor's right, title and interest in the Vendor's property, assets and undertakings of every kind and description and <u>wheresoever situate</u>, …. other than the Excluded Assets (APA. s.2.1). Your client cannot now claim a set-off or adjustment for assets it purchased that it simply refuses to accept.

15. Finally, with respect to the signage, your client purchased the florescent cover on the sign which bears the "Big Erics Inc." name and logo. If your client wishes to take possession of this Purchased Asset, which seems to have been ignored during the extended period that the Landlord accommodated the Purchaser having access to 99 Blackmarsh Road, please contact the Landlord and make those arrangements to re-enter the Landlord's property, as

BEI has no right or authority to enter or permit entry. The housing for the sign is a fixture on the former Leased Property and should not be removed without the agreement of the Landlord.

We note your threat of legal action. If your client commences an action based on the content of your letter or otherwise, we will respond to the same. Fully indemnified costs will be sought.

Similarly, and in any event, the Vendor will be seeking the full support of the Monitor, and urging the Court, to ensure that the Purchaser meets all its post-Closing obligations, including in respect of all Purchased Assets that have not been accepted, and for full indemnity of the Vendor and the CCAA estate in respect of the Purchaser's breaches and failures to date.

Regards,

DARREN D. O'KEEFE
dokeefe@okeefesullivan.com

Appendix I

Monitor's Response to 94747 Inventory Purchase Price Adjustment

Re: BEI Purchase Price Adjustment - Pursuant to 3.4 (a)

Hines, Corey <Corey.Hines@ca.gt.com>
Tue 6/25/2024 1:37 PM

CAUTION: EXTERNAL EMAIL. DO NOT CLICK ON LINKS OR OPEN ATTACHMENTS YOU DO NOT TRUST

DO NOT ENTER YOUR GT PASSWORD ON ANY EXTERNAL EMAIL REQUEST

From: Sara L. Scott
Sent: May 29, 2024 6:15 PM
To: Joshua Santimaw <JSantimaw@boyneclarke.ca>
Cc: Joe Thorne <joethorne@stewartmckelvey.com>; Darren O'Keefe <dokeefe@okeefesullivan.com>
Subject: FW: BEI Purchase Price Adjustment - Pursuant to 3.4 (a)

Josh:

Further to our brief discussion on adjustments earlier this week, please find attached BEI's proposed purchase price adjustment pursuant to section 3.4 (a) of the APA. The Monitor has reviewed the BEI calculation and is in agreement with the credit due to Purchaser. The calculation has also been shared with BMO. The reconciliation and calculation is attached to this email for reference. A summary is below:

Big Erics Inc. Inventory Reconciliation on Closing	
Purchase Price Adjustment	
Inventory Balance Per Listing	$ 3,114,027.62
Less: Consignment Inventory	$ (72,628.11)
Inventory Balance on Closing	**$ 3,041,399.52**
Adjustment Amount per APA	$ 3,400,000.00
	-$ 358,600.48
Adjustment - Upward 100% of Value Exceeding $3.4M	$NIL
Adjustment - Downward 15% of Value Less Than $3.4M	$ 53,790.07
Due From (Credit To) Purchaser	**$ 53,790.07**

The Purchaser has proposed the following inventory adjustments as opposed to a calculation pursuant to 3.4(a):

- Inventory Adjustments, Expired Chemicals (St. John's and Dartmouth Location), and Serv 20 (being physical stock not present at BEI – proposed adjustment for $249,840.67, summarized below:

IN BE STOCK	EXPIRED AND IN STOCK	$	209,339.00
IN BE STOCK	SERVE 20	$	9,255.00
IN BE STOCK	DMG WAREHOUSE	$	31,246.67
	IN STOCK DISPUTABLE	**$**	**249,840.67**

BEI disputes this proposed adjustment. The Monitor agrees with BEI that no adjustment mechanism exists in the APA and refers to the definition of Inventory in Section 1.1 (ll), Section 2.1, Section 5.3 and Section 5.4 of the APA. No notice was received pursuant to Section 2.2 (g) to further exclude any assets and there was a significant period for due diligence during the SISP, which included access rights pursuant to Section 6.2 of the APA.

- St. John's Movement Costs – You have advised that "947NLL shall be seeking an adjustment for moving costs associated with the removal of the inventory from this location and the rents paid by 947NLL for the post Closing period. These amounts are still being tabulated. This note is to make you aware of the issue."

While no figure has been advanced. BEI's position is that no mechanism exists in the APA for this proposed adjustment. The Purchased Assets were to be delivered in situ pursuant to 7.1 (e) (iii). The Monitor agrees with BEI's position on this matter.

- St. John's Assets – You have advised "that BEI can deliver the racking to 947NLL and/or provide an Adjustment to the Capital Asset Amount as BEI is not able to deliver this asset. We estimate the adjustment to be $35,000 (see attached). This is to purchase used racking of similar quality and size."

BEI disputes this proposed adjustment and the Monitor notes that no adjustment exists in the APA for this proposed adjustment.

We would ask that you please review, and on agreement, the credit can be settled in conjunction with the other adjustments required by the APA.

Sara

Sara L. Scott*
Partner
She/Her
Stewart McKelvey
D: 902.420.3363
C: 902.448.6366
*Law Corporation

From: Kelly Powell <KPowell@boyneclarke.ca>
Sent: Friday, May 17, 2024 5:03 PM
To: Clarke, Phil <Phil.Clarke@ca.gt.com>; 'sscott@stewartmckelvey.com' <sscott@stewartmckelvey.com>; 'joethorne@stewartmckelvey.com' <joethorne@stewartmckelvey.com>; Dave A. Howe <dhowe@nccpas.ca>; Darren O'Keefe <dokeefe@okeefesullivan.com>
Cc: Lauren Dalton <ldalton@haroldsnow.ca>; Trevor Melendy <tmelendy@haroldsnow.ca>; David Boyd <davidboyd.resolve@gmail.com>; Joshua Santimaw <JSantimaw@boyneclarke.ca>; Kathleen O'Reilly <koreilly@boyneclarke.ca>
Subject: BEI Final Inventory Amount

Hi everyone,

Pursuant to Section 3.4(a) of the Asset Purchase Agreement ("**APA**"), attached please find the Inventory Adjustments Schedule/final Inventory amount as of May 17.

Our related comments on behalf of the Purchaser (**947NLL**) are as follows:

Inventory Adjustments

We have performed limited inventory counts and had meetings with Big Erics management to discuss the Inventory categories. The definition of Inventory is that it is a "saleable product available for resale to a third party". You will note that the Two Tabs in the attached schedule address Expired Chemical Products and Damaged Goods. Neither of these items fall within the definition of saleable products. Based on discussions with management, they acknowledged to 947NLL Representatives that they were directed to not make any adjustments to the Inventory, though these were known issues prior to the CCAA process, and only provide aggregate totals by each location for the inventory matters In our view this is a "failure to disclose" matter and have removed this product from the Purchased Inventory.

Expired Chemicals Issues

St. John's Location:

For your information outside of the above Expired Chemicals, included in Inventory in the Dartmouth location, BEI held expired chemicals in the St. John's location. These chemicals were written off and not included on the Inventory list and thereby were not purchased by 947NLL. 947NLL removed the Purchased Inventory from the St. John's location by May 15, 2024. The Expired Chemicals, which are the property of BEI, have been left on the premises at Blackmarsh Road.

Dartmouth Location:

As outlined above, Expired and non-saleable chemicals were included in the Inventory totals. We have excluded these Chemicals from Inventory. Big Erics Management also informed 947NLL Representatives that they had received quotes for the removal and transportation of these goods to a recycling centre. Big Erics Management was directed not to address and leave in inventory.

We would request BEI and/or the Monitor address the removal of the expired chemicals from the Dartmouth property. We can facilitate and address though at BEI"s cost.

Other Adjustments

St. John's Movement Costs

Per the APA, 947NLL purchased the BEI saleable inventory, at both locations, though excluded the St. John's leased location. BEI acknowledged and signed the APA on this basis. BEI had an obligation to deliver these goods or make them available to 947NLL prior to the Closing Date. This means that BEI had the responsibility to remove the BEI Inventory from the St. John's location prior to Closing and deliver them to 947NLL's location. This view, we understand, is also held by the Court.

Based on this, 947NLL shall be seeking an adjustment for moving costs associated with the removal of the inventory from this location and the rents paid by 947NLL for the post Closing period. These amounts are still being tabulated. This note is to make you aware of the issue.

St. John's Assets

947NLL purchased the Capital Assets of the Company. This included the industrial racking at both premises. LRAI''s legal counsel strongly asserted that the Industrial Racking at this location could not be removed and was a leasehold improvement. This position was not, prior to Closing, made known to 947NLL by BEI representatives and 947NLL included the value of this racking in its Offer. It is still held by LRAI within the St. Johns Blackmarsh Road location.

It is our position that BEI can deliver the racking to 947NLL and/or provide an Adjustment to the Capital Asset Amount as BEI is not able to deliver this asset. We estimate the adjustment to be $35,000 (see attached). This is to purchase used racking of similar quality and size.

We look forward to your comments.

Thanks,
Kelly

Kelly J. Powell
Lawyer - Business Law Team
T 902.469.9500
F 902.463.7500
Direct Dial 902.460.3458

Assistant: Kathleen O'Reilly
T 902.469.9500 ext. 209
Email: koreilly@boyneclarke.ca

BOYNECLARKE LAWYERS | LLP
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Halifax, Nova Scotia B2Y 3Z5
www.boyneclarke.ca

STOCK STATUS	TABS	INV VALUE	NO. OF SKEWS	REASON
IN BE STOCK	EXPIRED AND IN STOCK	$ 209,339.00	210	EXPIRED
IN BE STOCK	SERVE 20	$ 9,255.00	74	INV WITH NICOLE MYLES BROOK FOR ONLINE SALE. PHYSICAL STOCK NOT IN BEI
IN BE STOCK	DMG WAREHOUSE	$ 31,246.67	38	EXPIRED AND DAMAGED
	IN STOCK DISPUTABLE	**$ 249,840.67**		
	CONSIGNMENT	**$ 76,248.00**		
	MAY 10th 2024 12pm INV VALUE	**$ 3,114,027.62**		
	BEI ACTUAL INV VALUE AT CLOSING	**$ 2,787,938.95**		
NOT IN STOCK	EXPIRED WRITTEN OFF AND INHOUSE	$ 148,814.00	311	**EXPIRED AND WRITTEN OFF BUT NEVER DISPOSED OFF MAJORITY IN CHEMICAL, AS CHEMICAL DISPOSABLE IS EXPENSIVE**

RACKING EXPENSE:

DESCRIPTION	QTY	EACH	PRICE
LABOUR , FORKLIFT, MAN LIFT ANCHOR EXPENSE			$ 15,000.00
BEAM a beam 9’ long x 1.5 thick x 4.5 deep	200	$ 25.00	$ 5,000.00
BEAM upright 42” deep x 16’ high	200	$ 60.00	$ 12,000.00
BOLTS AND NUTS			$ 3,000.00
		TOTAL	**$ 35,000.00**

Big Erics Inc. Inventory Reconciliation on Closing	
Purchase Price Adjustment	
Inventory Balance Per Listing	$ 3,114,027.62
Less: Consignment Inventory	$ (72,628.11)
Inventory Balance on Closing	**$ 3,041,399.52**
Adjustment Amount per APA	$ 3,400,000.00
	-$ 358,600.48
Adjustment - Upward 100% of Value Exceeding $3.4M	$NIL
Adjustment - Downward 15% of Value Less Than $3.4M	$ 53,790.07
Due From (Credit To) Purchaser	**$ 53,790.07**
Adjusted Payment Schedule	
Closing Date - May 10, 2024	$ 300,000.00
Due From (To) Purchaser - May 15, 2024	$ (53,790.07)
30 Days After Closing - June 9, 2024	$ 75,000.00
60 Days After Closing - July 9, 2024	$ 75,000.00
90 Days After Closing - August 8, 2024	$ 75,000.00
Total Purchase Price of Inventory	**$ 471,209.93**

Appendix J

Claims Package

2023 01G 3233

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF an application of Grant Thornton Limited, as Court-appointed Monitor of Big Erics Inc. ("**BEI**") and Terra Nova Old Port Foods Inc. ("**TNOPFI**") (collectively, the "**Companies**");

AND IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("**CCAA**")

INSTRUCTION LETTER FOR THE CLAIMS IDENTIFICATION PROCESS

I. CLAIMS IDENTIFICATION PROCESS

By Order of the Supreme Court of Newfoundland and Labrador dated _________, 2024 (the "**Claims Identification Order**"), Grant Thornton Limited, in its capacity as the Court-appointed monitor (in such capacity, the "**Monitor**") of the Companies has been authorized to administer a claims identification process (the "**Claims Identification Process**") to **identify creditor(s) and amount of claims that have priority to the first secured creditor the Bank of Montreal ("BMO"), or any claims against the Directors and Officers.** The Claims Identification Order governs the filing and identification of all Claims against the Companies and the Directors and Officers.

Unless otherwise defined, all capitalized terms used herein shall have the meanings ascribed to them in the Claims Identification Order.

The Claims Identification Order, the Claims Package, a Proof of Claim form and related materials may be accessed from the Monitor's Website at www.GrantThornton.ca/BigErics.

This letter provides instructions for completing the Proof of Claim. Reference should be made to the Claims Identification Order for a complete description of the Claims Identification Process.

The Claims Identification Process is intended for any Person with any Claims, other than Excluded Claims, of any kind or nature whatsoever against the Companies, whether liquidated, unliquidated, contingent, or otherwise **that would have a priority to the first secured creditor BMO,** and any Claims, other than Excluded Claims, of any kind or nature whatsoever against the Directors and Officers, whether liquidated, unliquidated, contingent, or otherwise**.** Please review the enclosed material for the complete definitions of "**Claim**", "**Pre-Filing Claim**", "**Restructuring Claim**", "**Post Filing Obligation Claim**" and "**Directors and Officers Claim**" to which the Claims Identification Process applies.

All notices and enquiries with respect to the Claims Identification Process should be addressed to:

Grant Thornton Limited - The Court Appointed Monitor of
Big Erics Inc. and Terra Nova Old Port Foods Inc.
Nova Centre, North Tower
1675 Grafton Street, Suite 1000
Halifax, Nova Scotia B3J 0E9 Canada
Attention: Corey Hines

Telephone: 902-491-7704
Email: Corey.Hines@ca.gt.com

II. FOR CLAIMANTS SUBMITTING A PROOF OF CLAIM

If you believe that you have a Claim (other than an Excluded Claim), you **MUST** file a Proof of Claim with the Monitor.

All Proofs of Claim for Pre-Filing Claims, which for greater certainty are Claims against the Companies arising prior to the Filing Date of July 3, 2023, must be received by the Monitor **before 5:00 p.m. (Newfoundland Standard Time) on August 30, 2024** (the **Claim, Pre-Filing Claims, Post Filing Obligation Claim, and Directors and Officers Claims Bar Date "Claims Bar Date**").

All Proofs of Claim for Restructuring Claims, which for greater certainty are Claims arising out of the restructuring, disclaimer, resiliation, termination or breach by the Companies on or after the Filing Date of July 3, 2023, of any contract, lease or other agreement or arrangement whether written or oral, and claims for unpaid expenses, must be received by the Monitor **by the later of: (i) the Claims Bar Date or (ii) 5:00 p.m. (Newfoundland Time) on the date that is thirty (30) days after the date on which the Monitor sends a Claims Package with respect to a Restructuring Claim to a Claimant** (the "**Restructuring Claims Bar Date**").

PROOFS OF CLAIM MUST BE RECEIVED BY THE CLAIMS BAR DATE OR THE RESTRUCTURING CLAIMS BAR DATE, AS APPLICABLE, OR THE APPLICABLE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED. If you are required to file a Proof of Claim pursuant to the Claims Identification Process but do not file a Proof of Claim in respect of a Claim by the Pre-Filing Claims Bar Date or Restructuring Claims Bar Date, as applicable, or a Proof of Claim is not filed on your behalf (as permitted by the terms of the Claims Identification Order in respect of Priority Claims), you shall not be entitled to vote at any Meeting regarding a Plan or participate in any distribution under a Plan or otherwise in respect of such Claims.

All Claims denominated in foreign currency shall be converted to Canadian dollars at the Bank of Canada daily average exchange rate in effect on July 4, 2023, quoted at 1.3219.

Additional Proofs of Claim forms can be obtained by contacting the Monitor at the telephone number and address indicated above and providing particulars as to your name, address and facsimile number or email address. Further, Proofs of Claim and related materials may be accessed from the Monitor's Website at www.GrantThornton.ca/BigErics.

DATED at Halifax, Nova Scotia, this ____ day of _________, 2024.

Grant Thornton Limited, solely in its capacity as Monitor of
Big Erics Inc. and Terra Nova Old Port Foods Inc.
and not in its personal nor corporate capacity.

2023 01G 3233

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF an application of Grant Thornton Limited, as Court-appointed Monitor of Big Erics Inc. ("**BEI**") and Terra Nova Old Port Foods Inc. ("**TNOPFI**") (collectively, the "**Companies**");

AND IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("**CCAA**")

NOTICE LETTER FOR THE CLAIMS IDENTIFICATION PROCESS

RE: NOTICE OF CLAIMS IDENTIFICATION PROCESS, CLAIMS BAR DATE AND RESTRUCTURING CLAIMS BAR DATE

This notice is being published pursuant to an Order of the Supreme Court of Newfoundland and Labrador General Division (the "Court") dated _________ ____, 2024 (the "**Claims Identification Order**"), with respect to the Companies' proceedings under the CCAA. Pursuant to the Initial Order dated July 20, 2023, Grant Thornton Limited was appointed as monitor (in such capacity, the "**Monitor**"), and pursuant to the Claims Identification Order is required to assist with conducting a claims identification process (the "**Claims Identification Process**") with respect to claims against the Companies' **that have priority to the first secured creditor the Bank of Montreal ("BMO"), a Post Filing Obligation Claim, or a claim against the Directors and Officers.** Additionally, the Monitor is required to send Claims Packages to, among others, the Companies' known Claimants and Claimants having Restructuring Claims. All capitalized terms not defined herein shall have the meanings ascribed to them in the Claims Identification Order.

The Claims Identification Order, the Claims Package, a Proof of Claim and related materials may be accessed from the Monitor's Website at www.GrantThornton.ca/BigErics.

The pre-filing claims bar date is 5:00 p.m. (Newfoundland Time) on August 30, 2024 (the "**Claims Bar Date").** Proofs of Claim in respect of Pre-Filing Claims must be completed and filed with the Monitor on or before the Pre-Filing Claims Bar Date.

The restructuring claims bar date is the later of (i) the Claims Bar Date and (ii) 5:00 p.m. (Newfoundland Time) on the date that is thirty (30) days after the date on which the Monitor sends a Claims Package with respect to a Restructuring Claim (the "**Restructuring Claims Bar Date**"). Proofs of Claim in respect of Restructuring Claims must be completed and filed with the Monitor on or before the Restructuring Claims Bar Date.

I. SUBMISSION OF A PROOF OF CLAIM

All persons wishing to assert a Claim (other than an Excluded Claim) against the Companies **MUST** file a Proof of Claim with the Monitor.

PROOFS OF CLAIM MUST BE RECEIVED BY THE MONITOR BY THE CLAIMS BAR DATE OR RESTRUCTURING CLAIMS BAR DATE, AS APPLICABLE, OR THE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED. If you are required to file a Proof of Claim pursuant to the Claims Identification Process but do not file a Proof of Claim in respect of a Claim by the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, or a Proof of Claim is not filed on your behalf (as permitted by the terms of the Claims Identification Order in respect of Priority Claims), you shall not be entitled to vote at any Meeting regarding a Plan or participate in any distribution under a Plan, if any, or otherwise in respect of such Claims.

Reference should be made to the Claims Identification Order for the complete definitions of "**Claim", "Pre-Filing Claims", "Post Filing Obligation Claims", and "Directors and Officers Claims" collectively the** "**Claims**" and "**Restructuring Claim**" to which the Claims Identification Process applies. Reference should also be made to the definition of **"Priority Claim"** set out in the Claims Identification Order.

II. MONITOR CONTACT INFORMATION

The Monitor can be contacted at the following address to request a Claims Package or for any other notices or enquiries with respect to the Claims Identification Process

Grant Thornton Limited - The Court Appointed Monitor of
Big Erics Inc. and Terra Nova Old Port Foods Inc.
Nova Centre, North Tower
1675 Grafton Street, Suite 1000
Halifax, Nova Scotia B3J 0E9 Canada
Attention: Corey Hines

Telephone: 902-491-7704
Email: Corey.Hines@ca.gt.com

DATED at Halifax, Nova Scotia, this ____ day of _________, 2024.

Grant Thornton Limited, solely in its capacity as Monitor of
Big Erics Inc. and Terra Nova Old Port Foods Inc.
and not in its personal nor corporate capacity.

2023 01G 3233

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF an application of Grant Thornton Limited, as Court-appointed Monitor of Big Erics Inc. ("**BEI**") and Terra Nova Old Port Foods Inc. ("**TNOPFI**") (collectively, the "**Companies**");

AND IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("**CCAA**")

PROOF OF CLAIM

Please read carefully the enclosed Instruction Letter for completing this Proof of Claim. All capitalized terms not defined herein have the meanings ascribed to them in the Claims Identification Order dated _________ ____, 2024.

I. PARTICULARS OF CLAIMANT:

1. Full Legal Name of Claimant:

   ____ (the "Claimant")

2. Full Mailing Address of the Claimant:

   ____

   ____

   ____

3. Telephone Number: ____________________________

4. E-Mail Address: ____________________________

5. Facsimile Number: ____________________________

6. Attention (Contact Person): ____________________________

7. Have you acquired this Claim by assignment?

   Yes; □ No: □ (if yes, attach documents evidencing assignment)

   If Yes, Full Legal Name of Original Claimant(s):

II. PROOF OF CLAIM:

1. I,____

(name of Claimant or Representative of the Claimant), of_________________________

____ do hereby certify:
(city and province)

(a) that I [check (✓) one]

- ☐ am the Claimant; OR
- ☐ am ____ (state position or title) of

____
(name of Claimant)

(b) that I have knowledge of all the circumstances connected with the Claim referred to below; and,

(c) that complete documentation in support of the Claim referred to below is attached;

Debtor	**Pre-Filing Claim Amount**	**Whether Claim is Secured, Priority Unsecured, or Unsecured**	**Value of Security Held, if any:**

Debtor	**Restructuring Claim Amount**	**Whether Claim is Secured, Priority Unsecured, or Unsecured**	**Value of Security Held, if any:**

Debtor	Post Filing Obligation Claim Amount	Whether Claim is Secured, Priority Unsecured, or Unsecured	Value of Security Held, if any:

Debtor	Directors and Offices Claim Amount	Whether Claim is Secured, Priority Unsecured, or Unsecured	Value of Security Held, if any:

III. PARTICULARS OF CLAIM

The particulars of the undersigned's total Claim (including Pre-Filing Claims Post Filing Obligation Claims, Director and Officer Claims, and Restructuring Claims) are attached.

(Provide full particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) or legal breach(es) giving rise to the Claim, name of any guarantor(s) which has guaranteed the Claim, particulars and copies of any security and amount of Claim allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed.)

IV. FILING OF CLAIM

For Pre-Filing Claims, this Proof of Claim MUST be received by the Monitor before 5:00 p.m. (Newfoundland Time) on August 30, 2024 (the "Pre-Filing Claims Bar Date").

For Restructuring Claims, this Proof of Claim MUST be received by the Monitor before the later of (i) the Claims Bar Date and (ii) 5:00 p.m. (Newfoundland Time) on the date that is thirty (30) days after the date on which the Monitor sends a Claims Package to you with respect to a Restructuring Claim (the “Restructuring Claims Bar Date”).

In either case, completed forms must be delivered by prepaid ordinary mail, registered mail, courier, personal delivery or email addressed:

Grant Thornton Limited - The Court Appointed Monitor of
Big Erics Inc. and Terra Nova Old Port Foods Inc.
Nova Centre, North Tower
1675 Grafton Street, Suite 1000
Halifax, Nova Scotia B3J 0E9 Canada
Attention: Corey Hines

Telephone: 902-491-7704
Email: Corey.Hines@ca.gt.com

Failure to file your Proof of Claim as directed by the Claims Bar Date or Restructuring Claims Bar Date, as applicable, will result in your Claim being extinguished and forever barred and in you being prevented from making or enforcing a Claim against the Companies.

DATED at ____________________________ this __________ day of ______________, 2024.

____
Signature of Claimant

Appendix K

Statement of Receipts and Disbursements to June 10, 2024

GRANT THORNTON LIMITED

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT* PROCEEDINGS OF BIG ERICS INC. AND TERRA NOVA OLD PORT FOODS INC.

STATEMENT OF RECEIPTS AND DISBURSEMENTS
FROM JULY 18, 2023 TO JUNE 10, 2024

		Total	Notes
Cash Receipts			
BEI - Sale Proceeds	$	1,856,677	**1**
94747 Rent Cure Costs - Dartmouth, NS	$	45,946	**2**
94747 Remaining Rent for May 2024 - 99 Blackmarsh Road	$	9,344	**3**
BEI - Post-Closing Deposits in BMO Account	$	306,414	
BEI - Other Accounts Receivable	$	5,854	
Advances from Companies	$	382,764	
Funds from Retainer	$	30,000	
Interest	$	5,349	
Total Cash Receipts	**$**	**2,642,347**	
Disbursements			
Newspaper Advertisements	$	2,159	
Monitor's Fees	$	331,230	
Monitor's Legal Counsel Fees	$	119,695	
HST Paid (ITC)	$	67,751	
Payment to LRAI - May 16-31 2024 Rent - 99 Blackmarsh Road	$	9,344	**3**
Payment to Sallyport Commercial Finance ULC	$	171,426	
Total Disbursements	**$**	**701,605**	
Total Funds on Hand	**$**	**1,940,742**	
Funds Held in Trust			
Less: Funds Held Pending Update from 94747 on Goods in Transit	$	110,733	
Less: Pre-Closing Credit Card and Shopify Transactions - Disputed by 94747	$	24,255	
Total Funds Held in Trust	**$**	**134,987**	
RESIDUAL FUNDS ON HAND	**$**	**1,805,755**	

Notes:

1. Total sale proceeds received from 94747 within the BEI SISP, inclusive of deposits.

2. Cure costs paid for by 94747 for the BEI leased location at 171 John Savage Avenue in Dartmouth, NS.

3. Remaining rent for May paid for by 94747 for the BEI leased location at 99 Blackmarsh Road in St. John's, NL.

Appendix L

TNOPFI – Final Budget to Actual Report

Terra Nova Old Port Foods Inc. Final Budget to Actual Reporting			
	Budget	**Actual**	**Variance**
Net Sales	**795,200**	**921,983**	**126,783**
Cash Receipts			
Collection of Accounts Receivable	1,247,592	1,208,472	(39,120)
Remaining Inventory Sales	52,700	40,113	
Capital Asset Sales	50,000	128,921	
Miscellaneous	-	20,068	20,068
Total Cash Receipts	**1,350,292**	**1,397,574**	**47,282**
Operational Disbursements			
Cost of Sales	-	(38,491)	(38,491)
Rent & Municipal Taxes	(89,910)	(66,094)	23,816
Utilities	(21,000)	(6,403)	14,597
Insurance	(7,500)	(1,866)	5,634
Payroll	(163,433)	(189,349)	(25,916)
Key Employee Retention Payments	(18,000)	(6,865)	11,135
Freight	(22,500)	(48,319)	(25,819)
Administration and Miscellaneous	(13,000)	(13,797)	(797)
Total Operational Disbursements	**(335,343)**	**(371,183)**	**(35,840)**
Professional Fees	(91,000)	(181,013)	(90,013)
Total Disbursements	**(426,343)**	**(552,197)**	**(125,854)**
Net Cash Flow	**923,949**	**845,377**	**(78,572)**
Operating Line - Opening	(1,355,000)	(1,355,000)	-
Net Cash Flow	923,949	845,377	(78,572)
Operating Line - Closing	**(431,051)**	**(509,623)**	**(78,572)**
Less: Borrowing Base	(1,355,000)	(1,341,000)	14,000
Line of Credit Liquidity	**923,949**	**831,377**	**(92,572)**

Appendix M

Summary of the Professional Fees of the Monitor

Grant Thornton Limited
Summary of Monitor's Fees and Disbursements
From July 12, 2023 to May 24, 2024

Big Erics Inc.							
Invoice	**Date**	**Hours**	**Fees**	**Expenses**	**HST**	**Total**	**Avg Hourly Rate**
LNOS-1737	31-Jul-23	48.45	$ 18,337.25	$ 1,803.62	$ 3,021.13	$ 23,162.00	$ 378.48
LNOS-1751	31-Aug-23	37.85	13,860.75	695.53	2,183.44	16,739.72	366.20
LNOS-1779	30-Sep-23	29.00	9,462.50	1,124.65	1,588.07	12,175.22	326.29
LNOS-1787	31-Oct-23	63.70	20,157.50	461.65	3,092.86	23,712.01	316.44
LNOS-1803	30-Nov-23	18.85	7,378.75	-	1,106.81	8,485.56	391.45
LNOS-1808	15-Dec-23	17.55	8,155.00	-	1,223.25	9,378.25	464.67
LNOS-1829	26-Jan-24	68.30	31,718.50	-	4,757.78	36,476.28	464.40
LNOS-1847	29-Feb-24	68.80	27,560.00	-	4,134.00	31,694.00	400.58
LNOS-1862	25-Mar-24	73.40	30,095.00	2,212.77	4,846.16	37,153.93	410.01
LNOS-1893	23-Apr-24	83.40	33,116.25	1,399.04	5,177.30	39,692.59	397.08
LNOS-1912	10-May-24	80.15	33,511.25	24.24	5,030.33	38,565.82	418.11
LNOS-1922	24-May-24	93.50	35,058.75	-	5,258.81	40,317.56	374.96
Total		**682.95**	**$ 268,411.50**	**$ 7,721.50**	**$ 41,419.94**	**$ 317,552.94**	**$ 393.02**

Terra Nova Old Port Foods Inc.							
Invoice	**Date**	**Hours**	**Fees**	**Expenses**	**HST**	**Total**	**Avg Hourly Rate**
LNOS-1736	31-Jul-23	36.20	$ 13,846.25	$ -	$ 2,076.94	$ 15,923.19	$ 382.49
LNOS-1747	31-Aug-23	34.15	12,516.25	589.01	1,965.79	15,071.05	366.51
LNOS-1776	30-Sep-23	11.30	3,653.75	-	548.06	4,201.81	323.34
LNOS-1786	31-Oct-23	13.85	4,531.25	-	679.69	5,210.94	327.17
LNOS-1796	30-Nov-23	3.30	1,410.00	-	211.50	1,621.50	427.27
LNOS-1828	26-Jan-24	11.00	5,212.25	-	781.84	5,994.09	473.84
LNOS-1832	23-Feb-24	25.20	6,253.50	-	938.03	7,191.53	248.15
LNOS-1861	25-Mar-24	15.95	4,023.75	-	603.56	4,627.31	252.27
LNOS-1885	16-Apr-24	7.65	1,827.50	-	274.13	2,101.63	238.89
LNOS-1921	24-May-24	4.65	1,233.75	-	185.06	1,418.81	265.32
Total		**163.25**	**$ 54,508.25**	**$ 589.01**	**$ 8,264.60**	**$ 63,361.86**	**$ 333.89**

Summary	**Hours**	**Fees**	**Expenses**	**HST**	**Total**	**Avg Hourly Rate**
Big Erics Inc.	682.95	$ 268,411.50	$ 7,721.50	$ 41,419.94	$ 317,552.94	$ 393.02
Terra Nova Old Port Foods Inc.	163.25	54,508.25	589.01	8,264.60	63,361.86	333.89
Grand Total	**846.20**	**$ 322,919.75**	**$ 8,310.51**	**$ 49,684.54**	**$ 380,914.80**	**$ 381.61**

Grant Thornton Limited
Summary of Monitor's Significant Activities - Big Erics Inc.
From July 12, 2023 to May 24, 2024

Big Erics Inc. Name	Position	Avg. Hourly Rate	Total Hours	Total Fees	Significant activities
Phil Clarke	Senior Vice President	$ 485.07	331.25	$ 160,681.00	possession financing, SISP matters and operational issues throughout the CCAA proceedings. Preparation for Inital Order and attendance at hearing. Preparation for ARIO and attendance at hearing. Attend to matters regarding possible preference payments. Review Company budget to actual financial results routinely throughout the CCAA proceedings. Review of various cash flow forecasts prepared by the Company in support of the Company's application for extensions to the Stay of Proceedings. Review and prepare ten court and supplemental reports, inclusive of the Eigth Report. Review Company application materials ahead of court hearings throughout the CCAA proceedings, inclusive of inclusive of, among other things, Stay of Proceedings extensions, approval for a SISP, multiple BMO court appointed receivership applications and approval of a Successful Bidder and APA. Correspondence and communication with unsecured creditors regarding CCAA proceedings. Correspondence and communication with BMO and Mezzanine Lenders throughout CCAA proceedings regarding operational and SISP updates. Attend to employee matters. Attend to inventory and other operational issues with BEI. Correspondence and communication with Directors and other stakeholders throughout CCAA proceedings. Advise and communicate with SISP Advisor during planning for SISP and implementation. Request and correspond with SISP Advisor regarding updates on SISP phases and milestones. Speak with potentially interested parties during SISP. Correspondence with BMO regarding multiple court appointed receivership applications. Correspond with legal counsel and all stakeholders regarding court applications and issues during CCAA proceedings, inclusive of Stay of Proceedings extensions, operational considerations, BMO court appointed receiver applications and SISP matters and approval. Correspondence with BEI regarding insurance renewal. Attend to claims matters with a variety of creditors throughout the CCAA proceedings. Attend to and correspond with BEI regarding injunction matters. Correspondence with SISP Advisor regarding Successful Bidder, offer and APA. Attend to and correspond with BEI, BMO, Directors and Successful Bidder regarding pre-closing matters, payroll, closing process, various APA matters and post-closing matters. Attend to and correspond with all stakeholders on multiple post-closing issues such as, among other things, funds within BEI operating account, goods in transit, inventory and various purchase price adjustments.
Senior Vice President less than 15 hours		491.20	5.40	2,652.50	Review of draft SISP teaser. Attend to various SISP matters.
Total Senior Vice President		**$ 488.14**	**336.65**	**$ 163,333.50**	

Grant Thornton Limited
Summary of Monitor's Significant Activities - Big Erics Inc.
From July 12, 2023 to May 24, 2024

Big Erics Inc. **Name**	**Position**	**Avg. Hourly Rate**	**Total Hours**	**Total Fees**	**Significant activities**
Allan MacDonald	Manager	$ 325.00	14.00	$ 4,550.00	Review of Company weekly budget to actual reporting. Review of statement of receipts and disbursements. Correspondence regarding SISP related matters. Review file correspondence. Estate administration and banking matters in Ascend, including drafting of estate accounting memorandum. Commisioning of mailing affidavits of statutory documents. Correspondence with counsel regarding SISP and file matters.
Corey Hines	Manager	325.00	266.50	86,612.50	proceedings. Review Company budget to actual financial results routinely throughout the CCAA proceedings. Correspondence and communication with unsecured creditors regarding CCAA proceedings. Correspondence and communication with BMO and Mezzanine Lenders throughout CCAA proceedings regarding operational and SISP updates. Attend to employee matters. Prepare ten court and supplemental reports, inclusive of the Eigth Report. Review of various cash flow forecasts prepared by the Company in support of the Company's application for extensions to the Stay of Proceedings. Correspondence and communication with debtor regarding SISP matters, operational issues and creditor and employee communication throughout the CCAA proceedings. Attend to CRA queries, assessments and other matters. Review of draft teaser, confidential information memorandum and solicitation list for SISP. Advise and communicate with SISP Advisor during planning for SISP and implementation. Maintaining Monitor's case website. Correspondence and communication with Directors and other stakeholders throughout CCAA proceedings. Attend court hearing regarding Stay of Proceedings extension. Compile reconciliation of cost of sales and goods in transit. Compile reconciliation of accounts receivable up to closing. Attend to and correspond with the Company regarding pre-closing matters, payroll, closing process, various APA matters and post-closing matters. Compile reconciliations of accounts receivable, accounts payable, inventory, goods in transit and other accounts receivable post-closing. Compile and maintain funds tracker for PPA and other funds post-closing. Attend to and correspond with purchaser and legal counsel on multiple post-closing issues such as, among other things, funds within BEI operating account, goods in transit, inventory and various purchase price adjustments.
Manager less than 15 hours		325.00	2.00	650.00	Drafting and review of potential interested parties list for SISP.
Total Manager		**$ 325.00**	**282.50**	**$ 91,812.50**	

Grant Thornton Limited
Summary of Monitor's Significant Activities - Big Erics Inc.
From July 12, 2023 to May 24, 2024

Big Erics Inc.					
Name	**Position**	**Avg. Hourly Rate**	**Total Hours**	**Total Fees**	**Significant activities**
Ben Chisholm	Senior Associate	$ 250.00	27.15	$ 6,787.50	Review of creditors listing. Estate administration and banking matters in Ascend. Correspondence and filing of CRA related matters. Correspondence with creditors regarding CCAA proceedings. Compile reconciliation of accounts receivable and accounts payable post-closing. Drafting of Monitor's professional fees summary.
Senior Associate less than 15 hours		246.28	3.90	960.50	Update Monitor's case website; Filing of documents to server; Attend to WEPP matters.
Total Senior Associate		**$ 248.14**	**31.05**	**$ 7,748.00**	
Mira Tan	Associate	$ 170.00	12.25	$ 2,082.50	Drafting of potential interested parties list for SISP.
Yashvi Shah	Associate	170.00	7.50	1,275.00	Drafting of potential interested parties list for SISP.
Associate less than 15 hours		166.15	13.00	2,160.00	Mailing of statutory documents; Site visit to 99 Blackamarch Road on Closing; Downloading of various payroll forms for WEPP payroll service provider.
Total Associate		**$ 168.72**	**32.75**	**$ 5,517.50**	
Grand Total		**$ 393.02**	**682.95**	**$ 268,411.50**	

Grant Thornton Limited
Summary of Monitor's Significant Activities - Terra Nova Old Port Foods Inc.
From July 12, 2023 to May 24, 2024

Terra Nova Old Port Foods Inc.					
Name	**Position**	**Avg. Hourly Rate**	**Total Hours**	**Total Fees**	**Significant activities**
Phil Clarke	Senior Vice President	$ 483.16	43.75	$ 21,138.25	objectives, wind-down of operations, SISP matters and operational issues throughout the CCAA proceedings. Preparation for Inital Order and attendance at hearing. Preparation for ARIO and attendance at hearing. Review and prepare court reports, inclusive of the Eigth Report. Review of various cash flow forecasts prepared by the Company in support of the Company's application for extensions to the Stay of Proceedings. Strategize and assist with employee termination plan. Review Company budget to actual financial results routinely until operations ceased. Correspondence and communication with debtor regarding operational issues and creditor and employee communication throughout the CCAA proceedings. Correspondence and communication with unsecured creditors regarding CCAA proceedings. Correspondence and communication with BMO throughout CCAA proceedings regarding operational issues, operating line and wind-down of operations. Maintaining Monitor's case website. Assist management with employee terminations. Correspond with legal counsel and all stakeholders regarding court applications and issues during CCAA proceedings, inclusive of Stay of Proceedings extensions, operational considerations, wind-down of operations, termination of employees and WEPP. Attend to matters regarding possible preference payments. Assist management with liquidation strategy and planning.
Total Senior Vice President		**$ 483.16**	**43.75**	**$ 21,138.25**	

Grant Thornton Limited
Summary of Monitor's Significant Activities - Terra Nova Old Port Foods Inc.
From July 12, 2023 to May 24, 2024

Terra Nova Old Port Foods Inc. Name	Position	Avg. Hourly Rate	Total Hours	Total Fees	Significant activities
Corey Hines	Manager	$ 324.70	76.10	$ 24,710.00	Attend to statutory documents filing and other matters regarding the initiation of the CCAA proceedings. Correspondence and communication with debtor and financial advisor regarding restructuring objectives, wind-down of operations, SISP matters and operational issues throughout the CCAA proceedings. Preparation for Inital Order and attendance at hearing. Preparation for ARIO and attendance at hearing. Review and prepare court reports, inclusive of the Eigth Report. Review of various cash flow forecasts prepared by the Company in support of the Company's application for extensions to the Stay of Proceedings. Review Company budget to actual financial results routinely until operations ceased. Correspondence and communication with debtor regarding operational issues and creditor and employee communication throughout the CCAA proceedings. Correspondence and communication with unsecured creditors and stakeholders regarding CCAA proceedings, inclusive of queries from creditors on 30 days goods matters. Draftng of internal 30 day goods memorandum for file support. Review Company budget to actual financial results routinely until operations ceased. Strategize and assist with employee termination plan. Draft WEPP process, compile WEPP worksheet for employee claims and review claims received by former employees. Attend to equipment lessor matters, inclusive of lessor and landlord dispute. Correspondence with Canadian Food Inspection Agency regaridng Company license.
Manager less than 15 hours		325.00	1.50	487.50	Attend to accounting of estate funds.
Total Manager		**$ 324.85**	**77.60**	**$ 25,197.50**	
Ben Chisholm	Senior Associate	$ 250.00	12.25	$ 3,062.50	Initial review of Company budget to actuals results. Estate administration and banking matters in Ascend. Drafting of statement of receipts and disbursements. Correspondence with creditors regarding CCAA proceedings.
Senior Associate less than 15 hours		250.00	2.40	600.00	Correspondence with former employees regarding WEPP.
Total Senior Associate		**$ 250.00**	**14.65**	**$ 3,662.50**	
Faith Capone	Associate	$ 166.30	23.00	$ 3,825.00	WEPP administration including correspondence with former employees, correspondence with Service Canada, calculation of claims of former employees, mailing of packages to former employees and uploading trustee information forms to Service Canada.
Associate less than 15 hours		161.18	4.25	685.00	Mailing of statutory documents. Mailing of WEPP documents to former employees.
Total Associate		**$ 163.74**	**27.25**	**$ 4,510.00**	
Grand Total		**$ 333.89**	**163.25**	**$ 54,508.25**	

Appendix N

Summary of the Professional Fees of Stewart McKelvey

Summary of Fees and Disbursements of Stewart McKelvey
for the period from July 5, 2023 to May 31, 2024

Name of Professional	Total Hours Billed	Avg. Hourly Rate ($/Hr)	Total Amount Billed
Sara L. Scott (Partner)	161.9	$456.89	$72,072.50
Joseph J. Thorne (Partner)	105.2	$405.63	$42,968.00
Sean Pittman (Associate)	11.0	$340.00	$3,740.00
Laura Smith (Paralegal)	1.4	$150.00	$210.00
J. Daniel Vassallo (Paralegal)	0.4	$145.00	$58.00
Total Hours/Average Rate/Total Fees	**279.90**	**$299.50**	**$119,048.50**
Total Disbursements			**$646.82**
Total Fees and Disbursements excluding Tax			**$119,695.32**
Taxes			**$17,918.32**
Total Fees and Disbursements including Tax			**$137,613.64**

Hours spent and summary of lawyers' tasks:

Lawyer and Tasks	Hours
Sara L. Scott (Partner): Review of file materials, analysis and strategy. Review and response to email communications from court, counsel, Monitor, Service List and other stakeholders. Telephone communications with counsel, Monitor, Service List and other stakeholders. Videoconferences with court, counsel, Monitor, Service List and other stakeholders. In-person meetings with counsel, Monitor and other stakeholders. Review of Monitor's reports, affidavits and court submissions in relation to CCAA conversion, initial order, stay extensions, amended and restated initial order, sale and investment solicitation process, sale approvals, WEPPA, sealing orders and other relief. Preparation for and/or attendance at court hearings (7). Preparation for and/or attendance at status hearings and case management conferences with Court. Communications with counsel, Monitor and other stakeholders regarding employees, assets, rents, leases, real property, sales process, offers, agreements and other issues.	161.9
Joseph J. Thorne (Partner):	105.2

Review of file materials, analysis and strategy. Review and response to email communications from court, counsel, Monitor, Service List and other stakeholders. Telephone communications with counsel, Monitor, Service List and other stakeholders. Videoconferences with court, counsel, Monitor, Service List and other stakeholders. In-person meetings with counsel, Monitor and other stakeholders. Review of Monitor's reports, affidavits and court submissions in relation to CCAA conversion, initial order, stay extensions, amended and restated initial order, sale and investment solicitation process, sale approvals, WEPPA, sealing orders and other relief. Preparation for and/or attendance at court hearings, status hearings and case management conferences (14). Communications with counsel, Monitor and other stakeholders regarding employees, assets, rents, leases, real property, sales process, offers, agreements and other issues. Address claims of stakeholders. Email correspondence with Service List.	
Sean Pittman (Associate): Communications with counsel, Monitor and Service List. Appear in Supreme Court regarding Case Management Meeting. Draft, review and revise submissions to court. Appearance in Supreme Court regarding approving form of Certificates. Communications with Purchaser, Vendor, Monitor regarding outstanding matters for closing. Communications with accounting regarding deposit of funds. Communications with parties to provide confirmation of closing. Communications with Purchaser and accountant regarding verification of numbers. Communications with D. Howe and Purchaser regarding outstanding forms.	11.0
Laura Smith (Paralegal): Drafting amended Order in relation to Wage Earners Protection Plan Act. Revise Order in relation to Wage Earners Protection Plan Act.; Review email from C. Hines. Revise draft form of Order. Correspondence to Court regarding WEPPA order. Email correspondence to Service List regarding same. Revise schedules to agreement.	1.4
J. Daniel Vassallo (Paralegal): Prepare Titan File channel with all members for document disclosure.	0.4

Summary of fees, disbursement and tax of each invoice:

Bill Num	Bill Date	Fees	Disb	Tax Billed	Total Fees & Disb (Pre-Tax)	Total Fees & Disb (Post-Tax)
91060601	8/23/2023	$20,976.00	$264.06	$3,177.01	$21,240.06	$24,417.07
91073746	10/25/2023	$21,003.00	$0.00	$3,150.45	$21,003.00	$24,153.45
91083411	11/30/2023	$1,080.00	$0.00	$162.00	$1,080.00	$1,242.00
91085293	12/7/2023	$720.00	$0.00	$108.00	$720.00	$828.00
91092837	12/31/2023	$5,340.00	$72.08	$802.81	$5,412.08	$6,214.89
91103849	2/17/2024	$15,247.00	$35.30	$2,292.35	$15,282.30	$17,574.65
91110535	3/20/2024	$7,447.50	$72.65	$1,119.03	$7,520.15	$8,639.18
91119052	4/24/2024	$10,324.50	$109.53	$1,565.11	$10,434.03	$11,999.14
91124148	5/17/2024	$18,953.00	$73.20	$2,844.93	$19,026.20	$21,871.13
91128045	5/31/2024	$17,957.50	$20.00	$2,696.63	$17,977.50	$20,674.13
	Total:	**$119,048.50**	**$646.82**	**$17,918.32**	**$119.695.32**	**$137,613.64**