

Court File No. 32-2634165  
Estate File No. 32-2634165

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY & INSOLVENCY)**  
**[COMMERCIAL LIST]**

**IN THE MATTER OF THE NOTICE OF INTENTION  
TO MAKE A PROPOSAL OF 1348441 ONTARIO INC.**

**MOTION RECORD OF THE APPLICANT,**  
**1348441 ONTARIO INC.**  
**(Returnable April 22, 2020)**

Date: April 17, 2020

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**TO: ATTACHED SERVICE LIST**

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**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY & INSOLVENCY)**  
**[COMMERCIAL LIST]**

**IN THE MATTER OF THE NOTICE OF INTENTION  
TO MAKE A PROPOSAL OF 1348441 ONTARIO INC.**

**MOTION RECORD OF THE APPLICANT,  
1348441 ONTARIO INC.  
(Returnable April 22, 2020)**

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# TAB 1

Court File No. 32-2634165  
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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY & INSOLVENCY)  
[COMMERCIAL LIST]**

**IN THE MATTER OF THE NOTICE OF  
INTENTION TO MAKE PROPOSAL OF  
1348441 ONTARIO INC.**

**NOTICE OF MOTION  
(returnable April 22, 2020)**

1348441 Ontario Inc. o/a Solutions Your Organized Living Store (the “Debtor”) has filed a Notice of Intention to Make a Proposal (the “NOI”) under the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the “BIA”). The Debtor will make a motion (the “Motion”) to judge presiding over the Commercial List on Wednesday April 22, 2020 at 10:00 a.m., or as soon after that time as the motion can be heard, which motion shall be heard virtually by “Zoom” teleconference, with an invitation thereto to be distributed by email by counsel to the moving party.

**PROPOSED METHOD OF HEARING:** The motion is to be heard orally.

**THE MOTION IS FOR:**

1. an order, substantially in the form attached hereto as Schedule “A” including, *inter alia*:
  - (a) if necessary, abridging the time for serving and filing the notice of motion and motion record with respect to the Motion and validating service thereof such that the Motion is properly returnable on the day the Motion is heard and dispensing with any further service thereof;



- (b) approving an interim financing facility (the “**DIP Facility**”) with Gurmej Walia (the “**DIP Lender**”) in the principal amount of up to \$500,000 and granting a priority charge (the “**DIP’s Lender Charge**”) over all the assets, properties and undertakings of the Debtor (collectively, the “**Property**”) to secure repayment of the amounts borrowed by the Debtor under the DIP Facility;
- (c) granting a priority charge over the Property in the amount of \$100,000 (the “**Administration Charge**”) to secure the fees and disbursements of counsel to the Debtor, the Proposal Trustee (*as defined below*) and counsel to the Proposal Trustee;
- (d) granting an extension of time for the Debtor to file a proposal 45 days to June 9, 2020; and

- 2. such further and other relief as counsel may advise and this Court may permit.

#### **THE GROUNDS FOR THE MOTION ARE:**

##### *Background*

- 1. The Debtor is a corporation incorporated and existing under the laws of the Province of Ontario. The Debtor operates out of a head office/distribution centre located at 1775 Sismet Road in Mississauga, Ontario;
- 2. On March 26, 2020, the Debtor filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to section 50.4 of the *BIA*. Dodick Landau Inc. was named proposal trustee in the Debtor’s proposal proceedings (the “**Proposal Trustee**”);

##### *DIP Facility and DIP Lender’s Charge*

- 3. Gurmej Walia is the Debtor’s president and sole director, and will provide the Debtor with the financing needed during these proceedings through the proposed DIP Facility;

4. the consolidated cash flow projection, prepared in consultation with the Proposal Trustee, projects that the Debtor, with the benefit of the proposed DIP Facility, will have sufficient funding to continue to operate through the NOI period and the extension to the NOI sought herein;
5. the proposed DIP Facility is conditional on, *inter alia*, the Debtor obtaining the approval of the DIP Facility and the DIP Lender's Charge over all of the Debtor's Property, ranking in first priority to any existing security other than the Administration Charge;
6. the terms of the proposed DIP Facility are favourable to the Debtor and reasonable having regard to the circumstances, and the amount of the DIP Facility is necessary and reasonable in the circumstances to ensure that the Debtor has a prudent and responsible level of liquidity so that it can meet post-filing obligations as they become due, and fund these proceedings;
7. the Debtor will not be able to continue to operate and facilitate restructuring efforts without access to the proposed DIP Facility;

#### *The Administration Charge*

8. the proposed beneficiaries of the Administration Charge will play a critical role in the Debtor's NOI proceeding and restructuring steps, and it is unlikely that they will participate in these proposal proceedings unless the Administration Charge is granted to secure their fees and disbursements;

#### *Extension of Time to File a Proposal*

9. the stay of proceedings will expire on April 25, 2020;
10. the Debtor seeks an extension of time to file a proposal to and including June 9, 2020, in order to provide stability to the Debtor's business while the Debtor, with the assistance of the Proposal Trustee, attempts to restructure its business;

11. with the benefit of the DIP Facility, the Debtor will have sufficient funding to continue operating through to the end of the requested extension period;
12. if the extension applied for is granted, the Debtor will likely be able to make a viable proposal to its creditors;
13. without the extension, the Debtor will not be in a position to make a viable proposal to its creditors before April 25, 2020 and will likely become bankrupt, to the detriment of its creditors and stakeholders;
14. none of the Debtor's creditors would be materially prejudiced if the extension applied for is granted;
15. the Debtor has acted, and is acting, in good faith and with due diligence;

*Support of the Proposal Trustee and Other Grounds*

16. the Proposal Trustee supports and consents to the relief sought by the Debtor;
17. the secured creditors likely to be affected by the Administration Charge and DIP Lender's Charge have been provided notice of this motion and are supportive of the relief sought herein;
18. the senior secured lender, the Bank of Nova Scotia, supports the relief sought herein;
19. the other grounds set out in the affidavit of Gurmej Walia sworn April 17, 2020 (the "**Walia Affidavit**");
20. the other grounds set out in the first report (the "**First Report**") of the Proposal Trustee;
21. the Consolidated Practice Direction Concerning the Commercial List and the inherent and equitable jurisdiction of this Court;
22. sections 50.4(9), 50.6, and 64.2 of the *BIA*;

23. the *Bankruptcy and Insolvency General Rules*, C.R.C., c. 368;
24. rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
25. such further and other grounds as counsel may advise and this Court may permit.

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

1. the Walia Affidavit and the exhibits thereto;
2. the First Report and the appendices thereto; and
3. such further and other material as counsel may advise and this Court may permit.

Date: April 17, 2020

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY & INSOLVENCY)  
[COMMERCIAL LIST]**

**Proceedings commenced at Toronto**

**NOTICE OF MOTION**

*(returnable via "Zoom" teleconference, April 22, 2020)*

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# TAB 1A

Court File No.: 32-2634165  
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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY & INSOLVENCY)  
[COMMERCIAL LIST]**

THE HONOURABLE	)	WEDNESDAY, THE 22 <sup>nd</sup> DAY
	)	
JUSTICE 	)	OF APRIL, 2020



**IN THE MATTER OF THE NOTICE OF INTENTION TO  
MAKE A PROPOSAL OF 1348441 ONTARIO INC.**

**ORDER**

**THIS MOTION**, made by 1348441 Ontario Inc. o/a Solutions Your Organized Living Store (the “**Company**”) pursuant to Sections 50.4(9), 50.6 and 64.2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) for an order, *inter alia*: (i) approving an extension of the time for the Company to file a proposal by forty-five (45) days until June 9, 2020; (ii) approving the DIP Facility and granting the DIP Lender’s Charge (*each as hereinafter defined*); and (iii) granting the Administration Charge (*as hereinafter defined*), was heard this day virtually by “Zoom” teleconference.

**ON READING** the affidavit of Gurmej Walia sworn April , 2020 and the exhibits thereto and the First Report of Dodick Landau Inc. in its capacity as the proposal trustee of the Company (in such capacity, the “**Proposal Trustee**”), dated April , 2020, and the appendices

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thereto (the “**First Report**”), and on hearing the submissions of counsel for the Company, the Proposal Trustee, Gurmej Walia and such other counsel as were present, no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of  sworn April , 2020, filed,

### **SERVICE**

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

### **EXTENSION**

2. **THIS COURT ORDERS** that the time for the Company to file a proposal under section 50.4 of the BIA is extended by a period of forty-five (45) days to and including June 9, 2020.

### **DIP FINANCING**

3. **THIS COURT ORDERS** that the Company is hereby authorized and empowered to obtain and borrow under a credit facility from Rick Walia (the “**DIP Lender**”) in order to finance the Company’s working capital requirements and other general corporate purposes and capital expenditures during these proceedings, provided that borrowings under such credit facility shall not exceed \$500,000, unless permitted by further Order of this Court (collectively, the “**DIP Facility**”).

4. **THIS COURT ORDERS THAT** the DIP Facility shall be on the terms and subject to the conditions set forth in the term sheet between the Company and the DIP Lender dated April 17, 2020 (the “**DIP Term Sheet**”).



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5. **THIS COURT ORDERS** that the Company is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the “**Definitive Documents**”) as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Company is hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

6. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) over all of the current and future assets, properties and undertakings of the Company of every nature and kind whatsoever, and wherever situate including all proceeds thereof (collectively, the “**Property**”), as security for the borrowings under the DIP Facility, which DIP Lender’s Charge shall not secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraphs 12 and 14 of this Order.

7. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the DIP Term Sheet, the Definitive Documents or the DIP Lender’s Charge, the DIP Lender, upon three (3) days’ notice to the Company and the Proposal Trustee, may exercise any and all of its

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rights and remedies against the Company or the Property under or pursuant to the DIP Term Sheet, the Definitive Documents and the DIP Lender's Charge, including, without limitation, to cease making advances to the Company and set off and/or consolidate any amounts owing by the DIP Lender to the Company against the obligations of the Company to the DIP Lender under the DIP Term Sheet, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Company and for the appointment of a trustee in bankruptcy of the Company; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Company or the Property.

8. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any proposal filed by the Company under the BIA with respect to any advances made under the DIP Term Sheet or the Definitive Documents.

#### **ADMINISTRATION CHARGE**

9. **THIS COURT ORDERS** that counsel to the Company, the Proposal Trustee and counsel to the Proposal Trustee shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements), in each case at their standard rates and charges, by the Company as part of the costs of these proceedings. The Company is hereby authorized and directed to pay the

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accounts of counsel to the Company, the Proposal Trustee and counsel to the Proposal Trustee (for work performed in connection with these proceedings) on a weekly basis.

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

11. **THIS COURT ORDERS** that counsel to the Company, the Proposal Trustee and counsel to the Proposal Trustee shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$100,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Proposal Trustee and such counsel, both before and after the making of this Order, in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 12 and 14 of this Order.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

12. **THIS COURT ORDERS** that the priorities of the DIP Lender’s Charge and the Administration Charge (collectively, the “**Charges**”) as amongst themselves shall be as follows: (a) first, the Administration Charge to a maximum amount of \$100,000; and (b) second, the DIP Lender’s Charge.

13. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges are and shall be valid and enforceable against the Property for all purposes, including, without limitation, as against any right, title or interest filed, registered,

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recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect the Charges.

14. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and that such Charges shall rank in priority to all other security interests, trusts, liens, charges, mortgages, claims and encumbrances, secured, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any other person.

15. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Company shall not grant any Encumbrances over any Property that ranks in priority to, or *pari passu* with, the DIP Lender’s Charge or the Administration Charge, unless the Company also obtains the prior written consent of the Proposal Trustee, the DIP Lender and the beneficiaries of the Administration Charge, or further Order of this Court.

16. **THIS COURT ORDERS** that the Charges, the DIP Term Sheet and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made in these proceedings; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances contained in any existing loan documents, lease, sublease,

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offer to lease or other agreement (collectively, an “**Agreements**”) which binds the Company, and notwithstanding any provision to the contrary in any such Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Company of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the Company entering into the DIP Term Sheet, the Definitive Documents, the creation of the Charges or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Company pursuant to this Order, the DIP Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

## **SERVICE AND NOTICE**

17. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to

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Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ''.

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

19. **THIS COURT ORDERS** that the Company, the Proposal Trustee, the DIP Lender and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Company's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

**GENERAL**

20. **THIS COURT ORDERS** that the Company and the Proposal Trustee may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

21. **THIS COURT ORDERS** that nothing in this Order shall prevent the Proposal Trustee from acting as an interim receiver, a receiver, a receiver and manager, a trustee in bankruptcy or a monitor of the Company, its business or the Property.

22. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or the United States, to give effect to this Order and to assist the Company, the Proposal Trustee 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 Company and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding or to assist the Company, the Proposal Trustee and their respective agents in carrying out the terms of this Order.

23. **THIS COURT ORDERS** that the Company and the Proposal Trustee be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Proposal Trustee is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

25. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Daylight Time on the date of this Order; provided, however, that the DIP Lender shall be entitled to rely on this Order as issued for all advances made under the DIP Term Sheet Agreement and the Definitive Documents up to and including the date on which this Order may be varied or amended.

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
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**Proceedings commenced at Toronto**

**ORDER**  
*(Initial NOI Order)*

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*Lawyers for 1348441 Ontario Inc.*

# TAB 2

Court File No. 32-2634165  
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**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY & INSOLVENCY)**  
**[COMMERCIAL LIST]**

IN THE MATTER OF THE NOTICE OF  
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1348441 ONTARIO INC.

**AFFIDAVIT OF GURMEJ WALIA**  
(sworn April 17, 2020)

I, GURMEJ WALIA, of the City of Brampton, in the Province of Ontario, MAKE OATH  
AND SAY AS FOLLOWS:

1. I am the President and sole director 1348441 Ontario Inc. (the “**Debtor**”). The facts set forth herein are within my personal knowledge or determined from the face of the documents attached hereto as exhibits and from information and advice provided to me by third parties. Where I have relied upon such information and advice, I verily believe same to be true.
2. On March 26, 2020, the Debtor filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). Dodick Landau Inc. was named proposal trustee in the Debtor’s proposal proceedings (the “**Proposal Trustee**”). Attached hereto marked as **Exhibit “A”** is a copy of the Certificate of Filing of a Notice of Intention to Make a Proposal.
3. This affidavit is sworn in support of a motion by the Debtor an order, among other things:

- 2 -

- (a) authorizing the Debtor to enter into a term sheet (the “**DIP Term Sheet**”) with me, personally, as lender (the “**DIP Lender**”), approving the DIP Term Sheet and granting the DIP Lender a super priority charge on all of the Debtor’s property, assets and undertakings as security for all of the Debtor’s obligations to the DIP Lender under the DIP Term Sheet;
- (b) approving a charge (the “**Administration Charge**”) in an amount not to exceed \$100,000 in favour of the Debtor’s legal counsel, the Proposal Trustee and its legal counsel to secure payment of their reasonable fees and disbursements; and
- (c) granting the Debtor, a 45-day extension of time to make a proposal up to and including June 9, 2020.

## **THE BUSINESS**

4. The Debtor operated as retailer of storage solutions under the tradename “Solutions Your Organized Living Store” or, colloquially, “Solutions”.

5. The Debtor operates out of a head office/distribution centre located at 1775 Sismet Rd in Mississauga, Ontario, which it leases from a related party who owns the building. A copy of a corporate profile report for the Debtor is attached hereto as **Exhibit “B”**.

6. Until recently, the Debtor also operated twelve (12) retail stores throughout Ontario, all but one of which were sublet from a related party who stood as sublandlord.

7. As of March 1, 2020, the Debtor had 10 employees working in full-time office, administrative and management positions; and, approximately 150 hourly employees working in

- 3 -

part-time retail or warehouse positions. The employees are non-unionized, and there is no employer-sponsored pension plan.

## **CREDITORS**

### Secured Creditors

#### *Scotiabank*

8. On June 25, 2018, the Bank of Nova Scotia (“**Scotiabank**”) and the Debtor entered into a commitment letter as amended, from time to time (the “**Commitment Letter**”). A copy of the Commitment Letter, together with all amendments thereto, is attached hereto and marked as **Exhibit “C”**.

9. As security for its obligations to Scotiabank, the Debtor executed a general security agreement in favour of Scotiabank, granting to Scotiabank a security interest in all of the Debtor’s present and after acquired personal property, which security is registered against the Debtor pursuant to the Ontario *Personal Property Security Act* (the “**PPSA**”). A copy of the general security agreement is attached hereto and marked as **Exhibit “D”**.

10. Pursuant to the Commitment Letter, Scotiabank made various credit facilities available to the Debtor, which facilities were drawn on by the Debtor. As at March 26, 2020, the date of the NOI, the Debtor is indebted to Scotiabank under the Commitment Letter in the approximate aggregate amounts of (CAD) \$5,453,820 and (USD) \$387,834.

11. The indebtedness to Scotiabank is also guaranteed by certain related parties, including the entity which owns the real property on which the head office/distribution centre is located.

- 4 -

12. Immediately prior to the filing of the NOI, Scotiabank issued demands for repayment and notices under Section 244 of the BIA as against the Debtor and all guarantors. The Debtor had previously engaged in discussions with Scotiabank and waived the notice period under the Section 244 notices, on the understanding that Scotiabank would support the Debtor's efforts to restructure its business. Since filing the NOI, the Debtor has entered into a formal forbearance with Scotiabank to facilitate its restructuring efforts through the NOI period and any proposal. Attached hereto and marked as **Exhibit "E"** is a copy of the forbearance agreement.

*Gurmej "Rick" Walia*

13. Pursuant to various loans, the Debtor is indebted to me, personally, in the approximate amount of \$6,200,000, secured by a general security agreement executed by the Debtor and registered pursuant to the PPSA.

14. Based on my discussions with legal counsel, I understand that Scotiabank holds a first-ranking security interest over the Debtor's personal property; and, I hold a second-ranking security interest. A copy of *PPSA* search report certificate for the Debtor is attached hereto and marked as **Exhibit "F"**.

Unsecured Creditors

15. As at March 26, 2020, the date of the NOI, the Debtor owed its unsecured creditors approximately \$1,065,000. A copy of the NOI certificate of filing and creditor listing is attached hereto and marked as **Exhibit "G"**.

Government Remittances

16. The Debtor is current with all source deductions and other government remittances.

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## **FINANCIAL CHALLENGES & COVID-19**

17. The calendar year 2019 was a “down year” for the Debtor, with a decrease in sales of approximately 10% over 2018. This was a result of three principal challenges:

- (a) first, a former senior employee of the Debtor partnered with an investor, using confidential information of the Debtor, and, commencing in 2018, opened up seven (7) competing stores in key markets;
- (b) second, the loss of key supplier relationship; and
- (c) third, although the growth digital retail did not initially impact the storage solutions market, its effects were felt in 2019 with the result being declining sales.

18. To counter these effects, the Debtor (a) made strategic decisions on staffing and products; (b) initiated a lawsuit against the former senior employer and his investor, which is ongoing; and, (c) continued to invest in and evolve its own online retail platform.

19. Each of the above strategies was promising and the Debtor was seeing improved results at the end of 2019. However, the impact of COVID-19 was too much for the Debtor to manage.

20. The effects of COVID-19 were felt before the general business “lock-down”, as foot traffic and sales waned in early February and, of course, all locations are currently shut-down for the foreseeable future. The Debtor does not anticipate opening its retail locations until June 1, 2020.

## **DEFAULT AND DEMAND**

21. As stated above, immediately prior to the filing of the NOI, Scotiabank issued demands for repayment and delivered notices under Section 244 of the BIA as against the Debtor, and the Debtor waived the related statutory notice period. Copies of the demand and 244 notice, along with the Debtor’s waiver, are attached hereto and marked as **Exhibit “H”**.

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22. Also as stated above, the Debtor and Scotiabank have discussed these proceedings and Scotiabank is supportive of the same. Although it has not been finalized as at the date of this affidavit, the Debtor anticipates entering into a formal forbearance with Scotiabank to facilitate its restructuring efforts through the NOI period and any proposal.

### **NOI PROCEEDINGS**

23. On March 26, 2020, the Debtor commenced these proceedings under the *BIA* for the purpose of, among other things, restructuring its business. The Debtor intends to (a) reduce the number of retail locations; (b) enhance its digital retail platform; (c) assess its inventory and implement a plan to liquidate surplus inventory; and, ultimately, (d) present a proposal to its unsecured creditors.

24. In order to accomplish the above, the Debtor requires the creditor protection afforded by these proceedings, the ability to access DIP financing and an extension to the time to make a proposal.

### **DIP LOAN**

25. The Debtor, with the assistance of the Proposal Trustee, prepared a consolidated cash flow forecast for the time period commencing the week ending March 26, 2020 through to June 21, 2020 (the “**Cash Flow**”). The Cash Flow demonstrates that the Debtor requires funds to enable it to maintain the “bare bones” of its business during the restructuring process and fund working capital and the costs of the proposal proceedings. A copy of the Cash Flow is attached hereto and marked as **Exhibit “I”**.



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26. I have, in my capacity as the proposed DIP Lender, offered to make available to the Debtor a debtor-in possession loan in the maximum amount of \$500,000 (the “**DIP Loan**”) pursuant to the terms of the DIP Term Sheet, a copy of which is attached hereto and marked as **Exhibit “J”**, to fund financial needs and the anticipated cash shortfall, as provided for in the Cash Flow.

27. It is a fundamental term of the DIP Term Sheet that the Court grant an order on terms acceptable to the DIP Lender which, among other things, grants the DIP Lender a charge (the “**DIP Lender’s Charge**”), which shall rank behind only the Administration Charge (*as defined below*), but in priority to all other claims and encumbrances.

28. The terms of the DIP Term Sheet are reasonable in the circumstances and should be approved. In the absence of the DIP Loan, the Debtor will not be able to maintain its business, preserve asset value or implement restructuring steps, and will be forced to immediately shut down entirely and commence a liquidation of its assets, resulting in the loss of value and jobs detrimental to all of the Debtor’s creditors and stakeholders.

#### **ADMINISTRATION CHARGE**

29. In order to protect the fees and expenses of the Debtor’s legal counsel, the Proposal Trustee and counsel for the Proposal Trustee, the Debtor seeks a charge (the “**Administration Charge**”) on its property and assets in an amount of \$100,000, ranking in priority to all claims and encumbrances, including the DIP Lender’s Charge. Without such charge, the foregoing professionals are unlikely to continue in their capacities in support of these proceedings.

#### **RESTRUCURING EFFORTS TO DATE**

30. In light of COVID-19, the Debtor has closed all retail locations for the foreseeable future.

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31. Regrettably, in conjunction with such closures, the Debtor has terminated or laid-off all of its retail store employees. In addition, the Debtor has identified and terminated or laid-off approximately 150 employees at its head office/distribution centre which the Debtor has determined are non-essential during the COVID-19 “lock-down”.

32. As at the date of filing the NOI, \$83,421.85 is owed to 151 employees for wages and vacation pay of which \$79,751.89 of such amount is a priority payable in these proceedings.

33. All government remittances in respect of payroll have been made.

34. The Debtor was already in the process of assessing the viability of its various retail locations when the COVID-19 “lock down” occurred. The Debtor expedited that process and has decided to close nine (9) of the twelve (12) retail locations, some of which were behind on rent.

35. The Debtor has transferred inventory from these nine (9) stores to its distribution centre.

36. Of these three stores:

- (a) one (1) is directly leased by the Debtor – the Debtor is presently paying post-NOI occupation rent to maintain these premises; and
- (b) the other two (2) other are leased by a related party – the Debtor intends to enter into discussions with these landlords about future of the Debtor at these locations.

In respect of all potential future “bricks and mortar” retail locations, the Debtor is hopeful it can negotiate workably go-forward lease terms. This will inform the Debtor’s post-restructuring business.

**STAY EXTENSION**

37. Under the BIA, the stay of proceedings will expire on April 25, 2020. The Debtor is acting in good faith and with due diligence, in extremely adverse circumstances, in seeking to preserve its business on a going concern basis for the benefit of all of its stakeholders.

38. In order to implement various restructuring proposals, preserve assets value and to formulate a proposal to its creditors, the Debtor is seeking an extension of time to file a proposal for 45 days or until June 9, 2020.


39. Without the extension, the Debtor will not be in a position to accomplish its restructuring efforts or make a viable proposal to its creditors and will become bankrupt to the detriment of its stakeholders. In contrast, no creditor will be materially prejudiced if the extension applied for is granted.


40. If the extension applied for is granted, the Debtor will likely be able to make a viable proposal to its creditors following the completion of its restructuring efforts.

41. All of the relief described above is supported by the Debtor's senior secured creditor, Scotiabank, and the Proposal Trustee. Additionally, the Debtor is not aware of any creditor or stakeholder who opposes such relief or would be materially prejudiced in the event that such relief is granted.

42. I swear this affidavit in support of the Debtor's motion as set out above and for no other reason or improper purpose.

**SWORN ELECTRONICALLY BEFORE  
ME at the City of Toronto, in the Province of  
Ontario on April 17, 2020**

  
\_\_\_\_\_  
Commissioner for Taking Affidavits  
*(or as may be)*

}   
\_\_\_\_\_  
**GURMEJ WALIA**

**THOMAS LAMBERT**  
Barrister & Solicitor  
LSO # 70354T

# TAB 2A



# TAB 2B

Request ID: 024257651  
 Transaction ID: 74761644  
 Category ID: UN/E

Province of Ontario  
 Ministry of Government Services

Date Report Produced: 2020/02/25  
 Time Report Produced: 16:57:26  
 Page: 1

This is Exhibit ..... "B" ..... referred to in the  
 affidavit of ..... Gurmej Walia .....  
 sworn before me, this ..... 17<sup>th</sup> .....  
 day of ..... April ..... 20 20  
 .....  
 A COMMISSIONER, ETC.

## CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1348441	1348441 ONTARIO INC.	1999/04/01
		Jurisdiction
		ONTARIO
		Former Jurisdiction
		NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
1400 AIMCO BLVD	NOT APPLICABLE	NOT APPLICABLE
	New Amal. Number	Notice Date
MISSISSAUGA ONTARIO CANADA L4W 1E1	NOT APPLICABLE	NOT APPLICABLE
	Letter Date	NOT APPLICABLE
Mailing Address	Revival Date	Continuation Date
1400 AIMCO BLVD	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
MISSISSAUGA ONTARIO CANADA L4W 1E1	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors Minimum      Maximum	Date Commenced in Ontario
	00001      00010	NOT APPLICABLE
		Date Ceased in Ontario
		NOT APPLICABLE
Activity Classification		
NOT AVAILABLE		



Request ID: 024257651  
 Transaction ID: 74761644  
 Category ID: UN/E

Province of Ontario  
 Ministry of Government Services

Date Report Produced: 2020/02/25  
 Time Report Produced: 16:57:26  
 Page: 2

## CORPORATION PROFILE REPORT

**Ontario Corp Number**

1348441

**Corporation Name**

1348441 ONTARIO INC.

**Corporate Name History**

1348441 ONTARIO INC.

**Effective Date**

1999/04/01

**Current Business Name(s) Exist:**

YES

**Expired Business Name(s) Exist:**

YES - SEARCH REQUIRED FOR DETAILS

**Administrator:  
 Name (Individual / Corporation)**

GURMEJ

WALIA

**Address**

30 KAREN COURT

BRAMPTON  
 ONTARIO  
 CANADA L6Y 4J1

**Date Began**

1999/04/01

**First Director**

NOT APPLICABLE

**Designation**

DIRECTOR

**Officer Type**

**Resident Canadian**

Y

Request ID: 024257651  
 Transaction ID: 74761644  
 Category ID: UN/E

Province of Ontario  
 Ministry of Government Services

Date Report Produced: 2020/02/25  
 Time Report Produced: 16:57:26  
 Page: 3

## CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1348441	1348441 ONTARIO INC.

Administrator: Name (Individual / Corporation)	Address
GURMEJ WALIA	30 KAREN COURT  BRAMPTON ONTARIO CANADA L6Y 4J1

Date Began	First Director	Resident Canadian
1999/04/01	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	PRESIDENT	Y

Administrator: Name (Individual / Corporation)	Address
GURMEJ WALIA	30 KAREN COURT  BRAMPTON ONTARIO CANADA L6Y 4J1

Date Began	First Director	Resident Canadian
1999/04/01	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	SECRETARY	Y

Request ID: 024257651  
Transaction ID: 74761644  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2020/02/25  
Time Report Produced: 16:57:26  
Page: 4

## CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1348441	1348441 ONTARIO INC.

Last Document Recorded		Form	Date
Act/Code	Description		
CIA	ANNUAL RETURN 2019	1C	2019/12/22 (ELECTRONIC FILING)

**THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.  
ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.**

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

# TAB 2C

This is Exhibit "C" referred to in the affidavit of Gurmej Walia sworn before me, this 17th day of April, 20 20

*[Handwritten Signature]*

A COMMISSIONER, ETC.

The Bank of Nova Scotia  
Commercial Banking - GTA West  
2 Robert Speck Parkway, 4th Floor  
Mississauga, ON  
Canada L4Z 1H8

Tel 905.276.4540  
Fax 905.276.4920



June 25, 2018

1348441 Ontario Inc. o/a Solutions Your Organized Living Store  
1008314 Ontario Limited  
1775 Sismet Road  
Mississauga, ON  
L4W1P9

Attention: Mr. Gurmej S. Walia, CEO

Dear Sirs:

We confirm that, subject to acceptance by you, The Bank of Nova Scotia (the "Bank") will make available to 1348441 Ontario Inc. and 1008314 Ontario Limited (individually and collectively the "Borrower" and/or the "Borrowers") credit facilities on the terms and conditions set out in the attached Terms and Conditions Sheet and in Schedule "A".

If the arrangements set out in this letter, and in the attached Terms and Conditions Sheet and Schedule "A" (collectively the "Commitment Letter") are acceptable to you, please sign the enclosed copy of this letter in the space indicated below and return the letter to us by the close of business on July 6, 2018, after which date this offer will lapse.

*rec*  
*[Handwritten Signature]*  
Ilya Safanov  
Senior Client Relationship Manager

Yours very truly,  
*[Handwritten Signature]*  
Charlie Gregoriou  
Director & Team Lead

By signing this Commitment Letter you confirm that the product(s) and/or service(s) offered to you herein will not be used for or on behalf of any individual or entity other than you and the other parties named in the Commitment Letter for whose benefit such products and services are intended.

The arrangements set out above and in the attached Terms and Conditions Sheet and Schedule "A" (collectively the "Commitment Letter") are hereby acknowledged and accepted by:

BORROWER/ GUARANTOR:

1348441 Ontario Inc.  
o/a Solutions Your Organized Living Store

By: *[Handwritten Signature]*  
Title: C.G.O  
Date: JUNE 26/18

BORROWER/ GUARANTOR:

1008314 Ontario Limited

By: *[Handwritten Signature]*  
Title: Pres. Ops  
Date: JUNE 26/18

**TERMS AND CONDITIONS****CREDIT NUMBER: 01** **AUTHORIZED AMOUNT: \$6,000,000****BORROWER**

1348441 Ontario Inc. o/a Solutions Your Organized Living Store

**TYPE**

Operating

**PURPOSE**

General operating requirements

**CURRENCY**

Canadian Dollars and/or US Dollars equivalent

**AVAILMENT**

The Borrower may avail the Credit by way of direct advances evidenced by Agreement Re: Operating Credit Line and/or Standby Letters of Credit and/or Letters of Guarantee (with each availment subject to completion of an Application for Irrevocable Standby Letter of Credit/Letter of Guarantee in a form satisfactory to the Bank) and/or Commercial Letters of Credit, drafts payable at sight and/or up to 90 days sight, expiry dates of credits not to exceed 90 days from date of issuance and/or Letters of Acceptance.

**INTEREST RATE/ COMMISSION**

(Canadian Dollars): The Bank's Prime Lending Rate from time to time, plus 0.25% per annum with interest payable monthly.

(U.S. dollars): The Bank's U.S. Dollar Base Rate in Canada, from time to time, plus 0.25% per annum with interest payable monthly.

(L/G's & Standby L/C's): 1.00% per annum, calculated on the issue amount, based on increments of 30 days or multiples thereof, from date of issuance to expiry date. Periods of less than 30 days will be counted as a thirty day increment. The amount is subject to the Bank's minimum fee as well as revision at any time and is payable upon issuance.

(Commercial L/C's): The applicable fee or fees charged by the Bank for Letters of Credit as agreed between the Borrower and the Bank from time to time.

**REPAYMENT**

Advances are repayable on demand.

**SPECIFIC SECURITY**

The following security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advances or availment being made under the Credit:

Agreement re: Operating Credit Line

Schedule B for US Dollar advances

Agreement for Irrevocable Standby Letter of Credit/Letter of Guarantee.

Agreement for Commercial Letter of Credit.

**CREDIT NUMBER: 02**

**AUTHORIZED AMOUNT: \$50,000**

---

**BORROWER**

1348441 Ontario Inc. o/a Solutions Your Organized Living Store

**TYPE**

Scotiabank Visa Business Card – Availment, interest rate and repayment as per Cardholder Agreement.

**CURRENCY**

Canadian Dollars

**CREDIT NUMBER: 03**

**AUTHORIZED AMOUNT: \$25,000**

---

**BORROWER**

1348441 Ontario Inc. o/a Solutions Your Organized Living Store

**TYPE**

Scotiabank Visa Business Card – Availment, interest rate and repayment as per Cardholder Agreement.

**CURRENCY**

U.S. Dollars

**CREDIT NUMBER: 04****AUTHORIZED AMOUNT: \$4,250,000****BORROWER**

1008314 Ontario Limited

**TYPE**

Non-revolving

**PURPOSE**

To repay outstanding mortgage loan with Royal Bank (\$3,800,000) and refinance the property located at 1775 Sismet Road, Mississauga, ON.

**CURRENCY**

Canadian Dollars

**AVAILMENT**

The Borrower may avail the Credit by way of direct advances with all supporting documentation satisfactory to the Bank.

**INTEREST RATE/FEES**

(Floating Rate Option) A Bankers' Acceptance Fee of 1.00% per annum, subject to a minimum fee of \$500 per availment, payable at the time of each availment.

(Fixed Rate Option) The Borrower has the option to fix the interest rate for the balance of the term of the loan at any time until maturity, subject to availability. Rates will be quoted upon request.

**DRAWDOWN**

The advance is to be fully drawn down by August 31, 2018.

**REPAYMENT****(Floating Rate Option)**

The advance is repayable in 59 equal instalments of principal (\$14,166.67) commencing 30 days from draw down date, with a final payment of the balance of principal and interest then outstanding due on 60<sup>th</sup> month. The term of the loan is 5 years and the amortization is 25 years.

**(Fixed Rate Option)**

Advances are repayable in 59 monthly instalments of principal and interest of (\$TBD) applied first to accrued interest, commencing 30 days from draw down date, and a final payment on 60<sup>th</sup> month of the balance of principal and accrued interest then outstanding. The term of the loan is 5 years and the amortization is 25 years.



## PREPAYMENT

### Prepayment – Floating Rate Option

No prepayment are permitted for Bankers' Acceptance based advances.

### Prepayment – Fixed Rate Option

**(Term loans fixed through Global Banking and Markets)** If prepayment is made, for any reason, of all or part of an advance (the advance being prepaid in whole or in part being the "Advance" and the principal amount thereof being prepaid being the "Prepayment Amount"), the Borrower shall, in addition to any other amount then payable by the Borrower pursuant to the terms hereof (including, without limitation, accrued interest) in respect of the Prepayment Amount, pay to the Bank an amount, in Canadian Dollars, equal to the mark-to-market value to the Bank, if positive, of a notional fixed-to-floating interest rate swap having the terms set out below. Such value shall be determined by the Bank as of the date on which the Advance is fully or partially prepaid (the "Prepayment Date") and as if the Bank were the floating rate payer under such notional swap:

- (i) both the fixed and floating rate payer payment dates shall be the same as the scheduled interest and principal payment dates of the Advance (the number of days commencing, and including, on one such payment date to, but excluding, the next payment date being the "Interest Period");
- (ii) the fixed rate is the fixed rate of interest at which the Bank funded or hedged the Advance at the time the Advance was made;
- (iii) the notional amount of the notional swap is denominated in Canadian Dollars and is equal to the principal amount of the Prepayment Amount;
- (iv) the day count fraction is the actual number of days in the Interest Period divided by 365 unless otherwise specified herein or in the written notice issued by the Bank to the Borrower at the time the Advance was drawn down by which the Bank specified the fixed rate payable by the Borrower in respect of the Advance;
- (v) the term of the notional swap is equal to the period commencing on, and including, the Prepayment Date to, but excluding, the scheduled repayment date of the Advance; and
- (vi) the floating rate is the floating rate of interest determined by the Bank as of the Prepayment Date that would be paid by the floating rate payer in respect of a swap having the terms and conditions set out above based on the rate for a period of time equal to the Interest Period which appears on Reuters Money 3000 Service display page "CDOR" as of 10:00 a.m. (Toronto time) on the Prepayment Date (interpolated, for valuation purposes, in respect of the first calculation period of the notional swap, to reflect the number of remaining days in the current Interest Period)."

**(Term loans fixed using Scotiabank Fixed Rate)** Prepayment of any advance made by the Bank pursuant to this loan agreement (each an "Advance"), in whole or in part, is permitted at any time. In addition to any other amount then payable by the Borrower pursuant to the terms hereof (including, without limitation, accrued interest) in respect of the amount being prepaid (the "Prepayment Amount"), the Borrower shall pay to the Bank an amount equal to the greater of:

- (i) three months simple interest on the Prepayment Amount at the rate applicable to the relevant Advance being prepaid, and
- (ii) The Bank's Funding Loss. For the purposes hereof, "Funding Loss" means, in respect of the Advance being prepaid, any loss, cost or expense which may be incurred by the Bank

by reason of the reemployment, for the Prepayment Period, of the funds acquired by the Bank to fund such Advance. "Prepayment Period" means the period commencing on, and including, the date on which the Prepayment Amount is paid to the Bank to, but

(iii) excluding, the scheduled repayment date of the relevant Advance.

#### **SPECIFIC SECURITY**

The following security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advances or availment being made under the Credit:

A Collateral Mortgage in the amount of \$10,675,000 providing a first fixed charge over 1775 Sismet Road, Mississauga, ON with appropriate insurance coverage, loss if any, payable to the Bank.

Assignment of Rents at 1775 Sismet Road, Mississauga Ontario.

Bankers' Acceptance Agreement

#### **GENERAL SECURITY, TERMS, AND CONDITIONS APPLICABLE TO ALL CREDITS AND ALL OBLIGATIONS OF THE BORROWER AND GUARANTOR TO THE BANK, INCLUDING OBLIGATIONS NOT SPECIFICALLY CONTEMPLATED IN THIS COMMITMENT LETTER**

#### **GENERAL SECURITY, TERMS AND CONDITIONS APPLICABLE TO ALL CREDITS**

#### **CONDITIONS PRECEDENT**

The following conditions are to be met to the satisfaction of the Bank and its solicitors prior to any advances or availments being made under the Credits:

Evidence of payment of all municipal, school and other property taxes and assessments.

Confirmation that the property over 1775 Sismet Road, Mississauga, Ontario complies with all zoning requirements, by-laws, fire code, restrictions, and other legal and governmental requirements, and all applicable property taxes are up-to-date and adequate property insurance is in place.

All General Security to be duly executed and registered and in place prior to funding in a form and substance acceptable to the Bank and its solicitors. The Bank's solicitor must provide an opinion on title and all legal documentation satisfactory to the Bank.

Reliance Letter of the appraisal of the property located 1775 Sismet Road, Mississauga, Ontario, addressed to the Bank showing a minimum market value of \$15,000,000.

Satisfactory review of all leases at 1775 Sismet Road, Mississauga Ontario.

Other due diligence as applicable.

**GENERAL SECURITY**

The following security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advances or availment being made under the Credits:

General Security Agreements for both the Borrowers over all present and future personal property with appropriate insurance coverage, loss if any, payable to the Bank.

Guarantees given by the following (with corporate seals and resolutions as applicable) in the amounts shown:

<u>NAME</u>	<u>AMOUNT</u>
1348441 Ontario Inc.*	Unlimited
1008314 Ontario Limited**	Unlimited

\* To be secured by General Security Agreement

\*\* i) To be secured by Collateral Mortgage in the amount of \$10,675,000 providing a first fixed charge over 1775 Sismet Road, Mississauga, ON.

ii) To be secured by General Security Agreement.

Landlord Lien Waivers for all leased retail stores to be provided by October 31, 2018.

**GENERAL CONDITIONS**

Until all debts and liabilities under the Credits have been discharged in full, the following conditions will apply in respect of the Credits:

The following ratios will be tested quarterly based on unconsolidated financial statements of 1348441 Ontario Inc.

The ratio of current assets to current liabilities is to be maintained at all times at 1.10:1 or better.

The ratio of Debt (including deferred taxes) to Tangible Net Worth (TNW) is not to exceed 3.00:1.

TNW is defined as the sum of share capital, earned and contributed surplus and postponed funds less (i) amounts due from officers/affiliates, (ii) investments in affiliates, and (iii) intangible assets as defined by the Bank.

The following ratios will be tested annually based on unconsolidated financial statements of 1008314 Ontario Limited.

(Debt Service Coverage) The ratio of EBITDA to interest expense plus the current portion of long term debt and capital leases, calculated on an annual basis, is to be maintained at all times at 1.25:1 or better.

Without the Bank's prior written consent:

No change in ownership is permitted.

No mergers, acquisitions, investments or change in the Borrower's line of business are permitted.

No additional debt, guarantees, contingent liabilities or investments are permitted and assets are not to be further encumbered.

No dividends, withdrawals, bonuses, advances to shareholders, management or affiliates are permitted which would place any Bank credit conditions in default.

Guarantees or other contingent liabilities are not to be entered into and assets are not to be further encumbered.

Not to obtain secondary financing on any property financed by the Bank.

Not to sell, transfer, or further encumber any properties financed by the Bank.

Not to make any material changes, additions or alterations to the property, chattels and equipment.

For ongoing Credit Risk management purposes, all operating accounts of the Borrower shall be maintained with the Bank as long as the Borrower has any operating line facilities with the Bank.

The Borrower shall permit the Bank, or its agents, access, at all reasonable times, to all premises where collateral covered by the Bank's security may be located and the Bank or its agents may inspect such collateral and all related documents and records.

Any default of the Guarantor under this credit arrangement will constitute a default for the Borrower, and any default of the Borrower will result in a default of the Guarantor.

If there is any change from the accounting policies, practices and calculation methods used by the Borrower in preparing any part of its financial statements for the fiscal year most recently completed before the date of this Commitment Letter, the Borrower shall provide the Bank with all information that the Bank requires to ensure that reporting provided to the Bank after any changes are comparable to previous reporting. In addition, all calculations made for the purposes of this Commitment Letter shall continue to be made based on the accounting policies, practices and calculation methods in effect as at the date of the financial statements for the most recently completed fiscal year. In the event of a change in the accounting policies, practices and calculation methods, the Bank retains the right (a) to act on any default under the financial covenants or any other terms and conditions as defined in this Commitment Letter that is disclosed by applying the previous accounting policies, practices and calculation methods and (b) at its discretion and acting reasonably, to amend/reset covenants that are affected by the change.

Additional terms and conditions in Schedule "A" are to apply.

#### **GENERAL BORROWER REPORTING CONDITIONS**

Until all debts and liabilities under the Credits have been discharged in full, the Borrower will provide the Bank with the following:

Annual Review Engagement Financial Statements of 1348441 Ontario Inc., prepared in accordance with the Generally Accepted Accounting Principles ("GAAP") applicable at the date of the financial statements, within 120 days of fiscal year end.

Annual Notice to Reader Financial Statements of 1008314 Ontario Ltd., within 120 days of fiscal year end.

Annual inventory listing (with store-wise breakdown) of 1348441 Ontario Inc. as at fiscal year-end, within 120 days of period end.

Quarterly Interim Financial Statements of 1348441 Ontario Inc., within 45 days of period end.

Evidence of remittance of property taxes on property located at 1775 Sismet Road, Mississauga, ON.

Evidence of acceptable property insurance coverage annually for 1775 Sismet Road, Mississauga, ON.

Detailed Rent Roll on property located at 1775 Sismet Road, Mississauga, ON. within 120 days of year end.

Such other information that the Bank may reasonably request from time to time.

**OTHER FEES**

**A Commitment Fee of \$20,000 is payable upon acceptance of this Commitment Letter.**

**A Renewal Fee of \$3,000 is payable by the Borrower annually.**

**In addition to, and not in substitution for the obligations of the Borrower and the rights of the Bank upon the occurrence of an event of default herein, the Borrower shall pay to the Bank a fee of:**

- (a) \$300 per occurrence for which the Borrower is late in providing the Bank with financial or other information required herein;**
- (b) Such amount as may be determined by the Bank from time to time during which the Borrower is in default of any other term or condition contained in the Commitment Letter or in any other agreement to which the Borrower and the Bank are parties.**

**The imposition or collection of these fees does not constitute an express or implied waiver by the Bank of any event of default or any of the terms or conditions of the lending arrangements, security or rights arising from any default. Fees may be charged to the Borrower's deposit account when incurred.**

**SCHEDULE A**  
**ADDITIONAL TERMS AND CONDITIONS APPLICABLE**  
**TO ALL CREDITS**

(In the event of a conflict, the terms and conditions of any lease agreement and/or conditional sale contract supersede the terms and conditions in this Schedule A with regard to such leases and/or conditional sale contracts).

**Calculation and Payment of Interest**

1. Interest on loans/advances made in Canadian dollars will be calculated on a daily basis and payable monthly on the 22nd day of each month (unless otherwise stipulated by the Bank). Interest shall be payable not in advance on the basis of a calendar year for the actual number of days elapsed both before and after demand of payment or default and/or judgment.

**Interest on Overdue Interest**

2. Interest on overdue interest shall be calculated at the same rate as interest on the loans/advances in respect of which interest is overdue, but shall be compounded monthly and be payable on demand, both before and after demand and judgment.

**Indemnity Provision**

3. If the introduction, adoption or implementation of, or any change in, or in the interpretation of, or any change in its application to the Borrower of, any law, regulation, guideline or request issued by any central bank or other governmental authority (whether or not having the force of law), including, without limitation, any liquidity reserve or other reserve or special deposit requirement or any tax (other than tax on the Bank's general income) or any capital requirement, has due to the Bank's compliance the effect, directly or indirectly, of (i) increasing the cost to the Bank of performing its obligations hereunder or under any availment hereunder; (ii) reducing any amount received or receivable by the Bank or its effective return hereunder or in respect of any availment hereunder or on its capital; or (iii) causing the Bank to make any payment or to forgo any return based on any amount received or receivable by the Bank hereunder or in respect of any availment hereunder determined by the Bank in its discretion, then upon demand from time to time the Borrower shall pay such amount as shall compensate the Bank for any such cost, reduction, payment or forgone return (collectively "Increased Costs") as such amounts are reasonably determined by the Bank and set forth in a certificate to the Borrower.

In the event of the Borrower becoming liable for such Increased Costs, the Borrower shall have the right to prepay in full, without penalty, the outstanding principal balance under the affected credit other than the face amount of any document or instrument issued or accepted by the Bank for the account of the Borrower, including, without limitation, a Letter of Credit, a Letter of Guarantee or a Bankers' Acceptance. Upon any such prepayment, the Borrower shall also pay the then accrued interest on the amount prepaid and the Increased Costs to the date of prepayment together with such amount as will compensate the Bank for the cost of any early termination of its funding arrangements in accordance with its normal practices, as such amounts are calculated in a certificate reasonably prepared by the Bank.

**Environment**

4. The Borrower agrees:
- (a) to obey all applicable laws and requirements of any federal, provincial, or any other governmental authority relating to the environment and the operation of the business activities of the Borrower;
  - (b) to allow the Bank access at all times to the business premises of the Borrower to monitor and inspect all property and business activities of the Borrower;
  - (c) to notify the Bank from time to time of any business activity conducted by the Borrower which involves the use or handling of hazardous materials or wastes or which increases the environmental liability of the Borrower in any material manner;
  - (d) to notify the Bank of any proposed change in the use or occupation of the property of the Borrower prior to any change occurring;
  - (e) to provide the Bank with immediate written notice of any environmental problem and any hazardous materials or substances which have an adverse effect on the property, equipment, or business activities of the Borrower and with any other environmental information requested by the Bank from time to time.
  - (f) to conduct all environmental remedial activities which a commercially reasonable person would perform in similar circumstances to meet its environmental responsibilities and if the Borrower fails to do so, the Bank may perform such activities; and
  - (g) to pay for any environmental investigations, assessments or remedial activities with respect to any property of the Borrower that may be performed for or by the Bank from time to time.

If the Borrower notifies the Bank of any specified activity or change or provides the Bank with any information pursuant to subsections (c), (d), or (e), or if the Bank receives any environmental information from other sources, the Bank, in its sole discretion, may decide that an adverse change in the environmental condition of the Borrower or any of the property, equipment, or business activities of the Borrower has occurred which decision will constitute, in the absence of manifest error, conclusive evidence of the adverse change. Following this decision being made by the Bank, the Bank shall notify the Borrower of the Bank's decision concerning the adverse change.

If the Bank decides or is required to incur expenses in compliance or to verify the Borrower's compliance with applicable environmental or other regulations, the Borrower shall indemnify the Bank in respect of such expenses, which will constitute further advances by the Bank to the Borrower under this Agreement.

**Initial Drawdown**

5. The right of the Borrower to obtain the initial drawdown under the Credits is subject to the condition precedent that there shall not have been any material adverse changes in the financial condition or the environmental conditions of the Borrower or any guarantor of the Borrower.

**Periodic Review**

6. The obligation of the Bank to make further advances or other accommodation available under any Credit(s) of the Borrower under which the indebtedness or liability of the Borrower is payable on



demand, is subject to periodic review and to no adverse change occurring in the financial condition or the environmental condition of the Borrower or any guarantor.

#### Evidence of Indebtedness

7. The Bank's accounts, books and records constitute, in the absence of manifest error, conclusive evidence of the advances made under all Credit facilities, repayments on account thereof and the indebtedness of the Borrower to the Bank.

#### Acceleration

8. (a) All indebtedness and liability of the Borrower to the Bank payable on demand, is repayable by the Borrower to the Bank at any time on demand;
- (b) All indebtedness and liability of the Borrower to the Bank not payable on demand, shall, at the option of the Bank, become immediately due and payable, the security held by the Bank shall immediately become enforceable, and the obligation of the Bank to make further advances or other accommodation available under the Credits shall terminate, if any one of the following Events of Default occurs:
- (i) the Borrower or any guarantor fails to make when due, whether on demand or at a fixed payment date, by acceleration or otherwise, any payment of interest, principal, fees, commissions or other amounts payable to the Bank;
  - (ii) there is a breach by the Borrower or any guarantor of any other term or condition contained in this Commitment Letter or in any other agreement to which the Borrower and/or any guarantor and the Bank are parties;
  - (iii) any default occurs under any security listed in this Commitment Letter under the headings "Specific Security" or "General Security" or under any other credit, loan or security agreement to which the Borrower and/or any guarantor is a party, or any representation or warranty of the Borrower or (if applicable) any Guarantor ceases to be true;
  - (iv) any bankruptcy, re-organization, compromise, arrangement, insolvency or liquidation proceedings or other proceedings for the relief of debtors are instituted by or against the Borrower or any guarantor and, if instituted against the Borrower or any guarantor, are allowed against or consented to by the Borrower or any guarantor or are not dismissed or stayed within 60 days after such institution;
  - (v) a receiver is appointed over any property of the Borrower or any guarantor or any judgement or order or any process of any court becomes enforceable against the Borrower or any guarantor or any property of the Borrower or any guarantor or any creditor takes possession of any property of the Borrower or any guarantor;
  - (vi) any course of action is undertaken by the Borrower or any guarantor or with respect to the Borrower or any guarantor which would result in the Borrower's or guarantor's reorganization, amalgamation or merger with another corporation or the transfer of all or substantially all of the Borrower's or any guarantor's assets;
  - (vii) any guarantee of indebtedness and liability under the Credit Line is withdrawn, determined to be invalid or otherwise rendered ineffective;

- (viii) any adverse change occurs in the financial condition of the Borrower or any guarantor.
- (ix) any adverse change occurs in the environmental condition of:
  - (A) the Borrower or any guarantor of the Borrower; or
  - (B) any property, equipment, or business activities of the Borrower or any guarantor of the Borrower.

#### Costs

9. All costs, including legal and appraisal fees incurred by the Bank relative to security and other documentation and the enforcement thereof, shall be for the account of the Borrower and may be charged to the Borrower's deposit account when submitted.

#### Financing Statement

10. On acceptance of this credit offer the Bank is hereby authorized to register a financing statement(s) in connection with the security detailed in the aforementioned Terms and Conditions sheet(s).

#### Counterparts and Execution of Documents

11. This Commitment Letter and any security and other documents relating to the credits established in it may be executed in counterparts and by different parties in different counterparts, all of which when taken together will constitute a single contract. Subject to applicable conditions precedent, a document will become effective when it has been executed by the Bank (if execution by the Bank is contemplated by the document) and the Bank has received counterparts of the document that, when taken together, bear the signatures of each of the other relevant parties. Delivery of an executed counterpart of a document or a signature page to the document by telecopy or by sending a scanned or other copy by electronic mail or similar means shall be as effective as delivery of an originally executed counterpart, but the Bank may from time to time require delivery of originally executed documents. The Bank may create and store copies of documents in any form as part of its business records, including by microfilm, photocopy and electronic image. Copies may be held in place of original documents and substituted for original documents for any purpose. In administering the credits established in the Commitment Letter and in otherwise dealing with the Borrower and any guarantor, the Bank may rely and act on e-mail, telecopier and other electronic communications that it reasonably believes have been sent by or on behalf of the Borrower or any guarantor, but the Bank may from time to time require that communications from the Borrower or any guarantor be in a non-electronic form specified by the Bank.

#### Representation or Warranty

12. The Borrower and (if applicable) each Guarantor represents and warrants to the Bank that all financial and other information (including, without limitation, any financial forecasts) provided to the Bank in connection with the credit(s) provided pursuant to this Commitment Letter is true and accurate in all material respects and has been prepared in accordance with Canadian Generally Accepted Accounting Principles consistently applied, and acknowledges that the offer of credit contained in this Commitment Letter is made in reliance on the truth and accuracy of this information and the representation and warranties above.

# TAB 2D

This is Exhibit <sup>"D"</sup> referred to in 1412185 - 003 Affidavit of Gurney Walimsworn before me, this 17thday of April, 2002**GENERAL SECURITY AGREEMENT**1. 1348441 ONTARIO INC.

(NAME OF CUSTOMER)

of 1775 SISMET ROAD MISSISSAUGA ONTARIO L4W1P9

(ADDRESS OF CUSTOMER)

(the "Customer")

for valuable consideration grants, assigns, transfers, sets over, mortgages and charges to THE BANK OF NOVA SCOTIA, at its Branch located at 4715 TAHOE BOULEVARD, MISSISSAUGA, ON L4W 0B4

(ADDRESS OF BRANCH)

(the "Bank") as and by way of a fixed and specific mortgage and charge, and grants to the Bank, a security interest in the present and after acquired undertaking and property (other than consumer goods) of the Customer including without limitation all the right title, interest and benefit which the Customer now has or may hereafter have in all property of the kinds hereinafter described (the "Collateral"):

- (a) all goods comprising the inventory of the Customer including but not limited to goods held for sale or lease or that have been leased or consigned to or by the Customer or furnished or to be furnished under a contract of service or that are raw materials, work in process or materials used or consumed in a business or profession or finished goods and timber cut or to be cut, oil, gas, hydrocarbons, and minerals extracted or to be extracted, all livestock and the young and unborn young thereof and all crops;
- (b) all goods which are not inventory or consumer goods, including but not limited to furniture, fixtures, equipment, machinery, plant, tools, vehicles and other tangible personal property, whether described in Schedule "A" hereto or not;
- (c) all accounts, including deposit accounts in banks, credit unions, trust companies and similar institutions, debts, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Customer, and all claims of any kind which the Customer now has or may hereafter have including but not limited to claims against the Crown and claims under insurance policies;
- (d) all chattel paper;
- (e) all money;
- (f) all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (g) all instruments, including but not limited to bills, notes, cheques, letters of credit, and advices of credit;
- (h) all investment property, including but not limited to shares, stock, warrants, bonds, debentures, debenture stock and other securities (whether evidenced by a security certificate or an uncertificated security) and financial assets, security entitlements, securities accounts, futures contracts and futures accounts;
- (i) all intangibles including but not limited to contracts, agreements, options, clearing house options, permits, licences, consents, approvals, authorizations, orders, judgments, certificates, rulings, insurance policies, agricultural and other quotas, subsidies, franchises, immunities, privileges, and benefits and all goodwill, patents, trade marks, trade names, trade secrets, inventions, processes, copyrights and other industrial or intellectual property;
- (j) with respect to the personal property described in subparagraphs (a) to (i) inclusive, all books, accounts, invoices, letters, papers, documents, disks, and other records in any form, electronic or otherwise, evidencing or relating thereto, and all contracts, investment property, securities, instruments and other rights and benefits in respect thereof;
- (k) with respect to the personal property described in subparagraphs (a) to (j) inclusive, all parts, components, renewals, substitutions and replacements thereof and all attachments, accessories and increases, additions and accessions thereto; and
- (l) with respect to the personal property described in subparagraphs (a) to (k) inclusive, all proceeds therefrom (other than consumer goods), including personal property in any form or fixtures derived directly or indirectly from any dealing with such property or proceeds therefrom, and any insurance or other payment as indemnity or compensation for loss of or damage to such property or any right to such payment, and any payment made in total or partial discharge or redemption of an intangible, chattel paper, instrument, security or investment property; and

In this Agreement, the words "goods", "consumer goods", "account", "account debtor", "inventory", "crops", "equipment", "fixtures", "chattel paper", "document of title", "instrument", "money", "security", or "securities", "intangible", "receiver", "proceeds", "accessions", "certificated security", "clearing house option", "control", "financial asset", "futures account", "futures contract", "futures intermediary", "investment property", "securities account", "securities intermediary", "security certificate", "security entitlement", and "uncertificated security" shall have the same meanings as their defined meanings where such words are defined in the Personal Property Security Act of the province or territory in which the Branch of the Bank mentioned in paragraph 1 is located, such Act including any amendments thereto, being referred to in this Agreement as "the PPSA". In this Agreement "Collateral" shall refer to "Collateral or any item thereof".

2. The fixed and specific mortgages and charges and the security interest granted under this Agreement secure payment and performance of all obligations of the Customer to the Bank, including but not limited to all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank in any currency or remaining unpaid by the Customer to the Bank in any currency, whether arising from dealings between the Bank and the

Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer and wherever incurred, and whether incurred by the Customer alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses (the "Obligations").

3. The Customer hereby represents and warrants to the Bank that:

- (a) all of the Collateral is, or when the Customer acquires any right, title or interest therein, will be the sole property of the Customer free and clear of all security interests, mortgages, charges, hypothecs, liens or other encumbrances except as disclosed by the Customer to the Bank in writing;
- (b) the Collateral insofar as it consists of goods (other than inventory enroute from suppliers or enroute to customers or on lease or consignment) will be kept at the locations specified in Schedule "B" hereto or at such other locations as the Customer shall specify in writing to the Bank and subject to the provisions of paragraph 4(j) none of the Collateral shall be moved therefrom without the prior written consent of the Bank;
- (c) the Customer's chief executive office is located at the address specified in paragraph 1;
- (d) none of the Collateral consists of consumer goods; and
- (e) this Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Customer in accordance with its terms.

4. The Customer hereby agrees that:

- (a) the Customer shall diligently maintain, use and operate the Collateral and shall carry on and conduct its business in a proper and efficient manner so as to preserve and protect the Collateral and the earnings, incomes, rents, issues and profits thereof;
- (b) the Customer shall cause the Collateral to be insured and kept insured to the full insurable value thereof with reputable insurers against loss or damage by fire and such other risks as the Bank may reasonably require and shall maintain such insurance with loss if any payable to the Bank and shall lodge such policies with the Bank;
- (c) the Customer shall pay all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to the Bank, when required, the receipts and vouchers establishing such payment;
- (d) the Customer shall duly observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (e) the Customer shall keep proper books of account in accordance with sound accounting practice, shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require, and the Customer shall permit the Bank or its authorized agents at any time at the expense of the Customer to examine all books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom;
- (f) the Customer shall furnish to the Bank such information with respect to the Collateral and the insurance thereon as the Bank may from time to time require and shall give written notice to the Bank of all litigation before any court, administrative board or other tribunal affecting the Customer or the Collateral;
- (g) the Customer shall defend the title to the Collateral against all persons and shall keep the Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances except for those disclosed to the Bank in writing prior to the execution of this Agreement or hereafter approved in writing by the Bank prior to their creation or assumption;
- (h) the Customer shall, upon request by the Bank, execute and deliver all such financing statements, certificates, further assignments and documents and do all such further acts and things as may be considered by the Bank to be necessary or desirable to give effect to the intent of this Agreement and the Customer hereby irrevocably constitutes and appoints the Manager or Acting Manager for the time being of the Branch of the Bank mentioned in paragraph 1, the true and lawful attorney of the Customer, with full power of substitution, to do any of the foregoing in the name of the Customer whenever and wherever the Bank may consider it to be necessary or desirable;
- (i) the Customer shall promptly notify the Bank in writing of any event which occurs that would have a material adverse effect upon the Collateral or upon the financial condition of the Customer and immediately upon the Customer's acquisition of rights in any vehicle, mobile home, trailer, boat, outboard motor for a boat, aircraft or aircraft engine, shall promptly provide the Bank with full particulars, including serial number, of such Collateral; and
- (j) the Customer will not change its name or the location of its chief executive office or place of business or sell, exchange, transfer, assign or lease or otherwise dispose of or change the use of the Collateral or any interest therein or modify, amend or terminate any chattel paper, document of title, instrument, security, investment property or intangible, without the prior written consent of the Bank, except that the Customer may, until an event of default set out in paragraph 9 occurs, sell or lease inventory in the ordinary course of the Customer's business.

5. Until an event of default occurs, the Customer may use the Collateral in any lawful manner not inconsistent with this Agreement or any other agreement to which the Bank and the Customer are parties, but the Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Customer agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith, and for such purpose shall permit the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Customer to examine and inspect the Collateral and related records and documents.



6. Before or after an event of default occurs, the Bank may give notice to any or all account debtors of the Customer and to any or all persons liable to the Customer under an instrument to make all further payments to the Bank and any payments or other proceeds of Collateral received by the Customer from account debtors or from any persons liable to the Customer under an instrument, whether before or after such notice is given by the Bank, shall be held by the Customer in trust for the Bank and paid over to the Bank upon request. The Bank may take charge of all proceeds of Collateral and may apply any money taken as Collateral to the satisfaction of the Obligations secured hereby. The Bank may hold as additional security any increase or profits, except money, received from any Collateral in the Bank's possession, and may apply any money received from such Collateral to reduce the Obligations secured hereby and may hold any balance as additional security for such part of the Obligations as may not yet be due, whether absolute or contingent. The Bank will not be obligated to keep any Collateral separate or identifiable. In the case of any instrument, security, investment property or chattel paper comprising part of the Collateral, the Bank will not be obligated to take any necessary or other steps to preserve rights against other persons.
7. Before or after an event of default occurs, the Bank may have any Collateral comprising instruments, shares, stock, warrants, bonds, debentures, debenture stock, securities or other investment property, registered in its name or in the name of its nominee and shall be entitled but not bound or required to vote in respect of such Collateral at any meeting at which the holder thereof is entitled to vote and, generally, to exercise any of the rights which the holder of such Collateral may at any time have. The Customer will also take such steps as the Bank requires to enable the Bank to obtain and maintain control of any investment property, including but not limited to arranging for any issuer of uncertificated securities, securities intermediary or futures intermediary to enter into an agreement satisfactory to the Bank to enable the Bank to obtain and maintain control. The Bank shall not be responsible for any loss occasioned by the exercise of any of any rights contemplated in this paragraph or by failure to exercise the same within the time limited for the exercise thereof.
8. Upon the Customer's failure to perform any of its duties hereunder, the Bank may, but shall not be obliged to, perform any or all of such duties, without waiving any rights to enforce this Agreement, and the Customer shall pay to the Bank, forthwith upon written demand therefor, an amount equal to the costs, fees and expenses incurred by the Bank in so doing plus interest thereon from the date such costs, fees and expenses are incurred until paid at the rate of 3% per annum over the Prime Lending Rate of the Bank in effect from time to time. The "Prime Lending Rate of the Bank" means the variable per annum, reference rate of interest as announced and adjusted by the Bank from time to time for loans made by the Bank in Canada in Canadian dollars.
9. The happening of any one or more of the following events shall constitute an event of default under this Agreement:
- (a) if the Customer does not pay when due any of the Obligations;
  - (b) if the Customer does not perform any provisions of this Agreement or of any other agreement to which the Customer and the Bank are parties;
  - (c) if the Customer ceases or threatens to cease to carry on its business, commits an act of bankruptcy, becomes insolvent makes an assignment or proposal under the Bankruptcy and Insolvency Act, takes advantage of provisions for relief under the Companies' Creditors Arrangement Act or any other legislation for the benefit of insolvent debtors, transfers all or substantially all of its assets, or proposes a compromise or arrangement to its creditors;
  - (d) if the Customer enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement;
  - (e) if any proceeding is taken with respect to a compromise or arrangement or to have the Customer declared bankrupt or wound up, or if any proceeding is taken, whether in court or under the terms of any agreement or appointment in writing, to have a receiver appointed of any Collateral or if any encumbrance becomes enforceable against any Collateral;
  - (f) if any execution, sequestration or extent or any other process of any court becomes enforceable against the Customer or if any distress or analogous process is levied upon any Collateral;
  - (g) if the Bank in good faith believes and has commercially reasonable grounds for believing that the prospect of payment or performance of any Obligation is or is about to be impaired or that any Collateral is or is about to be in danger of being lost, damaged, confiscated or placed in jeopardy.
10. If an event of default occurs, the Bank may withhold any future advances and may declare that the Obligations shall immediately become due and payable in full, and the Bank may proceed to enforce payment of the Obligations and the Customer and the Bank shall have, in addition to any other rights and remedies provided by law, the rights and remedies of a debtor and a secured party respectively under the PPSA and other applicable legislation and those provided by this Agreement. The Bank may take possession of the Collateral, enter upon any premises of the Customer, otherwise enforce this Agreement, enforce its rights under any agreement with any issuer of uncertificated securities, securities intermediary or futures intermediary and enforce any rights of the Customer in respect of the Collateral by any manner permitted by law and may use the Collateral in the manner and to the extent that the Bank may consider appropriate and may hold, insure, repair, process, maintain, protect, preserve, prepare for disposition and dispose of the same and may require the Customer to assemble the Collateral and deliver or make the Collateral available to the Bank at a reasonably convenient place designated by the Bank.
11. Where required to do so by the PPSA, or other relevant legislation, the Bank shall give to the Customer the written notice required by the PPSA or such other relevant legislation of an intended enforcement or disposition of the Collateral by serving such notice personally on the Customer or by mailing such notice by registered mail to the last known post office address of the Customer or by electronic transmission to the last known electronic mailing or transmission address of the Customer or by any other method authorized or permitted by the PPSA or such other relevant legislation.

12. If an event of default occurs, the Bank may take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term shall include a receiver and manager) of the Collateral or may by appointment in writing appoint any person to be a receiver of the Collateral and may remove any receiver so appointed by the Bank and appoint another in his stead; and any such receiver appointed by Instrument in writing shall, to the extent permitted by applicable law or to such lesser extent permitted, have all of the rights, benefits and powers of the Bank hereunder or under the PPSA or otherwise and without limitation have power (a) to take possession of the Collateral, (b) to carry on all or any part or parts of the business of the Customer, (c) to borrow money required for the seizure, retaking, repossession, holding, insurance, repairing, processing, maintaining, protecting, preserving, preparing for disposition, disposition of the Collateral and for any other enforcement of this Agreement or for the carrying on of the business of the Customer on the security of the Collateral in priority to the security interest created under this Agreement, and (d) to sell, lease or otherwise dispose of the whole or any part of the Collateral at public auction, by public tender or by private sale, lease or other disposition either for cash or upon credit, at such time and upon such terms and conditions as the receiver may determine provided that if any such disposition involves deferred payment the Bank will not be accountable for and the Customer will not be entitled to be credited with the proceeds of any such disposition until the monies therefore are actually received; and further provided that any such receiver shall be deemed the agent of the Customer and the Bank shall not be in any way responsible for any misconduct or negligence of any such receiver.

13. Any proceeds of any disposition of any Collateral may be applied by the Bank to the payment of expenses incurred or paid in connection with seizing, repossessing, retaking, holding, repairing, processing, insuring, preserving, preparing for disposition and disposing of the Collateral (including reasonable solicitor's fees and legal expenses and any other reasonable expenses), and any balance of such proceeds may be applied by the Bank towards the payment of the Obligations in such order of application as the Bank may from time to time effect. All such expenses and all amounts borrowed on the security of the Collateral under paragraph 12 shall bear interest at the rate of 3% per annum over the Prime Lending Rate of the Bank in effect from time to time, shall be payable by the Customer upon demand and shall be Obligations under this Agreement. If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the expenses incurred by the Bank, the Customer shall be liable to pay any deficiency to the Bank on demand.

14. The Customer and the Bank further agree that:

- (a) the Bank may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Customer, debtors of the Customer, sureties and others and with the Collateral or other security as the Bank may see fit without prejudice to the liability of the Customer and the Bank's rights under this Agreement
- (b) this Agreement shall not be considered as satisfied or discharged by any intermediate payment of all or any part of the Obligations but shall constitute and be a continuing security to the Bank for a current or running account and shall be in addition to and not in substitution for any other security now or hereafter held by the Bank;
- (c) nothing in this Agreement shall obligate the Bank to make any loan or accommodation to the Customer or extend the time for payment or satisfaction of the Obligations;
- (d) any failure by the Bank to exercise any right set out in this Agreement shall not constitute a waiver thereof; nothing in this Agreement or in the Obligations secured by this Agreement shall preclude any other remedy by action or otherwise for the enforcement of this Agreement or the payment in full of the Obligations secured by this Agreement;
- (e) all rights of the Bank under this Agreement shall be assignable and in any action brought by an assignee to enforce such rights, the Customer shall not assert against the assignee any claim or defence which the Customer now has or may hereafter have against the Bank;
- (f) all rights of the Bank under this Agreement shall enure to the benefit of its successors and assigns and all obligations of the Customer under this Agreement shall bind the Customer, his heirs, executors, administrators, successors and assigns;
- (g) if more than one Customer executes this Agreement their obligations under this Agreement shall be joint and several, and the Obligations shall include those of all or any one or more of them;
- (h) if the Customer is a corporation, The Limitation of Civil Rights Act of the province of Saskatchewan shall have no application to this Agreement or to any agreement or Instrument renewing or extending or collateral to this Agreement or to the rights, powers or remedies of the Bank under this Agreement;
- (i) this Agreement shall be governed in all respects by the laws of the jurisdiction in which the Branch of the Bank mentioned in paragraph 1 is located;
- (j) the time for attachment of the security interest created hereby has not been postponed and is intended to attach when this Agreement is signed by the Customer and attaches at that time to Collateral in which the Customer then has any right, title or interest and attaches to Collateral in which the Customer subsequently acquires any right title or interest at the time when the Customer first acquires such right, title or interest.

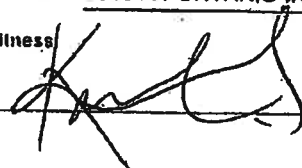
The Customer acknowledges receiving a copy of this Agreement.

The Customer expressly waives the right to receive a copy of any financing statement or financing change statement which may be registered by the Bank in connection with this Agreement or any verification statement issued with respect thereto where such waiver is not otherwise prohibited by law.

Signed this 7<sup>th</sup> day of August, 2018.

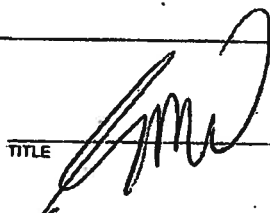
Customer: 1348441 ONTARIO INC.

Witness



by:

TITLE



by:

TITLE

FULL NAME AND ADDRESS OF THE CUSTOMER (FOR INDIVIDUAL(S), INSERT FIRST GIVEN NAME INITIAL OF SECOND GIVEN NAME (FULL SECOND NAME IN ALBERTA, SASKATCHEWAN AND BRITISH COLUMBIA) IF ANY, THEN SURNAME)	IF GIVEN BY INDIVIDUAL(S) RECORD DATE OF BIRTH DAY MONTH YEAR	SEX	
		M	F
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		<input type="checkbox"/>	<input type="checkbox"/>
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**SCHEDULE "A"**

(Description of Collateral)

If space is insufficient attach additional page headed Page 2 of Schedule "A".

**SCHEDULE "B"**

(Location of Collateral)

If space is insufficient attach additional page headed Page 2 of Schedule "B".

1775 SISMET ROAD, MISSISSAUGA ONTARIO

DATE RECEIVED
.....
RECORDED
.....
APPROVED
.....
E.O. AUDITOR
.....



# TAB 2E

EXECUTION COPY

**THIS AGREEMENT made as of the      day of April, 2020**

**BETWEEN:**

**THE BANK OF NOVA SCOTIA**  
40 King Street West, 26<sup>th</sup> Floor,  
Toronto, ON, Canada, M5H 3Y2

**(hereinafter called the "Bank")**

**OF THE FIRST PART**

**-and-**

This is Exhibit ..... "E" ..... referred to in the  
affidavit of ..... *Gurraj Walia* .....  
sworn before me, this ..... *17th* .....  
day of ..... *April* ....., 20 *20* .....

**1348441 ONTARIO INC.**  
1780 Sismet Rd.  
Mississauga, ON L4W 1Y8

**(hereinafter called the "Borrower")**

**OF THE SECOND PART**

.....  
A COMMISSIONER, ETC.

**1008314 ONTARIO LIMITED**  
1780 Sismet Rd.  
Mississauga, ON L4W 1Y8

**(hereinafter called the "Guarantor")**

**OF THE THIRD PART**

**RECITALS**

- A. The Borrower operates as Solutions Your Organized Living Store;
- B. The Bank has made certain credit facilities available to the Borrower as detailed at Schedule "A" to this Agreement (the "Credit Facilities");
- C. The Borrower was in default of the Loan Agreement (as defined at Schedule A) as a result of excess borrowings, and filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*, as at March 26, 2020 and Dodick Landau Inc. ("DLI") was named Proposal Trustee. On April 22, 2020, the Borrower is seeking an Order from the Ontario Superior Court of Justice (Commercial List), extending the time for the Borrower to file its Proposal;
- D. The Bank did issue a demand for payment in relation, along with a Notice of Intention to Enforce Security pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*

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EXECUTION COPY

("BIA") to the Borrower, both dated March 26, 2020. Further, the Bank did issue a demand for payment in relation to the Guarantee (as defined herein) along with a Notice of Intention to Enforce Security pursuant to section 244(1) of the BIA to the Guarantor, both dated March 26, 2020 (collectively, the "**Demands**");

- E. On March 26, 2020, the Borrower and the Guarantor did waive the notice period required to be given by the Bank under section 244 of the BIA, and the stay under subsection 69 (1) of the BIA staying enforcement by the Bank against the Debtor does not apply. The Bank has provided the Borrower and the Guarantor with day-to-day forbearance since March 26, 2020 in its sole discretion, and without waiving its rights in relation to the Credit Facilities, the Indebtedness, or its security, listed at Schedule "B" (the "**Security**");
- F. The Borrower intends to move for an Order pursuant to section 50.6 of the BIA for interim financing (the "**Financing Order**");
- G. The Borrower owes Priority Claims (as defined below) relating to unpaid wages and vacation pay totalling approximately \$79,751.48 as at March 26, 2020, that must be paid through the Proposal (collectively, the "**Employee Priority Claims**");
- H. The Guarantor is also a borrower by way a Non-Revolving Facility under the Loan Agreement (as defined at Schedule A), and this loan to the Guarantor is not the subject of this Agreement, and continues to be governed by the Loan Agreement;
- I. The Bank is the senior secured creditor of the Borrower and the Guarantor, and holds a perfected general security interest in all of the Borrower's personal property, registered under the *Personal Property Security Act* ("**PPSA**");
- J. On April 7, 2020, the Borrower and the Guarantor agreed to DLI acting as monitor on behalf of the Bank (the "**Monitor**");
- K. The Borrower has provided a rolling cash flow for to the Bank, to June 21, 2020 as required under the BIA in relation to the NOI (the "**Cash Flow**");
- L. The Guarantor is actively seeking financing of the Sismet Real Property (as defined at Schedule B) to pay the Indebtedness in full by the Termination Date;

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EXECUTION COPY

M. The Borrower and the Guarantor have requested that the Bank forbear from taking action on the Security (as defined in Schedule "B" to this Agreement) and the Bank, the Borrower and the Guarantor have agreed to enter into this Agreement for the purposes of providing the Borrower a period of day-to-day forbearance and credit, to allow the Borrower to liquidate inventory and to pay the Indebtedness in full by the Termination Date,

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. RECITALS

The parties agree and acknowledge that the recitals contained herein are true.

2. DEFINITIONS

For the purposes of this Agreement, the following definitions shall apply:

- a) **"Agreement"** or **"this Agreement"** means this Agreement;
- b) **"Credit Facilities"** means the Credit Facilities advanced to the Borrower by the Bank, as more particularly described in Schedule "A";
- c) **"Priority Claims"** means deemed trusts and other claims ranking in priority to the Bank's Security including, without limitation, charges under the BIA, utilities, realty taxes, GST, HST, PST, employee remittances and Workers' Compensation;
- d) **"Security"** or **"Bank's Security"** means all security currently held by the Bank, together with such additional security, as may be granted by the Borrower or the Guarantors, in support of the repayment of the Indebtedness as more particularly set out in Schedule "B";
- e) **"Termination Date"** is August 13, 2020;
- f) **"Without Consent"** means without the prior written consent of the Bank.

3. INDEBTEDNESS

- a) As of April 16, 2020, the Indebtedness owing to the Bank by the Borrower pursuant to the Credit Facilities was **CAD\$5,456,981.00 and USD\$390,821.00** plus accrued interest as more particularly described in Schedule "C".
- b) The above amount at 3(a), plus accrued interest thereon, all of the Bank's reasonable legal fees on a solicitor and own client basis and other professional costs, and all other amounts properly payable pursuant to the Credit Facilities, the Security and this Agreement including all banking fees, are in total referred to as the "**Indebtedness**".

4. TERM OF AGREEMENT

- a) Subject to the terms of this Agreement, the Bank shall grant the Borrower the period of day-to-day forbearance and credit, for the purposes of providing the Borrower time to pay the Indebtedness in full. This day to day forbearance and credit may be terminated by the Bank with no further notice, and in the Bank's absolute discretion.

5. ACKNOWLEDGEMENTS

The Borrower and the Guarantor hereby acknowledge and agree:

- a) That the Indebtedness as detailed herein is owing to the Bank by the Borrower, and is not disputed, and the Borrower nor the Guarantor make no claim of set-off in any way against the Indebtedness;
- b) That the Loan Agreement (as defined in Schedule "A" hereto), is valid and binding on the Borrower;
- c) That the Credit Facilities and the Security (as defined in Schedules "A" and "B" to this Agreement), are valid and binding and shall continue to be enforceable in accordance with the terms thereof;
- d) That the Borrower and the Guarantor, their assigns, employees and any party able to claim through the same, each agree that they have no claim for set-off, counterclaim or damages to the present time on any basis whatsoever against the Bank, its officers, directors, employees, solicitors and agents (the "**Releasees**") in respect of this Agreement or in any dealings with the Borrower including, without limitation, any action

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EXECUTION COPY

taken by the Bank in dealing with the Credit Facilities, or with the administration of any accounts held with the Bank by the Borrower, the Security and if there are any existing claims known or unknown, they are hereby expressly released and discharged by this Agreement;

- e) The Bank was in a position to issue the Demand. The Bank does not, by this Agreement, waive its rights, and the Indebtedness remains owing in full;
- f) The Bank may enforce its Security and pursue all remedies with respect to the Indebtedness as it may deem appropriate, and by the entering into of this Agreement, the Bank is not estopped from taking any steps it deems necessary in its sole and absolute discretion to enforce the Security and to terminate this Agreement;
- g) That to the date hereof, the Bank has acted in a commercially reasonable manner and the Borrower is estopped from disputing same;
- h) Except as provided in this Agreement, the Bank (either by itself or through its employees or agents) has made no promises, nor has it taken any action or omitted to take any action, that would constitute a waiver of its rights to enforce the Security and pursue its remedies in respect of the Indebtedness without notice; and,
- i) To the extent that the Bank accepts any payments or makes any advances of funds or credit available to the Borrower during the term of this Agreement, such payments accepted or advances of funds shall not constitute a waiver of any pre-existing default, maturity of loans, or any additional defaults of the Borrower or of the Bank's rights following the expiry of the Demands.

6. FORBEARANCE FEE

A forbearance fee (the "**Forbearance Fee**") shall be due upon the execution of this Agreement, and subject to the agreement of the Borrower, shall be debited directly from the Borrower's account with the Bank in the following sums, and at the following dates:

- a) In the event that the Indebtedness is paid in full on or before ninety (90) days from execution of this Agreement: no fee payable;

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EXECUTION COPY

- b) In the event that the Indebtedness is paid in full after ninety (90) days from execution of this Agreement, but prior to the Termination Date: \$10,000 payable; and,
- c) In the event that the Indebtedness is paid in full on the Termination Date: \$25,000 payable.

7. NON-MANAGERIAL RESPONSIBILITY

The Borrower acknowledges that the Bank shall not have control over any of the operations or affairs of the Borrower and shall not take part in the management of the Borrower's affairs, including the approval of any transactions except as hereinafter qualified. Without limiting the generality of the foregoing, neither the Bank nor its agents shall be entitled to approve or execute agreements, sign cheques, or otherwise sign on bank accounts or interfere with the efficient and proper day-to-day conduct of the business and affairs of the Borrower.

8. NO PROTECTION WITHOUT CONSENT

The Borrower covenants and agrees that it will not, Without Consent, make any filing or seek any protection (including a stay of proceedings) or seek any stay pursuant to the BIA, the *Companies Creditors' Arrangement Act (Canada)* (the "CCA"), or otherwise at law or in equity (a "Filing"), and that any Filing, including its Proposal to be filed, made in respect of any of the Borrower will contain the following provisions:

- i) the terms of this Agreement will continue to bind the parties to this Agreement;
- ii) the Bank will not be affected by any stay or other order in such proceedings;
- iii) the Bank will be an unaffected creditor in any plan or proposal unless the Bank consents to be treated otherwise;
- iv) the Borrower irrevocably consents to the variation of any stay or order in such proceedings which would purport to affect the Bank; and
- v) the Borrower will not make or support any application which would have the effect of:
  - (1) Without Consent, creating any charge ranking in priority to the Security or in priority to any other rights of the Bank; or
  - (2) altering or varying the rights of the Bank under the terms of the Credit Facilities, the Security or this Agreement.

9. CONFLICT WITH THE CREDIT FACILITIES

In the event of a conflict between this Agreement and the Credit Facilities, this Agreement shall prevail, but the foregoing shall not apply to limit or restrict in any way the rights and remedies of the Bank under the Credit Facilities or this Agreement other than as may be specifically contemplated herein.

10. COVENANTS OF THE BORROWER/GUARANTOR

The Borrower and the Guarantor, where applicable, agree and covenant that they shall, to the satisfaction of the Bank in its sole discretion:

- a) To cooperate with the Monitor;
- b) The Borrower has filed its prescribed cash flows as required under the BIA, and shall file its Proposal on or before June 10, 2020 and once the Proposal is filed to seek creditor and court approval as soon as reasonable possible under the BIA;
- c) The Borrower shall meet all terms of the Proposal once approved;
- d) The Borrower shall advise the Bank as the terms of the interim financing that it will seek approval of under the Financing Order, and will not apply to the Court for the Financing Order, Without Consent;
- e) On a bi-weekly basis, commencing May 1, 2020, the Borrower shall provide updates to the Cash Flow, continuing rolling and on a 13 week basis
- f) The Borrower shall complete an appraisal of its inventory showing a liquidation value using an evaluator acceptable to the Bank, and provide a copy of same to the Bank on or before July 1, 2020;
- g) The Guarantor shall provide the Bank updates as to its refinancing efforts, on a bi-weekly basis, commencing May 1, 2020, including the provision of all correspondence, copies of memorandums, discussion papers, e-mails, conditional term sheets, term sheets and commitment letters.
- h) By July 1, 2020, the Guarantor shall provide the Bank with a firm commitment from a lender, with a closing date no later than August 13, 2020 and in a sum sufficient to



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EXECUTION COPY

satisfy the Indebtedness in full, all satisfactory to the Bank in its absolute discretion, and detailing the loan amount, closing date, interest rate, and any other conditions with regard to such refinancing;

- i) Maintain all the assets and equipment of the Borrower and Guarantor in a good state of repair;
- j) Keep all Priority Claims current, with the exception of the Employee Priority Claims, and provide to the Bank evidence that all such accounts are current, as requested by the Bank;
- k) The Borrower shall pay the Employee Priority Claims in full by no later than the Termination Date, and provide evidence of such payment to the Bank;
- l) Not declare or pay any payment to any person who does not deal with the Borrower or the Guarantor at arm's length (as such term is defined in the *Income Tax Act (Canada)*) except for salaries, contracts, and repayment of loans presently in place;
- m) The Borrower and the Guarantor shall maintain all fire, liability, and property insurance with respect to the assets forming the Bank's Security on terms and amounts satisfactory to the Bank naming the Bank as Loss Payee and provide evidence of same as requested by the Bank;
- n) The Borrower and the Guarantor shall remain current with Canada Revenue Agency account(s) and property taxes;
- o) The Borrower and the Guarantor will reimburse the Bank for all expenses that the Bank has incurred or will incur arising out of its dealings with the Borrower and with the preparation of this Agreement and in the protection, preservation and enforcement of the Security, including all legal fees of the Bank on a solicitor and own client basis, and all other fees in relation to the Borrower in general and this Agreement, including the fees of DLI as Monitor. The Borrower specifically waive any and all rights they may have to assess any of the legal or agents' fees previously paid or paid in the future by the Bank, or any agent, whether such right arises pursuant the *Solicitor's Act (Ontario)* or any law or statute. In this regard, the Borrower acknowledges and agrees that they fully indemnify the Bank for all expenses detailed herein; and,

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EXECUTION COPY

- p) The Borrower shall pay the balance of the Indebtedness, including all legal and professional fees, in full by the Termination Date.

#### 11. AMENDMENTS TO THE CREDIT FACILITIES

On the execution and the meeting of all conditions precedent under this Agreement, The Credit Facilities are hereby immediately amended as follows:

##### Credit Number:01

- a) Credit Number: 01- is amended so that the authorized amount and credit limit on the Operator Loan is reduced to NIL, and no credit is available, in either CAD or USD.

##### Non-Revolving Loans

- b) A new Non-Revolving Demand Loan will be advanced to the Borrower in the authorized amount of the greater of CAD\$6,000,000 or the sum required to bring the Operator Loan (CAD) to a NIL balance, with the following terms:

**PURPOSE:** to reduce the balance Credit Number 01 (Operator Loan) from its balance (in CAD) at the time of advance, to NIL

**AVAILMENT:** one time advanced on execution of this Agreement to reduce the CAD portion of Credit Number 01 (Operator Loan) to NIL

**INTEREST RATE/FEES:** The Bank's prime rate of interest from time to time plus 2.25% per annum. Interest will be capitalized and compounded monthly, and paid in full on demand and by no later than the Termination Date. The per annum rate of interest shall increase by one percent (1%) per month on all unpaid amounts following the Termination Date.

**REPAYMENT:** on demand, and due and payable no later than Termination Date

- c) A new Non-Revolving Demand Loan will be advanced to the Borrower in the authorized amount of the greater of USD\$400,000 or the sum required to bring the Operator Loan (USD) to a NIL balance, with the following terms:

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EXECUTION COPY

**PURPOSE:** to reduce the balance Credit Number 01 (Operator Loan) from its balance (in USD) at the time of advance, to NIL

**AVAILMENT:** one time advanced on execution of this Agreement to reduce the USD portion of Credit Number 01 (Operator Loan) to NIL

**INTEREST RATE/FEES:** BRCAN rate of interest from time to time plus 2.25% per annum. Interest will be capitalized and compounded monthly, and paid in full on demand and by no later than the Termination Date. The per annum rate of interest shall increase by one percent (1%) per month on all unpaid amounts following the Termination Date.

**REPAYMENT:** on demand, and due and payable no later than Termination Date.

#### Bank Account

All of the Borrower's bank accounts will be closed upon the earlier of the termination of this Agreement (for any reason contemplated herein), or the repayment of the Indebtedness in full by the Borrower.

### 12. BANK'S RIGHTS

It is understood and agreed that nothing contained in this Agreement and no negotiations, correspondence or discussions among the parties hereto, shall prejudice, affect or waive any of the Bank's rights under the terms of the Credit Facilities or the Security, except as those rights may have been modified by this Agreement.

### 13. EVENTS OF DEFAULT

The Borrower shall be in default of this Agreement upon the happening of any of the following Events of Default:

- a) The Borrower fails to make any payment due to the Bank under the Credit Facilities and/or this Agreement in a timely manner;
- b) The Borrower, or where applicable, the Guarantor, is in breach of any terms of this Agreement, or any further breach of the Credit Facilities or any other agreement with the Bank, including, without limitation, the Security;

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EXECUTION COPY

- c) If, for any reason whatsoever, a creditor of the Borrower holding security in priority or subordinate to the Security commences to enforce its security, or if any creditor of the Borrower should obtain a judgment and/or a lien as against the Borrower or its property;
- d) There is, in the opinion of the Bank, acting reasonably, a material deterioration in the Security or the ability of the Bank to maximize the recovery of the Indebtedness;
- e) The Borrower is deemed a bankrupt or makes a Filing under the CCAA;
- f) The Borrower is in breach of any of its material obligations to a third party, including the default of payment to such parties; and,
- g) The Borrower fails to pay the Indebtedness, including legal fees and professional fees, by the Termination Date.

#### 14. ENFORCEMENT

The Bank may proceed to enforce its Security and to pursue the Borrower and Guarantor for payment of the entire Indebtedness at any time and, accordingly, the Borrower and Guarantor hereby consent to the Bank taking such steps as the Bank deems reasonably necessary, in its discretion, to collect the entire Indebtedness and enforce its Security and the terms of this Agreement, and to take all further necessary and lawful steps, and accordingly:

- i) The Borrower and Guarantor consents to the Bank taking such steps as the Bank deems reasonably necessary, in its discretion, to collect the Indebtedness and enforce its Security and the terms of this Agreement including, without limitation, the appointment of a receiver as against or over the property of the Borrower, and over the Sismet Real Property;
- ii) The Borrower and the Guarantor hereby consent to the appointment of any such receiver, in the form set out at Schedule "D" hereto (the "**Consent to Appointment**"), consenting to the immediate private or court appointment of an interim receiver, receiver or receiver and manager of all property of the Borrower, and of the Sismet Real Property, which Consent to Appointment shall be held in escrow by the Bank's counsel, Harrison Pensa LLP, and used on an Event of Default, or following the Termination Date; and,

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EXECUTION COPY

iii) The Borrower and the Guarantor hereby consent to judgment in favour of the Bank for the Indebtedness owing on the date that the Bank acts on the Consent to Judgment, and for possession of the Sismet Real Property (collectively, the "Consent to Judgment") as set out at Schedule "E" hereto, which shall be held in escrow by the Bank's counsel, Harrison Pensa LLP, and used on an Event of Default, or following the Termination Date.

The Consent to Judgment and the Consent to Appointment are valid and binding upon their provision by the Borrower and the Guarantor to the Bank, and not subject to any conditions precedent.

15. EXTENSION OF AGREEMENT OR PAYMENT IN FULL

The Bank, in its sole discretion, may extend the period of forbearance on terms acceptable to it.

16. PREVIOUS AGREEMENTS

This Agreement replaces all previous agreements between the Borrower and the Bank, save and except the Credit Facilities.

17. NON-WAIVER

No delay on the part of the Bank in exercising any remedy or any waiver of the rights given to it hereunder or any of the Bank's Security shall operate as a waiver thereof except if such waiver is specifically given in writing by the Bank, and no forbearance on the part of the Bank with respect to any event of default shall be deemed to be of any waiver by the Bank of that event of default or any other subsequent or similar event of default.

18. TIME OF THE ESSENCE

Time is of the essence in this Agreement, but a forbearance by the Bank in the strict application of this provision shall not operate as a continuing or subsequent forbearance.

19. CONFLICT

Except as explicitly amended by this Agreement, the terms and provisions of the Credit Facilities, and the Bank's Security shall remain in full force and effect and no statement,

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EXECUTION COPY

representation, warranty, undertaking or agreement is enforceable unless in writing signed by the party against who it is asserted or his or her authorized agent. In the event of a conflict between the terms and provisions of same and this Agreement, the terms and provisions of this Agreement shall govern.

**20. FURTHER ASSURANCES**

The Borrower shall from time to time and at all times hereafter, at every reasonable request of the Bank, make, do, execute and deliver, or cause to be made, done, executed and delivered, at the sole cost and expense of the Borrower, all such further acts, deeds and assurances and things as may be necessary or desirable in the opinion of the Bank for more effectually implementing the true intent and meaning of this Agreement.

**21. NOTICE**

Any notice, demand, approval, consent, waiver or other communication ("Notice") to be given by one party to another under this Agreement, shall be in writing and shall be sufficiently given if delivered personally, forwarded by registered mail or transmitted by facsimile transmission to such party as follows:

In the case of the Borrower and Guarantor:

To the addresses as provided in this Agreement.

In the case of the Bank to:

The Bank of Nova Scotia  
40 King Street West, 26<sup>th</sup> Floor  
Toronto, ON, Canada, M5H 3Y2  
Attention: Cian McDonnell  
Via E-Mail: [Cian.McDonnell@soctiabank.com](mailto:Cian.McDonnell@soctiabank.com) and [neel.chopra@scotiabank.com](mailto:neel.chopra@scotiabank.com)

With a copy to:

Harrison Pensa <sup>LLP</sup>  
Barristers and Solicitors  
450 Talbot Street, P.O. Box 3237,  
London, Ontario N6A 4K3  
Attention: Timothy C. Hogan  
Via e-mail: [thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)

or to such other address or fax number as may be designated by Notice given as aforesaid to the other party by the party to whom Notice is to be given. Any Notice delivered and

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received as aforesaid shall be deemed to have been given and received on the first business day following the date of personal delivery, the forwarding by registered mail, or facsimile transmission, as the case may be.

## 22. SUCCESSORS AND ASSIGNS

The Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, successors, administrators, executors or permitted assigns.

## 23. UNENFORCEABILITY

The invalidity, illegality or unenforceability, for any reason, of any term or provision of this Agreement, shall not in any manner invalidate any other term or provision hereof; the same shall be deemed to have been severed herefrom so that the validity, legality and enforceability of the remaining terms and provisions hereof shall not be affected, prejudiced or impaired thereby.

## 24. GOOD FAITH

It is acknowledged by the Borrower that this Agreement was prepared following good faith negotiations, by the Bank and the Borrower.

## 25. PIPEDA

The Borrower hereby consents to the Bank's release of personal information in relation to the Credit Facilities, without notice to the Borrower and at the Bank's absolute discretion, to any entity having an interest or potential interest in the collateral for its enforcement or collection purposes. The Borrower further agrees and acknowledges that such release of personal information by the Bank is lawful and is permitted despite other avenues that may be available to any third party to obtain such personal information and that such release is not a violation of the provisions of the *Personal Information and Electronic Documents Act*, S.C. 2000, c.5, s.7 and is made with the knowledge and consent of the Borrower and Guarantors as is required under this legislation.

## 26. COUNTERPARTS and FACSIMILE COPIES

This Agreement or any amendment thereto may be executed in counterparts, and if so executed all counterparts when taken together shall comprise one and the same instrument, and facsimile copies or portable document format (PDF) of signatures shall be treated as originals for all purposes.

## 27. LIMITATION PERIOD

The Obligations of the Borrower to the Bank are hereby acknowledged and shall be continued to be acknowledged through the term of this Agreement. Any limitation period in relation to the demands to the Borrower, the Indebtedness, the Credit Facilities and the Security (in accordance with the *Limitations Act, 2002* (Ontario)) is hereby expressly extended to a period of six (6) years from the date of this Agreement.

## 28. ACKNOWLEDGEMENT BY THE BORROWER

The Borrower hereby confirms and acknowledge that it has no adverse claims whatsoever against the Bank, its agents or professional advisors including, without limitation, their agents, employees consultants and solicitors (including claims for set-off, counterclaim or damages) with respect to its dealings with the Borrower.

## 29. ACCEPTANCE

This Agreement is open for acceptance until 12:00 noon on April 18, 2020. Should the Borrower not accept this offer by the time indicated, the same shall become null and void and no longer binding on the Bank.

The Borrower covenants and agrees with the Bank that this Agreement is subject to the following conditions, which are for the exclusive benefit of the Bank and may be waived only by the Bank in writing. Each of the following conditions is to be completely fulfilled or performed prior to this Agreement being a binding Agreement on the Bank, unless the Bank waives any of the conditions, and this Agreement shall then be at an end:

- i. The Bank's receipt of a duly authorized and executed copy of this Agreement;  
and,
- ii. Executed Consent to Appointment, and Consent to Judgment.



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In witness whereof the parties hereto have executed this Agreement as of the day and year first above written.

**THE BANK OF NOVA SCOTIA**

Per: \_\_\_\_\_

By Harrison Pensa LLP, solely in their capacity  
as solicitor, with the authority to bind the Bank

**1348441 ONTARIO INC.**

Per: \_\_\_\_\_  
I have the authority to bind the Corporation

**1008314 ONTARIO LIMITED**

Per: \_\_\_\_\_  
I have the authority to bind the Company

Schedule "A" - Credit Facilities  
Schedule "B" - Security  
Schedule "C" - Indebtedness  
Schedule "D" - Consent to Appointment  
Schedule "E" - Consent to Judgment

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**SCHEDULE "A"**  
**CREDIT FACILITIES**

The following Facilities were provided to the Borrower by the Bank, as evidenced by the Commitment Letter dated June 25, 2018 and accepted by 134 and 1008 (as Borrower and Guarantor) on June 26, 2018, as amended by Default Letter dated February 25, 2019 and accepted by the Borrowers on March 19, 2019, Default Letter dated June 27, 2019 and accepted by the Borrowers on September 26, 2019, Amending Letter dated November 18, 2019 and accepted by the Borrowers on February 10, 2020, and Amending Letter dated December 20, 2019 and accepted by the Borrowers on February 10, 2020 (the "Loan Agreement"):

- a. Operating Line Facility: in the original principal amount of \$6,000,000 as a variable rate term facility with the interest rate at prime plus 0.25% per annum, and available on Canadian and US Dollars (the "Operator Loan");
- b. Letter of Credit: in the original amount of \$12,254.00 (The Letter of Credit has been released and no debt is due).

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**SCHEDULE "B"  
SECURITY**

As security for the Credit Facilities and for any monies advanced or to be advanced in the future by the Bank to the Borrower, and for all other present and future indebtedness, fees, expenses and other liabilities, direct or indirect, absolute or contingent due by the Borrower to the Bank, including the Bank's solicitor and own client legal fees in relation to the enforcement of the Security, and the preparation of this Agreement, the Borrower, as the case may be, have granted to the Bank security over their assets consisting of the following:

1. General Security Agreement from the Borrower dated August 7, 2018 (the "GSA");
2. Unlimited Guarantee from the Guarantor dated August 7, 2018 in relation to the indebtedness of the Borrower to the Bank;
3. General Security Agreement from the Guarantor dated August 7, 2018; and
4. Charge/Mortgage of Land from the Guarantor in the principal amount of \$10,675,000 and receipted as PR3384529 on September 26, 2018 over property legally described as: PT BLK C PL 924 Mississauga as RO702377; S/T VS192964 Mississauga (PIN 13297-0173 LT) (the "**Sismet Real Property**").

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**SCHEDULE "C"  
INDEBTEDNESS**

INDEBTEDNESS OF THE BORROWER AS AT APRIL 16, 2020<sup>1</sup>

	Principal	Interest
Operator Loan	CAD \$5,446,296.00	CAD \$10,685.00
Operator Loan	USD \$389,740.00	USD \$1,081.00
<b>TOTAL</b>	<b>CAD \$5,456,981.00</b> <b>USD \$390,821.00</b>	

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<sup>1</sup> Plus accruing interest, billed and unbilled legal fees and the forbearance fee.

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**SCHEDULE "D"**  
**CONSENT TO APPOINTMENT**

Court File No.:

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

**BETWEEN:**

**THE BANK OF NOVA SCOTIA**

**Applicant**

**-and-**

**1348441 ONTARIO INC. and 1008314 ONTARIO LIMITED**

**Respondents**

**CONSENT**

The Respondents hereby consent to the appointment of a Receiver of the property of the Respondents under the terms of an Order substantially in the form attached at Schedule D-1 hereto or to the private appointment of same.

Dated at Toronto, Ontario this 17<sup>th</sup> day of April, 2020.

**1348441 ONTARIO INC.**

Per:  \_\_\_\_\_

I have the authority to bind the Corporation

**1008314 ONTARIO LIMITED**

Per:  \_\_\_\_\_

I have the authority to bind the Corporation

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**SCHEDULE "D-1"**

Court File No.

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

THE HONOURABLE )  
JUSTICE )  
BETWEEN: ) DAY OF , 20

THE BANK OF NOVA SCOTIA

Applicant

-and-

1348441 ONTARIO INC. and 1008314 ONTARIO LIMITED

Respondents

**ORDER  
(appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of the Respondent, 1348441 Ontario Inc. (hereinafter the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, and of the real property described at Schedule "A" hereto and owned by the Respondent, 1008314 Ontario Limited (the "Real Property") was heard this day at the Courthouse, 330 University Avenue, Toronto, Ontario;

ON READING the affidavit of \_\_\_\_\_ sworn \_\_\_\_\_ and the Exhibits thereto and on hearing the submissions of counsel for \_\_\_\_\_, no one appearing for \_\_\_\_\_ although duly served as appears from the affidavit of service of \_\_\_\_\_ sworn \_\_\_\_\_ and on reading the consent of \_\_\_\_\_ to act as the Receiver.

## **SERVICE**

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

## **APPOINTMENT**

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

## **RECEIVER'S POWERS**

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

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- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,



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- (i) without the approval of this Court in respect of any transaction not exceeding \$\_\_\_\_\_, provided that the aggregate consideration for all such transactions does not exceed \$\_\_\_\_\_; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,] shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

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- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

**DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

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

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

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto

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paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

**NO PROCEEDINGS AGAINST THE RECEIVER**

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

**NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

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

**NO EXERCISE OF RIGHTS OR REMEDIES**

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the

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

#### **NO INTERFERENCE WITH THE RECEIVER**

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

#### **CONTINUATION OF SERVICES**

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

#### **RECEIVER TO HOLD FUNDS**

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to

be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

#### **EMPLOYEES**

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

#### **PIPEDA**

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

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release

or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

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

#### **RECEIVER'S ACCOUNTS**

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

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

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

#### **FUNDING OF THE RECEIVERSHIP**

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

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

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

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



## **SERVICE AND NOTICE**

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<@>'.

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

## **GENERAL**

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

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

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



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

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

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

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Justice, Ontario Superior Court Of  
Justice, Commercial List

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**SCHEDULE "A"**

**REAL PROPERTY**

PT BLK C PL 924 Mississauga as in RO702377; S/T VS192964 Mississauga (PIN 13297-0173  
LT)

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**SCHEDULE "B"**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that \_\_\_\_\_, the receiver (the "Receiver"), as appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the \_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Order") made in an action having Court file number \_\_\_-CL-\_\_\_\_\_, of the assets, undertakings and properties of 1340441 Ontario Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, and of the real property owned by the Respondent, 1008314 Ontario Limited and described at Schedule "A" to the Order (the "Property"), has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$\_\_\_\_\_, being part of the total principal sum of \$\_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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EXECUTION COPY

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

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

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_, solely in its capacity as  
Receiver of the Property, and not in its personal  
capacity

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EXECUTION COPY

**SCHEDULE "E"  
CONSENT TO JUDGMENT**

Court File No.:

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

**THE BANK OF NOVA SCOTIA**

**Plaintiff**

**-and-**

**1348441 ONTARIO INC. and 1008314 ONTARIO LIMITED**

**Defendants**

**CONSENT**

The parties hereto, by their solicitors or individually, consent to a Judgment attached hereto as Schedule "E-1".

The parties herein, by their solicitors or individually, hereby certify that the Judgment being consented to does not affect the rights of any parties under disability.

**DATED AT**                      **this**    **day of APRIL, 2020**

**HARRISON PENSA LLP**

Per: \_\_\_\_\_  
Solicitors for the Plaintiff

**DATED AT** *Toronto*    **this** *17th* **day of APRIL, 2020**

**1348441 ONTARIO INC.**

Per: \_\_\_\_\_  
I have the authority to bind the Corporation

**DATED AT** *Toronto*    **this** *17th* **day of APRIL, 2020**

**1008314 ONTARIO LIMITED**

Per: \_\_\_\_\_  
I have the authority to bind the Company

- 5 -  
EXECUTION COPY

**SCHEDULE "E-1"**

Court File No.:

ONTARIO  
SUPERIOR COURT OF JUSTICE

BETWEEN:

THE BANK OF NOVA SCOTIA

Plaintiff

-and-

1348441 ONTARIO INC. and 1008314 ONTARIO LIMITED

Defendants

**JUDGMENT**

**THIS MOTION** for judgment, made by the Plaintiff was heard this day at the Court House, 80 Dundas Street, London, Ontario:

**ON READING** the Notice of Motion and the consent, filed,

1. **THIS COURT ORDERS AND ADJUDGES** that the Defendants pay to the Plaintiff the sum of CAD\$5,456,981.00 owing as of April 16, 2020, with interest on this sum from April 16, 2020 until payment thereof at the Plaintiff's prime rate of interest from time to time plus 0.25% per annum;
2. **THIS COURT ORDERS AND ADJUDGES** that the Defendants pay to the Plaintiff an amount in Canadian currency sufficient to purchase the amount of USD\$390,821.00, and interest thereon at the Plaintiff's prime rate of interest from time to time plus 0.25% per annum from April 16, 2020 until payment in full, at a Bank listed in Schedule I to the *Bank Act (Canada)* at the close of business on the first day on which the bank quotes a Canadian dollar rate for the purchase of foreign currency before the day payment of the obligation is received by the Plaintiff;

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EXECUTION COPY

3. **THIS COURT ORDERS AND ADJUDGES** that the Defendant, 1008314 Ontario Limited, deliver up possession of the premises known legally known as PT BLK C PL 924 Mississauga as in RO702377; S/T VS192964 Mississauga (PIN 13297-0173 LT);
4. **THIS COURT ORDERS AND ADJUDGES** that the Defendants pay costs of this action and motion on a full indemnity basis.

---

**Justice, Ontario Superior Court of Justice**

# TAB 2F



## ServiceOntario

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## Enquiry Result

This is Exhibit ..... "E" ..... referred to in the  
affidavit of ..... Gurney, W. S. .....  
sworn before me, this ..... 17th .....  
day of ..... April ..... 20 20.

File Currency: 30MAR 2020

Show All Pages

All Pages

.....  
A COMMISSIONER, ETC.  
Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	1348441 ONTARIO INC.								
File Currency	30MAR 2020								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	742281948	1	2	1	2	02AUG 2025			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
742281948		001	001		20180802 0958 1862 9318	P PPSA	7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	1348441 ONTARIO INC.								
	Address				City	Province	Postal Code		
	1775 SISMET ROAD				MISSISSAUGA	ON	L4W 1P9		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	THE BANK OF NOVA SCOTIA								
	Address				City	Province	Postal Code		
	4715 TAHOE BOULEVARD				MISSISSAUGA	ON	L4W 0B4		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	MILLER THOMSON LLP (BORIS MUCHALOV)								

	<b>Address</b>	<b>City</b>	<b>Province</b>	<b>Postal Code</b>
	40 KING STREET WEST, SUITE 5800	TORONTO	ON	M5H 3S1

END OF FAMILY

<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	1348441 ONTARIO INC.								
<b>File Currency</b>	30MAR 2020								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
	761000058	2	2	2	2	17MAR 2025			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
761000058	X	001	1		20200317 1732 6083 9717	P PPSA	5		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	1348441 ONTARIO INC.					1348441			
	<b>Address</b>			<b>City</b>	<b>Province</b>	<b>Postal Code</b>			
	1775 SISMET ROAD			MISSISSAUGA	ON	L4W 1P9			
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>			<b>City</b>	<b>Province</b>	<b>Postal Code</b>			
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	GURMEJ S. WALIA								
	<b>Address</b>			<b>City</b>	<b>Province</b>	<b>Postal Code</b>			
	1 STANLEY CARBERRY DR			BRAMPTON	ON	L6P 0C2			
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
	X	X	X	X	X	X			X
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>	<b>V.I.N.</b>			
<b>General Collateral Description</b>	<b>General Collateral Description</b>								
	PURSUANT TO THE SHAREHOLDER LOAN AGREEMENT, GENERAL SECURITY AGREEMENT AND THE PROMISSORY NOTE DATED MARCH 16, 2020.								
<b>Registering Agent</b>	<b>Registering Agent</b>								
	ESC CORPORATE SERVICES LTD.								
	<b>Address</b>			<b>City</b>	<b>Province</b>	<b>Postal Code</b>			
	445 KING STREET WEST, 4TH FL			TORONTO	ON	M5V 1K4			

LAST PAGE

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# TAB 2G

District of:  
Division No.  
Court No.  
Estate No.

This is Exhibit ..... "6" ..... referred to in the  
affidavit of ..... *Gusma, White* .....  
sworn before me, this ..... 17th .....  
day of ..... April ..... 20 24

- FORM 33 -

Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

*[Signature]*  
A COMMISSIONER, E

In the matter of the proposal of  
1348441 Ontario Inc. c/a Solutions Your Organized Living Store  
of the city of Mississauga, in the Province of Ontario

List of Creditors with claims of \$250 or more.

Creditor	Address	Account#	Claim Amount
3M CANADA CO	2752 Peddie Street Millon ON L9T 0K1 CAN		24,728.92
407 EXPRESS TOLL	6300 Steeles Ave W Woodbridge ON L4H 1J1		762.71
ABERDEEN PLASTICS INC	577 Workman Avenue Brooklyn NY 11208 USA		13,205.30
ALECTRA UTILITIES	2185 Derry Rd W MISSISSAUGA ON L5N 7A8		4,685.67
Al-Khaffaf, A.		2371	1,161.25
ALLIANCE MERCANTILE IN	36 West Pearce St #25, Richmond Hill ON L4B 3A9 CAN		1,748.23
Ameri, N.		2376	384.17
Androudi, R.		2847	431.28
BALLCUBE INC	12148 County Road 4233 W Cushing TX 75780 USA		5,113.48
Bedneau, K. S.		1924	1,111.94
Belair, J.		2867	648.08
BELL CANADA	ST. DON MILLS North York ON M8C 2X7		1,584.76
Bellefeuille, M.		2485	517.70
Bernal, M.		2485	493.84
BETTER HOUSEWARE	25-12 41 Avenue Long Island City NY 11101 USA		14,028.40

District of:  
Division No. -  
Court No.  
Estate No.

**- FORM 33 -  
Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)**

In the matter of the proposal of  
**1348441 Ontario Inc. c/a Solutions Your Organized Living Store**  
of the city of Mississauga, in the Province of Ontario

**List of Creditors with claims of \$250 or more.**

<b>Creditor</b>	<b>Address</b>	<b>Account#</b>	<b>Claim Amount</b>
<b>BETTER LIVING OF CANADA</b>	<b>201 CHRISLEA ROAD VAUGHAN ON L4L 8N6 CAN</b>		<b>4,165.07</b>
<b>Bely, N.</b>		<b>2375</b>	<b>713.11</b>
<b>Bright J. L.</b>		<b>2606</b>	<b>399.17</b>
<b>Bopara, P.</b>		<b>2277</b>	<b>633.41</b>
<b>Bowes, O.</b>		<b>2616</b>	<b>1,358.29</b>
<b>BRADSHAW CANADA HOL</b>	<b>188 ZENWAY BLVD UNIT-3 WOODBRIDGE, ON L4H 0L6 CAN</b>		<b>13,010.68</b>
<b>Brun FaustoCoorda, A.</b>		<b>2405</b>	<b>323.92</b>
<b>Brunet, L.</b>		<b>268</b>	<b>1,828.69</b>
<b>BUDDEEZ INC.</b>	<b>1108 CROSSWINDS COURT WENTZVILLE, MO 63385 USA</b>		<b>11,603.81</b>
<b>Canada Border Services Agency - Bonds Guy Joy</b>	<b>10th Floor 219 Laurier Avenue West Ottawa ON K1A 0L8</b>		<b>18,593.47</b>
<b>Chalson S.</b>		<b>2614</b>	<b>638.08</b>
<b>Chambers, C.</b>		<b>2317</b>	<b>957.79</b>
<b>Chapman, C.</b>		<b>2562</b>	<b>298.11</b>
<b>Chater E.</b>		<b>2620</b>	<b>319.63</b>
<b>Cheung, O.</b>		<b>2431</b>	<b>944.94</b>

District of:  
Division No.  
Court No.  
Estate No.

**- FORM 33 -**

**Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)**

**In the matter of the proposal of  
1348441 Ontario Inc. o/a Solutions Your Organized Living Store  
of the city of Mississauga, in the Province of Ontario**

**List of Creditors with claims of \$250 or more.**

<b>Creditor</b>	<b>Address</b>	<b>Account#</b>	<b>Claim Amount</b>
<b>Coghlan, K.</b>		<b>2899</b>	<b>1,349.27</b>
<b>Coia, B.</b>		<b>2183</b>	<b>757.85</b>
<b>CONNOISSEURS</b>	<b>8880 CLARK STREET#300 MONTREAL, QC H3L 2R3 CAN</b>		<b>3,038.51</b>
<b>CORELLE BRANDS (CANADA)</b>	<b>12000 Molly Fricker Highway South Greencastle PA 17228 USA</b>		<b>3,648.88</b>
<b>CRA - Tax - Ontario</b>	<b>Shawinigan-Sud National Verification and Collection Centre 4685 Shawinigan-Sud Blvd Shawinigan-Sud QC G8P 5H9</b>	<b>688143025RT0001</b>	<b>34,927.83</b>
<b>CRA - Tax - Ontario</b>	<b>Shawinigan-Sud National Verification and Collection Centre 4685 Shawinigan-Sud Blvd Shawinigan-Sud QC G8P 5H9</b>	<b>688143025RP0001</b>	<b>23,347.79</b>
<b>CRA - Tax - Ontario</b>	<b>Shawinigan-Sud National Verification and Collection Centre 4685 Shawinigan-Sud Blvd Shawinigan-Sud QC G8P 5H9</b>	<b>888143025RC0001</b>	<b>250.00</b>
<b>Crosley, A.</b>		<b>2384</b>	<b>930.79</b>
<b>Cutler, D.</b>		<b>2674</b>	<b>384.49</b>
<b>Curto, J.</b>		<b>2672</b>	<b>748.09</b>
<b>CUTLER FOREST PRODUCTS</b>	<b>81 ROYAL GROUP CRSCENT unit A VAUGHAN, ON L4H 1X9 CAN</b>		<b>1,590.98</b>
<b>DANESCO INC.</b>	<b>18111 TRANS-CANADA KIRKLAND, QC H9J 3K1 CAN</b>		<b>87,668.44</b>
<b>DAVID SHAW</b>	<b>85 MARTIN ROSS AVENUE Toronto ON M3J 2L5 CAN</b>		<b>3,076.60</b>



District of:  
Division No.  
Court No.  
Estate No.

**- FORM 33 -**

**Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)**

**In the matter of the proposal of  
1348441 Ontario Inc. c/a Solutions Your Organized Living Store  
of the city of Mississauga, in the Province of Ontario**

**List of Creditors with claims of \$250 or more.**

<b>Creditor</b>	<b>Address</b>	<b>Account#</b>	<b>Claim Amount</b>
Davidson, D.		1689	2,301.88
Davoodi, A.		2479	485.81
DBEST PRODUCTS INC	425 18th STREET MANHATTAN BEACH CA 90266 USA		5,916.00
DELMAR INTERNATIONALS	6399 Cantay Rd Mississauga ON L5R 0G4		16,228.68
Demedeiros, S.		2548	1,913.45
Desrochers, M.		2681	348.61
DIAL INDUSTRIES	3928 NOAKES ST Los Angeles CA 90023 USA		6,777.65
Doyle, V.		2501	1,197.62
Durigon, R.		2433	2,025.78
DV INTERNATIONAL INC.	1000 UNIVERSITY AVENUE, Suite 220 St. Paul MN 55104 USA		25,460.00
ENBRIDGE GAS	STN A TORONTO ON M5W 0G2		642.70
Ene, L.		262	1,735.65
Enfort, Y.		2086	1,069.71
Ennis, R.		2181	1,121.73
ERA WARE	2600 RUE GUENETTE ST. LAURENT QC H4R 2H2 CAN		969.65

District of:  
Division No. -  
Court No.  
Estate No.

**- FORM 33 -**

**Notice of Intention To Make a Proposal  
(Subsection 60.4(1) of the Act)**

**In the matter of the proposal of  
1348441 Ontario Inc. o/a Solutions Your Organized Living Store  
of the city of Mississauga, in the Province of Ontario**

**List of Creditors with claims of \$250 or more.**

<b>Creditor</b>	<b>Address</b>	<b>Account#</b>	<b>Claim Amount</b>
<b>FAIL SAFE SECURITY</b>	<b>7289 Magistrate Terrace Mississauga ON L5W 1H8</b>		<b>1,346.76</b>
<b>Feroza, K.</b>		<b>2628</b>	<b>1,180.04</b>
<b>FOX RUN BRANDS</b>	<b>480 Appleswood Crescent, Unit 2 VAUGHAN ON L4K 4Z3 CAN</b>		<b>10,585.44</b>
<b>Francisco, J.</b>		<b>2666</b>	<b>285.07</b>
<b>Fraser, I.</b>		<b>2352</b>	<b>1,893.67</b>
<b>Fry, D.</b>		<b>2177</b>	<b>2,167.40</b>
<b>Galdos Suarez, E.</b>		<b>1984</b>	<b>2,023.65</b>
<b>Garnett, E.</b>		<b>6933</b>	<b>1,598.82</b>
<b>GHP GROUP, ULC</b>	<b>271 MASSEY ROAD GUELPH ON N1K 1B2 CAN</b>		<b>15,087.76</b>
<b>GRACIOUS LIVING</b>	<b>7200 MARTIN GROVE ROAD WOODBRIIDGE ON L4L 6J3 CAN</b>		<b>15,171.10</b>
<b>HAMELIN ENTERPRISES</b>	<b>160 BLVD. INDUSTRIEL BOUCHERVILLE QC J4B 2X3 CAN</b>		<b>7,331.14</b>
<b>Hancock, P.</b>		<b>2223</b>	<b>471.84</b>
<b>Hernandez, J.</b>		<b>2629</b>	<b>291.83</b>
<b>HOME PRODUCTS INTL</b>	<b>5161 THIMENS BLVD ST. LAURENT QC H4R 2C8 CAN</b>		<b>10,820.05</b>
<b>HONEY-CAN-DO INTERNAT</b>	<b>8900 St. Charles Road Berkeley IL 60163 USA</b>		<b>3,088.14</b>

District of:  
 Division No. -  
 Court No.  
 Estate No.

**- FORM 33 -**  
**Notice of Intention To Make a Proposal**  
**(Subsection 60A(1) of the Act)**

In the matter of the proposal of  
**1348441 Ontario Inc. o/a Solutions Your Organized Living Store**  
**of the city of Mississauga, in the Province of Ontario**

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
INTERDESIGN INC.	30725 Solon Industrial Parkway Solon OH 44139-0800 USA		68,915.58
IRIS USA INC	11111 80th Ave Pleasant Prairie WI 53158 USA		69,376.12
JASCORS HOUSEWARE INC	81A BRUNSWICK BLVD DOLLARD-DES-ORMEAUX QC H9B 2J5 CAN		581.38
Jennings-Fitz-Gerald, E.		2650	437.98
Johnstone, C.		2616	804.64
JOKARIUS INC	685 ALPHA DRIVE PITTSBURGH PA 15238 USA		4,385.69
Jones, A.		2282	1,803.79
KB MEDIA DESIGNS	6515 CANOTEK, UNIT 8 OTTAWA ON K1J 8K9		1,008.11
Kambo, A.		2643	721.00
Kapil, S.		2545	1,365.23
Karim Abdolrezaei, V.		2583	788.38
Kauser, F.		2296	1,249.93
Khan, S.		2180	554.60
Khan, Z.		2663	328.88
KICKERLAND DESIGN INC	4289 POSTAL STATION Toronto ON M5W 5V2 CAN		10,957.10

District of:  
 Division No. -  
 Court No.  
 Estate No.

**- FORM 33 -**

**Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)**

**In the matter of the proposal of  
 1348441 Ontario Inc. c/a Solutions Your Organized Living Store  
 of the city of Mississauga, in the Province of Ontario**

**List of Creditors with claims of \$250 or more.**

<b>Creditor</b>	<b>Address</b>	<b>Account#</b>	<b>Claim Amount</b>
<b>KITRICH CORPORATION</b>	<b>1685 W.MISSION BLVD POMONA CA 91768 USA</b>		<b>12,489.80</b>
<b>KNAPE &amp; VOGT MANUFACTURING</b>	<b>2700 Oak Industrial Dr. Grand Rapids MI 49505-6026 USA</b>		<b>15,917.48</b>
<b>Knowles, J.</b>		<b>1600</b>	<b>1,837.54</b>
<b>Kumar, D.</b>		<b>2515</b>	<b>823.62</b>
<b>Larriere, C.</b>		<b>2400</b>	<b>433.35</b>
<b>Lawrence, N.</b>		<b>2630</b>	<b>789.75</b>
<b>Lee, P.</b>		<b>1841</b>	<b>2,187.16</b>
<b>Lee, SH.</b>		<b>2118</b>	<b>512.42</b>
<b>LIFETIME BRAND CANADA</b>	<b>6880 CREDITVIEW DRIVE BLVD MISSISSAUGA ON L5S 1X4 CAN</b>		<b>3,489.32</b>
<b>Linares, M.</b>		<b>9499</b>	<b>809.84</b>
<b>LONDON HYDRO BILLING</b>	<b>111 HORTON STREET LONDON ON N6A 4J8</b>		<b>1,869.21</b>
<b>LUG CANADA</b>	<b>1351 RODICK ROAD, UNIT #1 MARKHAM ON L3R 5K4 CAN</b>		<b>427.71</b>
<b>Macphes, M.</b>		<b>2202</b>	<b>634.26</b>
<b>Mankathian, G.</b>		<b>2627</b>	<b>268.11</b>
<b>Marsh, M.</b>		<b>2688</b>	<b>477.94</b>

District of:  
Division No. -  
Court No.  
Estate No.

**- FORM 33 -**  
**Notice of Intention To Make a Proposal**  
**(Subsection 50.4(1) of the Act)**

In the matter of the proposal of  
**1348441 Ontario Inc. o/a Solutions Your Organized Living Store**  
of the city of Mississauga, in the Province of Ontario

**List of Creditors with claims of \$200 or more.**

<b>Creditor</b>	<b>Address</b>	<b>Account#</b>	<b>Claim Amount</b>
Martz, K.		9948	633.85
MCB GLOBAL(NIAGARA)IN	231 DOAN'S RIDGE ROAD Wesland ON L3B 6N4 CAN		15,767.80
Manard, S.		1696	525.39
METROPOLITAN WIRE	3180 ORLANDO DRIVE MISSISSAUGA ON L4V 1R5 CAN		7,279.43
Milligan, S.		2484	2,213.40
Mistry B.		2584	791.68
Mitchell, D.		1989	1,489.93
Mizi, D.		875	1,883.28
MLM HOME PRODUCTS	5151 THIMENS BLVD ST.LAURENT ON H4R 2C8 CAN		520.16
MSC INTERNATIONAL	6700 THIMENS MONTREAL QC H4S 1S5 CAN		6,087.22
Muhawenimana, D.		2335	1,230.25
Muthreja, D.		510	1,086.69
Nash, S.		2179	379.68
NEATFREAK GROUP INC	5320 Timberlea Blvd MISSISSAUGA ON L4W 2S6 CAN		6,542.85
Nitolov, A.		2582	370.34

District of  
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**- FORM 33 -  
Notice of Intention To Make a Proposal  
(Subsection 60.4(1) of the Act)**

**In the matter of the proposal of  
1348441 Ontario Inc. o/a Solutions Your Organized Living Store  
of the city of Mississauga, in the Province of Ontario**

<b>List of Creditors with claims of \$250 or more.</b>			
<b>Creditor</b>	<b>Address</b>	<b>Account#</b>	<b>Claim Amount</b>
<b>Milani, A.</b>		<b>905</b>	<b>3,241.47</b>
<b>Nowell L.</b>		<b>2657</b>	<b>300.72</b>
<b>OAKVILLE HYDRO</b>	<b>881 REDWOOD SQUARE OAKVILLE ON L6K 0C7</b>		<b>1,007.16</b>
<b>Oefler, M.</b>		<b>2642</b>	<b>720.69</b>
<b>ORBIS CANADA</b>	<b>340 College St Suite 375 Toronto ON M5T 3A9 CAN</b>		<b>1,733.38</b>
<b>Parker, M.</b>		<b>2402</b>	<b>412.61</b>
<b>Patel, K.</b>		<b>2632</b>	<b>1,029.40</b>
<b>PERFECT CURVE INC</b>	<b>137 SOUTH STREET Boston MA 02111 USA</b>		<b>4,888.79</b>
<b>Phillips, T.</b>		<b>9927</b>	<b>2,888.32</b>
<b>Photopoulos, L.</b>		<b>2566</b>	<b>254.83</b>
<b>Pierre, E.</b>		<b>2641</b>	<b>331.77</b>
<b>FOLDER PRODUCTS INC</b>	<b>195 Christian St Oxford CT 06478 USA</b>		<b>15,612.67</b>
<b>Powell, T.</b>		<b>9991</b>	<b>601.18</b>
<b>PRODUCT SPECIALTIES IN</b>	<b>10 CARLOW COURT, UNIT 6 WHITBY ON L1N 9T7</b>		<b>6,163.62</b>
<b>Qureshi, T.</b>		<b>2602</b>	<b>533.99</b>

District of:  
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**- FORM 33 -**

**Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)**

**In the matter of the proposal of  
 1348441 Ontario Inc. o/a Solutions Your Organized Living Store  
 of the city of Mississauga, in the Province of Ontario**

**List of Creditors with claims of \$250 or more.**

<b>Creditor</b>	<b>Address</b>	<b>Account#</b>	<b>Claim Amount</b>
<b>Raujan, F.</b>		<b>2076</b>	<b>788.75</b>
<b>REALLY USEFUL BOXES IN</b>	<b>2791 KATHERINE WAY, ELK GROVE VILLAGE IL 60007 USA</b>		<b>9,488.43</b>
<b>Redix, M.</b>		<b>2474</b>	<b>1,470.87</b>
<b>Reid, C.</b>		<b>2889</b>	<b>684.48</b>
<b>Rezvan Del Ramal, F.</b>		<b>2111</b>	<b>2,018.16</b>
<b>RICHARDS HOMEWARES INC</b>	<b>10875 N Lombard St Portland OR 97203 USA</b>		<b>31,647.80</b>
<b>ROGERS</b>	<b>P.O. Box 9100 TORONTO ON M3C 3P9</b>		<b>435.15</b>
<b>Roglev, D.</b>		<b>272</b>	<b>889.42</b>
<b>Romanescu, H.</b>		<b>2885</b>	<b>855.25</b>
<b>Salema, J.</b>		<b>2882</b>	<b>380.84</b>
<b>Safinas, G.</b>		<b>2039</b>	<b>320.98</b>
<b>Saman, B.</b>		<b>2489</b>	<b>821.16</b>
<b>Sanford, N.</b>		<b>2532</b>	<b>308.57</b>
<b>Seyamozvan, L.</b>		<b>2541</b>	<b>288.51</b>
<b>Shald, M.</b>			<b>471.73</b>
<b>Shao, W.</b>		<b>2853</b>	<b>913.12</b>

District of:  
Division No.  
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**- FORM 33 -**

**Notice of Intention To Make a Proposal  
(Subsection 60.4(1) of the Act)**

**In the matter of the proposal of  
1348441 Ontario Inc. c/a Solutions Your Organized Living Store  
of the city of Mississauga, in the Province of Ontario**

**List of Creditors with claims of \$250 or more.**

<b>Creditor</b>	<b>Address</b>	<b>Account#</b>	<b>Claim Amount</b>
Shapiro, J.		786	1,388.29
SIMPLEHUMAN CANADA	6300 TOMKEN ROAD MISSISSAUGA ON L5T 1K7		16,718.24
Singh G.		2313	933.01
Singh, J.		839	354.30
SPECTRUM DIVERSIFIED D	675 Mondial Pkwy Streetsboro CA 44241 USA		78,288.91
Stewart, J.		1723	1,487.16
Taylor, R.		2360	634.11
The Bank of Nova Scotia	4716 Tahoe Boulevard Mississauga ON L4W 0B4	47698000X07702	580,254.18
The Bank of Nova Scotia	4716 Tahoe Boulevard Mississauga ON L4W 0B4	4769802X0716	28,434.27
The Bank of Nova Scotia	4716 Tahoe Boulevard Mississauga ON L4W 0B4	47698222X0511	1,008.28
The Bank of Nova Scotia	4716 Tahoe Boulevard Mississauga ON L4W 0B4	47698000X07701	5,430,384.94
THE ONEIDA GROUP	619 NORTH PIERCE AVENUE LANCASTER OH 43130 USA		8,094.55
Thompson, K.		2319	1,270.43
TRAVELON	11333 Addison Avenue, Unit 200 Franklin Park IL 60131 USA		7,527.79
TRUDEAU CORP	1600 EIFFEL ROAD BOUCHERVILLE QC J4B 5Y1		4,962.96



District of:  
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**- FORM 33 -**

**Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)**

**In the matter of the proposal of  
1348441 Ontario Inc. o/a Solutions Your Organized Living Store  
of the city of Mississauga, in the Province of Ontario**

**List of Creditors with claims of \$250 or more.**


<b>Creditor</b>	<b>Address</b>	<b>Account#</b>	<b>Claim Amount</b>
Uppal Seema K		2011	602.76
UPPER CANADA SOAP	6875 CHEDWORTH WAY MISSISSAUGA ON L5R 3L9		9,824.11
VANCOUVER CLASSIC	180-12340 HORSESHOE WAY RICHMOND BC V7A 4Z1		43,561.48
Vergara, I.		2369	477.54
W.J. HAGERTY & SONS, LT	3801 LINDEN AVENUE SOUTH BEND IN 46619 USA		17,088.80
Widara, P.		3005	1,045.66
WASTE CONNECTIONS OF CANADA	650 CREDITSTONE ROAD CONCORD ON L4K 6C8		1,143.37
WESTSTAR PRINTING LIMITED	10 NORTH QUEEN STREET ETOBICOKE ON M8Z 2C4		736.76
WHITMOR INC.	8880 SWINNEA ROAD, D STE 103 SOUTHHAVEN MS 38971 USA		19,694.80
WINSOME TRADING INC	108-9116 ALEXANDER ROAD DELTA BC V4G 1C8		8,729.25
Wolczyk, R.		2238	657.37
Wonderland Power Centre Inc. Vito Fija	75 Black Friars Street London ON N6H 1K8		43,080.87
WORLDWIDE HOMEFURNI	200 ROMINA DRIVE CONCORD ON L4K 4Z7		1,130.00
Yeo, K.		9937	800.60
Yezdenpanah, Z.		2696	272.61

District of:  
 Division No. -  
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- FORM 33 -  
 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of  
 1348441 Ontario Inc. o/a Solutions Your Organized Living Store  
 of the city of Mississauga, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Younus, M.		2510	2,476.95
Zarate, D.		6012	4,016.88
Zechmanis, G.		2661	788.11
<b>Total</b>			<b>7,049,856.29</b>

  
 \_\_\_\_\_  
 1348441 Ontario Inc. o/a Solutions Your Organized Living Store  
 Insolvent Person

# TAB 2H

**NOTICE OF INTENTION TO ENFORCE SECURITY  
(Section 244(1) of the *Bankruptcy and Insolvency Act*)**

TO: 1348441 Ontario Inc., an insolvent person

**TAKE NOTICE THAT:**

- 1. The Bank of Nova Scotia, a secured creditor, intends to enforce its security on the property of the insolvent person described as

All collateral of the insolvent person as described in the following security and the proceeds from the sale of said collateral:

- a. General Security Agreement dated August 7, 2018;

The property to which the security relates includes, but is not limited to, all real property wherever located and all other collateral however described of the above-noted insolvent person and the proceeds thereof.

- 2. The security that is to be enforced is in the form of:


- a. General Security Agreement dated August 7, 2018;

- 3. The total amount of indebtedness secured by the security is CAD\$5,455,268.33 and USD\$387,963.04 as of March 25, 2020 plus interest as set out in the agreements, plus all costs of enforcement on a solicitor and client basis.

- 4. The secured creditor will not have the right to enforce its security until after the expiry of the 10 day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at London, Ontario this 26<sup>th</sup> day of March, 2020

THE BANK OF NOVA SCOTIA  
by its solicitors, Harrison Pensa LLP

This is Exhibit "H" referred to in the  
 affidavit of George Walia  
 sworn before me, this 17<sup>th</sup>  
 day of April, 2020  
  
 A COMMISSIONER, ETC.



Per: \_\_\_\_\_  
 Timothy C. Hogan  
 Harrison Pensa LLP  
 450 Talbot Street, P.O. Box 3237  
 London, ON N6A 4K3  
 (519) 661-6743

**CONSENT**  
**(s.244(2) of the *Bankruptcy and Insolvency Act*)**

THE UNDERSIGNED hereby acknowledges receipt of a copy of the Bank of Nova Scotia's demand dated March 26, 2020 and the Notice of Intention to Enforce Security dated March 26, 2020 pursuant to s.244(1) of the *Bankruptcy and Insolvency Act* and hereby waives the 10 day period set out in the demand and notice and consents to the immediate enforcement of the Bank of Nova Scotia's security.

DATED at \_\_\_\_\_, Ontario this **26** day of March, 2020.

\_\_\_\_\_  
WITNESS

**1348441 ONTARIO INC.**

\_\_\_\_\_  
Per:   
I have the authority to bind the Corporation

\_\_\_\_\_  
WITNESS

**1008314 ONTARIO LIMITED**

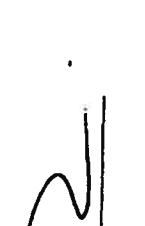
\_\_\_\_\_  
Per:   
I have the authority to bind the Company

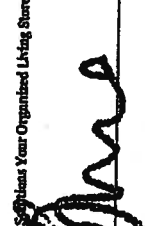
# TAB 2I

**1348441 Ontario Inc. (o/s Solutions Your Organized Living Store)  
Weekly Cash Flow Forecast  
For the period from March 26, 2020 to June 21, 2020**

Week Ending	Notes	1	2	3	4	5	6	7	8	9	10	11	12	13	TOTAL
		Mar-26-20	Mar-27-20	Mar-28-20	Mar-29-20	Mar-30-20	Mar-31-20	Apr-01-20	Apr-02-20	Apr-03-20	Apr-04-20	Apr-05-20	Apr-06-20	Apr-07-20	Apr-08-20
Receipts															
Store Receipts (excluding taxes)															
Sales Taxes															
<b>Total Receipts</b>															
Disbursements															
Cost of Sales															
Payroll															
Occupancy Costs (including HST)															
HST Payable															
Insurance															
Transportation															
<b>Total Disbursements</b>															
<b>Net Cash flow from Operations (incl. restructuring costs)</b>															
Less: Restructuring Professional Fees & Disbursements															
<b>Net Cash flow from Operations (incl. restructuring costs)</b>															
Cash Balance															
Opening Cash Balance															
Add: Net Cash flow from Operations															
Closing Cash Balance from Operations (before DIP fees)															
Add: DIP fees															
<b>Closing Cash Balance from Operations (after DIP fees)</b>															
Bank Loan Balance															
Opening LOC Balance															
Add: Interest															
Less: Repayments															
<b>Closing LOC Balance</b>															

This statement of forecast cash flow of 1348441 Ontario Inc. (o/s Solutions Your Organized Living Store) is prepared in accordance with section 90-4 (2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the accompanying notes and Trustee's report on cash flow statement dated this 3rd day of April, 2020.

Doddick London Inc.  
Per:   
Mr. Robin Doddick, CFP, CA, CRP, LIT

1348441 Ontario Inc. (o/s Solutions Your Organized Living Store)  
Per:   
Mr. Gimesj (Fred) Walsh

This is Exhibit "I" referred to in the affidavit of  sworn before me, this 17th day of April, 2020.  
  
A COMMISSIONER, ETC.

**1348441 Ontario Inc. (“Solutions” or the “Company”)**  
**Major Assumptions**  
**Cash Flow Forecast**  
**For the Period March 26, 2020 to June 21, 2020 (the “Period”)**

1. The Company’s financial projections are based on the hypotheses that its stores will remain idled, due to the COVID-19 closures, until June 1, 2020, at which time only three of the twelve stores will re-open and will continue operating and the remaining nine stores will permanently close. The permanent closures are the result of poor sales due to increasing digital disruption and new competition, which has been exacerbated by the mandated COVID-19 closures as the Company’s stores were deemed to be non-essential workplaces by the Ontario Provincial Government. All twelve stores closed in the days prior to the filing of the Notice of Intention to Make a Proposal (“NOI”) in accordance with the mandated closures by the Ontario Provincial Government. Eleven of the twelve stores’ leases are in the name of a related company and one store lease is in the name of the Company.

By April 4, 2020, the Company will have transferred all inventory from the nine stores that will not reopen to the distribution center as it was no longer economical to operate those nine stores. In addition, the Company can’t afford to continue to pay rent for these stores during the Covid-19 closures while waiting for the Ontario Provincial Government to lift the mandated closures. The store closures will result in rent savings of over \$300,000 per month. The stores’ fixtures will not be transferred to the distribution center as their cost of removal, transport and storage is estimated to be greater than their net realizable value. As well, some of the store fixtures are specialized in nature and would be difficult to sell.

Receipts:

2. As described above, the three remaining stores are forecast to reopen on June 1, 2020. (Should the mandated store closures by the Ontario Provincial Government continue beyond June 1, 2020, the stores will require to remain closed.) Forecast store receipts were calculated by the district manager based on the average sales in the same three stores over the past three years during the same period. Store receipts were then discounted in the month of June 2020 by up to 30% to take into consideration that it will take time for sales to get back to normal. By July 2020 sales receipts are forecast to be back to normal and consistent with prior years’ sales in the same period. Store receipts are net of credit card merchant fees.
3. Sales taxes are collected on all store sales and remitted to the Canada Revenue Agency by the end of the following month net of Input Tax Credits.



**Disbursements:**

- 4. The Company intends to liquidate the inventory from the nine stores consolidated in its distribution center through the remaining three operating stores over a period of six to nine months. As such, the three remaining stores' cost of sales will be reduced in half to 20% after week 11 as only inventory purchases to augment the current inventory in the warehouse will be purchased. It is assumed that any new inventory purchased will need to be paid upon delivery or in advance, as vendors are expected not to provide credit terms as a result of the NOI proceeding and the non-payment of arrears.**
- 5. Payroll includes amounts for salaried and hourly employees in the three remaining stores and the warehouse/head office and are paid bi-weekly. Other payroll costs include source deduction remittances to the Canada Revenue Agency ("CRA") which is also remitted on a bi-weekly basis during the Period. Up to the end of May 2020, it is assumed that all employees will remain on layoff and those needed to operate the three remaining stores will be hired back beginning June 1, 2020. The staff hired in April 2020 to assist with the packing and transfer of inventory from the nine permanently closed stores to the distribution center are being paid by the owner personally and, therefore, these payments are not reflected on the Company's cash flow forecast.**
- 6. Occupancy expenses consist of the Company's rent in the three remaining stores beginning from the date the NOI was filed plus those stores' estimated utility costs. It is assumed rent will be paid when due for the period after the NOI was filed including during the closures. However, the Company is in the process of attempting to negotiate a reduction or deferral of rent with the landlords of the three remaining stores for the months of April and May 2020 due to the Covid-19 forced closures. The Company's head office and warehouse rent totals approximately \$28,000 per month and is payable to a related party that owns the real property. The related party has agreed to a rent holiday until July 2020 to assist the Company during the forced closure period.**
- 7. The store closures resulted in the Company being in a net refund position until June 2020 which refund CRA will apply against the Company's HST payable totaling approximately \$35,000. As such, the Company will not be in a net HST payable position until July 2020.**
- 8. Company insurance coverages have continued to be maintained by the Company at existing insurance limits. During the Period, the Company will consider whether a reduction in the number of stores will result in the need for lower insurance limits, thereby decreasing insurance premiums.**
- 9. Costs to transport inventory from closed stores to the warehouse is currently being paid directly by the owner. The Company transports its own inventory to the stores from its warehouse.**

10. Professional fees include fees for the Company's legal counsel, the Proposal Trustee and the Proposal Trustee's legal counsel for the Period. As well, it includes the cost of monitoring the Company for the Bank of Nova Scotia ("BNS") who is the sole secured creditor owed in excess of \$6.0 million.
11. Financing of the business is expected to be by way of a Debtor in Possession ("DIP") loan provided by a corporation related to the shareholder of the Company. According to the cash flow forecast, a cash flow deficit peak of approximately \$492,000 is forecast to be reached in the week-ending May 31, 2020, and will subsequently be repaid with net cash receipts over disbursements earned from the sale of inventory in the three remaining stores. Should the Ontario Provincial Government's mandated closures continue beyond June 1, 2020, the cash flow forecast deficit will increase and the Company will require a larger DIP loan.
12. Interest on the BNS outstanding loan is prime (2.45%) plus 0.25% for a total of 2.70%. The Company has not forecast payment of interest on the BNS loan during the Period.
13. As it is expected to take until the Fall of 2020 to repay the DIP loan, the Company has not forecast repayments of the BNS loan in the Period. Following repayment of the DIP loan by the Fall of 2020, the Company intends on commencing to repay the BNS loan with net proceeds from store sales. In addition, currently, efforts are being made by the Company to refinance the BNS loan in its entirety.

# TAB 2J

April 17, 2020

1348441 Ontario Inc. o/a Solutions Your Organized Living Store  
1775 Sismet Rd  
Mississauga, ON L4W 1P9

This is Exhibit 17 referred to in t  
affidavit of Gurmej Walia  
sworn before me, this 17th  
day of April, 2020  
[Signature]  
A COMMISSIONER, E

**Re: Gurmej Walia (the "Lender") credit facility in favour of 1348441 Ontario Inc. o/a Solutions Your Organized Living Store (the "Borrower")**

We understand that on March 26, 2020, the Borrower filed a notice of intention to make a proposal pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") naming Dodick Landau Inc. as proposal trustee (the "Proposal Trustee"), and that in connection with the BIA proceedings (the "Proposal Proceedings") the Borrower requires interim financing and will be seeking an interim financing Order pursuant to section 50.6(1) of the BIA (the "Interim Financing Order"). The Lender is pleased to offer interim financing by way of the credit facility described in this term sheet (the "Term Sheet") subject to the terms and conditions set forth herein. Unless otherwise indicated, all amounts are expressed in Canadian currency. All capitalized terms not otherwise defined in the body of this Term Sheet shall have the meanings ascribed thereto in **Schedule "A"**.

- Borrower:** 1348441 Ontario Inc. o/a Solutions Your Organized Living Store
- Lender:** Gurmej Walia
- Facility:** Non-revolving, super priority credit facility up the maximum amount of \$500,000 (the "Facility").
- Purpose:** The purpose of the Facility is to fund (i) working capital needs in accordance with the cash flow projections approved by the Proposal Trustee and the Lender from time to time (the "Cash Flow Projections"), (ii) advances made by the Lender to the Borrower in the period between the filing of the NOI and approval of the Interim Financing Order, provided that the Proposal Trustee is satisfied that such advances are required to facilitate the operations of the Borrower and/or in furtherance of the Proposal Proceedings ("Pre-DIP Order Funding"); (iii) the Lender's Fees and Expenses (*as defined below*), and (iv) professional fees and expenses incurred by the Borrower and the Proposal Trustee in respect of the Facility and the Proposal Proceedings.
- Repayment:** The Borrower shall repay all obligations owing under the Facility on the earlier of (i) demand; (ii) the occurrence of an Event of Default (*as defined below*); (iii) the date on which the period for the Borrower to file a proposal in the Proposal Proceedings is not extended or is terminated; (iv) the date on which the Borrower becomes bankrupt; (v) the date upon which a sale of substantially all of the business and assets of the Borrower is completed; and (vi) July 31, 2020 (such earlier date being the "Repayment Date").

- 2 -

**Facility  
Advances:**

The Facility shall be available by multiple advances (individually, an “Advance” and collectively, “Advances”), normally to be issued once a week but in any case at the Lenders’ sole discretion with regard to timing, in amounts consistent with the Cash Flow Projections, and each such Advance shall be wire transferred to a deposit account with Bank of Nova Scotia in the name of one of the Borrower.

Notwithstanding the foregoing, the first Advance made by the Lender shall be in the amount of \$100,000, after taking into account and deducting Pre-DIP Order Funding, and made within forty-eight (48) hours of the Court granting of the Interim Financing Order.

Nothing in this Term Sheet creates a legally binding obligation on the Lender to advance any amount under the Facility at any time unless the Lender is completely satisfied in its sole discretion that the Borrower is in compliance with every provision of this Term Sheet and that no fact exists or event has occurred which changes the manner in which the Lender previously evaluated the risks inherent in advancing amounts to the Borrower under the Facility, whether or not the Lender was or should have been aware of such facts or events differently at any time. For purposes of greater certainty, Advances are made hereunder in the sole and unfettered discretion of the Lender.

**Interest Rate  
and Expenses:**

Interest: Interest on the principal amount of each Advance outstanding from time to time shall be calculated at a rate of zero (0%) per annum, which interest shall be calculated on the daily outstanding balance owing under the Facility, not in advance, and shall be compounded monthly on the last day of each month and shall be payable both before and after default, judgment and the date that all indebtedness, obligations, liabilities of the Borrower to the Lender under the Facility become due and payable. All interest accrued on the Facility from time to time shall be paid in arrears weekly, with the payment date to be Wednesday of each week or such other date as determined by the Lender in its sole discretion.

Expenses: The Borrower shall pay all fees and expenses (collectively, the “Lender’s Fees and Expenses”) incurred by the Lender in connection with the preparation, registration and ongoing administration of this Term Sheet, the Interim Financing Order, the Interim Financing Charge and with the enforcement of the Lender’s rights and remedies thereunder or at law or in equity, including, without limitation all reasonable legal fees and disbursements incurred by the Lender, on a full indemnity basis. For purposes of greater certainty, “Lender’s Fees and Expenses” shall include all reasonable fees and expenses incurred by the Lender in connection with the Proposal Proceedings and all court attendances in respect thereof. If the Lender has paid any expense for which the Lender is

- 3 -

entitled to reimbursement from the Borrower, such expense shall be added to the Facility and shall accrue interest at the rate set out above. All such fees and expenses and interest thereon shall be secured by the Interim Financing Charge whether or not any funds under the Facility are advanced.

- Facility Fee:** *[intentionally deleted]*
- Security:** All debts, liabilities, and obligations of the Borrower under the Facility shall be secured by the Interim Financing Charge (*as defined herein*).
- Conditions Precedent:** The availability of the Facility is subject to and conditional upon the following:
1. receipt of the entered Interim Financing Order in a form satisfactory to the Lender including:
    - (a) approving this Term Sheet, and the Facility contemplated herein;
    - (b) granting the Lender a priority charge in and to all present and future properties, assets and undertakings of the Borrower, subject only to an administration charge in the maximum aggregate amount of \$100,000 for the payment of the fees and expenses of (i) counsel to the Borrower, and (ii) the Proposal Trustee and its counsel (the “**Interim Financing Charge**”);
    - (c) granting the Lender the right, upon the occurrence of an Event of Default, to terminate the Facility and to enforce the rights and remedies available to it, with Court approval obtained on not more than three (3) days’ notice to the Borrower pursuant to the Interim Financing Order, this Term Sheet, the Interim Financing Charge, and any additional rights and remedies available to it, at law or in equity;
    - (d) declaring that the granting of the Interim Financing Charge, the execution and delivery of all other documents and instruments contemplated herein, and the payment of all amounts by the Borrower to the Lender, including any and all fees and interest, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any Applicable Law;

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- (e) declaring the Interim Financing Order, including the Interim Financing Charge granted thereunder, binding upon a trustee in bankruptcy of the Borrower, the Proposal Trustee, a receiver, interim-receiver, receiver-manager or any other officer of the Court appointed in respect of the Borrower; and
  - (f) declaring the Lender to be an “unaffected creditor” under any proposal made by any Borrower and that the indebtedness to the Lender under the Facility shall not be compromised under any such proposal;
2. the Interim Financing Order shall not have been varied in a manner adverse to the Lender, or stayed, without the consent of the Lender;
  3. receipt of a duly executed copy of this Term Sheet; and
  4. delivery by the Borrower to the Lender of any such further security or documentation that the Lender and its lawyers may reasonably require to give effect to the foregoing.

Each of the following is a condition precedent to any subsequent Advance to be made hereunder:

1. all of the conditions contained in this Term Sheet shall have been satisfied and shall as at the time of the making of the subsequent Advance in question continue to be satisfied;
2. no Event of Default shall have occurred and be continuing.

The making of an Advance hereunder without the fulfillment of one or more conditions set forth in this Term Sheet shall not constitute a waiver of any such condition, and the Lender reserves the right to require fulfillment of such condition in connection with any subsequent Advance.

**Covenants:**

The Borrower covenants and agrees with the Lender, so long as any amounts are outstanding by the Borrower to the Lender hereunder, to:

1. pay all sums of money when due hereunder;
2. not request, obtain or consent to a variation of the Interim Financing Order if, in the opinion of the Lender, such variation may be prejudicial to the Lender, without the prior written consent

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- of the Lender, such consent not to be unreasonably withheld or delayed;
3. make all reasonable efforts to provide the Lender with at least three (3) Business Days' advance notice of all court filings made by it, together with copies of all related court materials;
  4. provide the Lender with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default, a breach of any covenant or other term or condition of this Term Sheet, or of any document given in connection therewith;
  5. use the proceeds of the Facility solely for the purposes provided for herein;
  6. keep and maintain books of account and other accounting records in accordance with generally accepted accounting principles;
  7. permit the Lender or its representatives, at any time and from time to time with such frequency as the Lender, in its sole discretion, may require, to visit and inspect the Borrower's premises, properties and assets and to examine and obtain copies of the Borrower's records or other information and discuss the Borrower's affairs with the auditors, counsel and other professional advisors of the Borrower all at the reasonable expense of the Borrower;
  8. carry on the business of the Borrower in the normal course, consistent with past practice and orders of the Court made in the Proposal Proceedings;
  9. not incur any expense other than as included in the Cash Flow Projections, without the prior written consent of the Lender not to be unreasonably withheld;
  10. to pay or make provision for payment of all Priority Claims due and payable from and after the commencement of the Proposal Proceedings, as and when such Priority Claims are due; and
  11. keep the Borrower's assets fully insured against such perils and in such manner as would be customarily insured by companies owning similar assets naming the Lender as first loss payee and to ensure all assets secured by the Interim Financing Charge are in existence and in the possession and control of the Borrower.



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**Events  
of Default:**

Without limiting the right of the Lender to demand payment at anytime, if any one or more of the following events (an “**Event of Default**”) has occurred and is continuing:

1. the Borrower fails to pay when due any principal, interest, fees or other amounts due under this Term Sheet;
2. the Borrower breaches any covenant, term, condition or other provision of this Term Sheet or any other document delivered to the Lender in respect thereof;
3. if Interim Financing Order or the Sale Process Approval Order is stayed, set aside or varied in a manner adverse to the Lender, without the consent of the Lender, in its sole discretion, or any other order is made which is or may be prejudicial to the Lender’s interests;
4. the stay of proceedings resulting from the Proposal Proceedings is terminated or lifted in whole or in part;
5. substantially all of the business or assets of the Borrower are sold;
6. any default or failure by the Borrower to make any payment of any Priority Claims due and payable from and after the commencement of the Proposal Proceedings;
7. the Borrower becomes bankrupt or the appointment of a receiver, receiver and manager, or other officer of the Court for, all or any significant part of the assets of any Borrower;
8. the Borrower’s senior lender, Bank of Nova Scotia, takes any step to collect any indebtedness owing to it by the Borrower or any co-borrower or guarantor of such indebtedness or to enforce any security granted by the Borrower or any such co-borrower or guarantor, other than the act of making demand or serving other notices on the Borrower or any such co-borrower or guarantor;

then, in such event, the Lender may, by written notice to the Borrower declare all monies outstanding under the Facility to be immediately due and payable and upon seeking an Order of the Court on not more than three (3) days prior notice, enforce, without further notice, demand or delay, all of its rights and remedies against the Borrower and its property, assets and undertaking including, without limitation, the enforcement of the Interim Financing Charge.

Nothing contained in this section shall limit any right of the Lender under

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this Term Sheet to demand payment of the Facility. On demand or the occurrence of an Event of Default, at the discretion of the Lender, the Borrower shall not be entitled to any further advance under the Facility. Any advance made by the Lender after the occurrence of an Event of Default shall not oblige the Lender to make further advances thereafter.

**Evidence of  
Indebtedness:**

The Lender shall maintain records evidencing the Facility. The Lender's accounts and records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Lender pursuant to this Term Sheet.

**Representations  
and Warranties:**

The Borrower represents and warrants to the Lender that:

1. it is a corporation duly incorporated, validly existing and duly registered or qualified to carry on business in the Province of Ontario or any other jurisdiction where they may carry on business;
2. subject to the issuance of the Interim Financing Order, the execution, delivery and performance by the Borrower of this Term Sheet has been duly authorized by all necessary actions and do not violate the constating documents or any Applicable Laws or agreements to which the Borrower is subject or by which it is bound;
3. no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, an Event of Default, a breach of any covenant or other term or condition of this Term Sheet or any document given in connection therewith; and
4. the Borrower has good and marketable title to all of their respective properties, assets and undertakings.

**General:**

Non-Merger: The provisions of this Term Sheet shall not merge on the first advance hereunder but shall continue in full force and effect for the benefit of the parties hereto.

Further Assurances and Documentation: The Borrower shall do all things and execute all documents deemed necessary or appropriate by the Lender for the purposes of giving full force and effect to the terms, conditions, undertakings hereof and the Interim Financing Charge granted or to be granted hereunder.

Severability: If any provisions of this Term Sheet is or becomes prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate or render unenforceable the

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provision concerned in any other jurisdiction nor shall it invalidate, affect or impair any of the remaining provisions of this Term Sheet.

**Governing Law:** This Term Sheet and all agreements arising hereinafter shall be deemed to have been made and accepted in the City of Toronto, Ontario and construed in accordance with and be governed by the laws of the Province of Ontario and of Canada applicable therein.

**Counterparts:** This Term Sheet and all agreements arising hereinafter may be executed in any number of separate counterparts by any one or more of the parties thereto, and all of said counterparts taken together shall constitute one and the same instrument. Delivery of an executed counterpart of this Term Sheet by telecopier, PDF or by other electronic means shall be as effective as delivery of a manually executed counterpart.

**Assignment:** The Lender may assign all or part of this Term Sheet without notice to and without the Borrower's consent. The Borrower may not assign or transfer all or any part of its rights or obligations under this Term Sheet, any such transfer or assignment being null and void and of no force or effect.

**Time:** Time shall be of the essence in all provisions of this Term Sheet.

**Whole Agreement, Amendments and Waiver:** This Term Sheet and any other written agreement delivered pursuant to or referred to in this Term Sheet constitute the whole and entire agreement between the parties in respect of the Facility. There are no verbal agreements, undertakings or representations in connection with the Facility. No amendment or waiver of any provision of this Term Sheet will be effective unless it is in writing signed by the Borrower and the Lender. No failure or delay on the part of the Lender in exercising any right or power hereunder or under the Interim Financing Charge shall operate as a waiver thereon. No course of conduct by the Lender will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Term Sheet and the Interim Financing Charge or the Lender's rights thereunder.

**Best Efforts:** Upon the Borrower's acceptance of this Term Sheet, the Borrower will use its best efforts to obtain the Interim Financing Order. In the event that the Interim Financing Order is not obtained on or before 5:00 pm on April 24, 2020, this Term Sheet will expire and of no force or effect.

**Expiration:** This Term Sheet must be accepted by the Borrower by no later than 5:00 pm on the 17<sup>th</sup> day, April 2020, after which this Term Sheet will expire.

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If the terms and conditions of this Term Sheet are acceptable to you, please sign in the space indicated below and return the signed copy of this Term Sheet to us. Acceptance may also be effected by facsimile or scanned transmission and in counterpart.

We thank you for allowing us the opportunity to provide you with this Term Sheet.

Yours truly,

  
\_\_\_\_\_  
GURPREET WALIA

**ACCEPTANCE**

The undersigned hereby accepts this Term Sheet this 17<sup>th</sup> day of April 2020.

**1348441 ONTARIO INC. o/a SOLUTIONS YOUR ORGANIZED LIVING STORE**

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

## SCHEDULE "A"

In addition to terms defined elsewhere in this Term Sheet, the following terms shall have the following meanings:

- (a) **"Applicable Laws"** means, with respect to any person, property, transaction or event, all present or future statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction, in each case, having the force of law in any applicable jurisdiction.
- (b) **"Priority Claims"** means the aggregate of any amounts accrued or payable by the Borrower which under any law may rank prior to or *pari passu* with the Interim Financing Charge or otherwise in priority to any claim by the Lender for payment or repayment of any amounts owing under this Term Sheet, including: (i) wages, salaries, commissions or other remuneration; (ii) vacation pay; (iii) pension plan contributions; (iv) amounts required to be withheld from payments to employees or other persons for federal and provincial income taxes, employee Canadian Pension Plan contributions and employee Employment Insurance premiums, additional amounts payable on account of employer Canada Pension Plan contributions and employer Employment Insurance premiums; (v) harmonized sales tax; (vi) provincial sales or other consumption taxes; (vii) Workers' Compensation Board and Workplace Safety and Insurance Board premiums or similar premiums; (viii) real property taxes; (ix) rent and other amounts payable in respect of the use of real property; (x) amounts payable for repair, storage, transportation or construction or other services which may give rise to a possessory or registerable lien; and (xi) claims which suppliers could assert pursuant to Section 81.1 or Section 81.2 of the BIA; and (xii) WEPPA Claims.
- (c) **"WEPPA Claims"** means any claims made against the Borrower pursuant to the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s.1, as the same may be amended, restated or replaced from time to time.

Words importing the singular include the plural thereof and vice versa and words importing gender include the masculine, feminine and neuter genders.

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
1348441 ONTARIO INC.**

Court File No. 32-2634165  
Estate File No. 32-2634165

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY & INSOLVENCY)  
[COMMERCIAL LIST]**

**Proceedings commenced at Toronto**

**AFFIDAVIT OF GURMEJ WALIA**

**(sworn April 17, 2020)**

**LOOPSTRA NIXON LLP**  
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Toronto, ON M9W 6V7

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*Lawyers for 1348441 Ontario Inc.*

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
1348441 ONTARIO INC. o/a SOLUTIONS YOUR ORGANIZED LIVING STORE.**

Court File No. 32-2634165  
Estate File No. 32-2634165

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY & INSOLVENCY)  
[COMMERCIAL LIST]**

**Proceedings commenced at Toronto**

**MOTION RECORD  
(returnable April 22, 2020)**

**LOOPSTRA NIXON LLP**  
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Toronto, ON M9W 6V7

**R. Graham Phoenix**  
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*Lawyers for 1348441 Ontario Inc.*