

Court File No. 31-2711340
Estate No. 31-2711340

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
(COMMERCIAL LIST)

IN THE MATTER OF THE *BANKRUPTCY AND*
***INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF NUOTAKA INTERNATIONAL INC. OF THE CITY OF
TORONTO IN THE PROVINCE OF ONTARIO

MOTION RECORD

March 9, 2021

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Lawyers for Nuotaka International Inc.

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TAB 1

Court File No. 31-2711340
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NOTICE OF MOTION
(Re: Extension of Time to File Proposal)

NUOTAKA INTERNATIONAL INC. (“Nuotaka” or the “Company”), will make a motion to a Judge presiding over the Commercial List on Thursday, March 11, 2021, at 3:00 p.m. or as soon after that time as the motion can be heard by judicial teleconference via Zoom at Toronto, Ontario. Please refer to the conference details attached as Schedule “A” hereto in order to attend the motion and advise if you intend to join the motion by emailing Christel Paul at cpaul@wflaw.ca.

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

THE MOTION IS FOR:

1. An Order, substantially in the form attached at Tab 4 of the Motion Record, that, among other things:
 - (a) abridges the time for service of this Motion, validates the manner of service, and declares that this Motion is properly returnable before the Court; and

- (b) extends the time for the Company to file a proposal with the Official Receiver by 45 days, up to and including April 26, 2021.
2. Such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THIS MOTION ARE:

3. Nuotaka is a dress manufacturer incorporated under the *Canada Business Corporation Act*, with head offices at 219 Dufferin St., Toronto ON M6K 3J1.
4. Nuotaka is a Canadian contract manufacturing company producing gowns whose primary client is the couture bridal retailer Keveza Collection LLC (the “**Romona Keveza Collection**”). Nuotaka manufactures wedding dresses for the Romona Keveza Collection.
5. On February 10, 2021, the Company filed a Notice of Intention to Make a Proposal (“**NOI**”) under the BIA. Dodick Landau Inc. was appointed proposal trustee (the “**Proposal Trustee**”) in the NOI proceedings.
6. The NOI was primarily filed in response to enforcement actions by the Company’s primary secured lender, the Toronto-Dominion Bank (“**TD Bank**”).
7. Pursuant to government-imposed gathering limits and other responses to the COVID-19 pandemic, the decline in wedding ceremonies and other formal events negatively impacted the sales of the bridal gowns produced by the Company.
8. Due to this decline in sales, the Company has faced a liquidity crisis.

9. This is the Company's first stay extension, which is needed to allow more time to restructure the outstanding liabilities of the Company to allow Nuotaka to continue on a going concern basis.

Extension of Time to File a Proposal

10. The Company requires additional time to (i) continue to negotiate with TD Bank and its other creditors, and (ii) to continue developing its restructuring plans. Accordingly, Nuotaka is requesting a 45-day extension of time pursuant to Section 50.4(9) of the BIA, up to and including April 26, 2021.
11. Without an extension of time, the Company will not be in a position to make a viable proposal to its creditors and the Company will be deemed bankrupt, to the detriment of its creditors and stakeholders.
12. The test for an extension of time under Section 50.4(9) of the BIA is met:
 - (a) there is going-concern value to be realized from Nuotaka's continued operations and, accordingly, the requested stay extension is likely to facilitate a going-concern outcome and a viable proposal for the Company's creditors;
 - (b) the Company has acted, and is acting, in good faith and with due diligence to develop a viable going-concern proposal for its creditors; and,
 - (c) the Company is not aware of any creditors that will be materially prejudiced if the requested extension is granted.

Further Grounds

13. Section 50.4(9) of the BIA;
14. Rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, RSO 1990, Reg 194, as amended; and
15. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED ON THE HEARING OF THE MOTION:

16. The Affidavit of Romona Keveza to be affirmed;
17. The First Report of the Proposal Trustee dated March 9, 2021; and
18. Such further and other evidence as counsel may advise and this Honourable Court may permit.

March 9, 2021

WEISZ FELL KOUR LLP
100 King Street West, Suite 5600
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**Lawyers for the Nuotaka International
Inc.**

TO: **THE SERVICE LIST**

Schedule "A"
Conference Details to join Motion via Zoom

Join Zoom Meeting

<https://us02web.zoom.us/j/86007698618>

Meeting ID: 860 0769 8618

One tap mobile

+16475580588,,86007698618# Canada

+17789072071,,86007698618# Canada

Dial by your location

+1 647 558 0588 Canada

+1 778 907 2071 Canada

+1 204 272 7920 Canada

+1 438 809 7799 Canada

+1 587 328 1099 Canada

+1 647 374 4685 Canada

Meeting ID: 860 0769 8618

Find your local number: <https://us02web.zoom.us/u/kg48JprM>

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF
NUOTAKA INTERNATIONAL INC. OF THE CITY
OF TORONTO IN THE PROVINCE OF ONTARIO**

007

Court File No. 31-2711340

Estate No. 31-2711340

***ONTARIO*
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

NOTICE OF MOTION

WEISZ FELL KOUR LLP
100 King Street West, Suite 5600
Toronto, ON M5X 1C9

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Lawyers for Nuotaka International Inc.

TAB 2

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AFFIDAVIT OF ROMONA KEVEZA
(Sworn March 9, 2021)

I, ROMONA KEVEZA, of the City of Toronto, in the province of Ontario, **MAKE**
OATH AND SAY:

1. I am the director of the debtor, Nuotaka International Inc. (“**Nuotaka**” or the “**Company**”). Accordingly, I have personal knowledge of the matters set out below. Where I have relied on information from others, I state the source of such information and verily believe it to be true.
2. This affidavit is submitted in support of a motion for an order that, among other things, extends the time for the Company to make a proposal to its creditors pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 (the “**BIA**”).

I. OVERVIEW: THE DEBTOR'S BUSINESS

3. Nuotaka is a dress manufacturer incorporated under the *Canada Business Corporation Act*, with head offices at 19 Mansion St, Scarborough, M1L 1A5. A corporation profile report is attached hereto as **Exhibit "A"**.

4. Nuotaka is a Canadian contract manufacturing company producing gowns whose primary client is the couture bridal retailer Romona Keveza Collection LLC (the "**Romona Keveza Collection**"). Nuotaka manufactures wedding dresses for the Romona Keveza Collection.

5. The primary target market of Romona Keveza Collection's bridal and couture designs are luxury weddings and formal events. Since its founding, the Romona Keveza Collection has gained notoriety in dressing many actors, singers and other celebrities at Hollywood red carpet events.

6. As a luxury couture brand, the success of the Romona Keveza Collection is highly dependant on the scheduling of large-scale events, including weddings.

7. Despite the Romona Keveza Collection's success and strong brand recognition, the pressure of the COVID-19 pandemic has caused a temporary decline in luxury weddings and red-carpet events, as many of these events have been canceled or rescheduled. Pursuant to government-imposed gathering limits and other responses to the COVID-19 pandemic, this decline in wedding ceremonies negatively impacted the sales of the bridal gowns produced by the Company.

8. Due to this decline in sales, the Company has faced a liquidity crisis. As a result, Nuotaka's senior secured creditor, the Toronto-Dominion Bank ("**TD Bank**") issued a demand on its credit facilities, asserting several breaches, including the breach of certain financial covenants and the failure to make scheduled payments on a credit facility.

9. On February 10, 2021, the Company filed a Notice of Intention to Make a Proposal (“**NOI**”) under the BIA. Dodick Landau Inc. was appointed as proposal trustee (the “**Proposal Trustee**”) in the NOI proceedings.

II. ASSETS AND LIABILITIES

A. Assets

10. As a luxury wedding dress manufacturer operating in a specialized industry, Nuotaka’s enterprise value is primarily derived from its going-concern revenues.

B. Significant Liabilities

Secured Liabilities

11. The Company has three credit facilities with TD Bank: an operating loan, a term facility, and a business VISA facility (the “**Credit Facilities**”).

12. As described above, the demand for wedding dresses sharply dropped in March 2020 as a result of measures implemented to prevent the spread of COVID-19. Accordingly, the Company faces strained cash flows and had difficulty meeting certain payment obligations under the Credit Facilities.

13. On September 3, 2020, in response to demands made by TD Bank, the Company entered into an Accommodation Agreement with TD Bank forbearing the enforcement of the security under the Credit Facilities (the “**Accommodation Agreement**”). A copy of the Accommodation Agreement is attached hereto as **Exhibit “B”**.

14. At the time the Accommodation Agreement was entered into, the operating loan was overdrawn and the scheduled payments relating to the term facility were three months in arrears.

15. Under the Accommodation Agreement, the Company was required to repay the Credit Facilities in full by January 31, 2021. The alleged indebtedness outstanding under the Accommodation Agreement was \$2,670,877.43.

16. On February 1, 2021, the Company received a demand letter from TD Bank, making a formal request for the alleged indebtedness outstanding which at the time of the demand letter amounted to \$2,702,469.33 (the “**Demand Letter**”). A copy of the Demand Letter is attached hereto as **Exhibit “C”**.

17. As the Company was unable to pay the full amount owing under the Demand Letter, Nuotaka filed an NOI in order to restructure the Company’s liabilities.

Unsecured Liabilities

18. The Company also has approximately \$1,000,000.00 in unsecured liabilities. Over a third of this unsecured debt is owed to the Business Development Bank of Canada.

C. Priority Payments

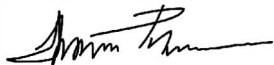
19. As at the date of this affidavit, Nuotaka has paid all employee wage payments and is current on remittances of HST and source deductions.

III. EXTENSION OF TIME TO FILE A PROPOSAL

20. The initial 30-day stay of proceedings under the NOI will expire on March 12, 2021.

21. The Company has at all times continued its operations and there is going-concern value to be realized from Nuotaka's continued operation.
22. The Company requires additional time to (i) continue to negotiate with TD Bank, and its other creditors, and (ii) to continue developing its restructuring plans. Accordingly, Nuotaka is requesting a 45-day extension of time pursuant to Section 50.4(9) of the BIA, up to and including April 26, 2021, to develop and make a proposal.
23. The Company has acted in good faith and with due diligence to develop a viable going-concern proposal to its creditors.
24. I am not aware of any creditors who will be materially prejudiced by the extension of time.

SWORN BEFORE ME *by video conference*
at the City of Toronto in the Province of
Ontario this 9th day of March, 2021:



A Commissioner for Taking Affidavits
Name: Shaun Parsons



ROMONA KEVAZA

THIS IS **EXHIBIT "A"** REFERRED TO IN THE
AFFIDAVIT OF ROMONA KEVEZA SWORN BEFORE
ME, THIS 9TH DAY OF MARCH, 2021



A COMMISSIONER FOR TAKING AFFIDAVITS

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Federal Corporation Information

Federal Corporation Information - 356593-9

[Glossary of Terms used on this page](#)[Order copies of corporate documents](#)

Note

This information is available to the public in accordance with legislation (see [Public disclosure of corporate information](#)).

Corporation Number	356593-9
Business Number (BN)	Not Available
Corporate Name	NUOTAKA INTERNATIONAL INC.
Status	Active
Governing Legislation	<i>Canada Business Corporations Act - 1998-12-11</i>

[Order a Corporate Profile PDF Readers](#)

Registered Office Address

219 Dufferin St.
Toronto ON M6K 3J1
Canada

Note

Active CBCA corporations are required to [update this information](#) within 15 days of any change. A [corporation key](#) is required. If you are not authorized to update this information, you can either contact the corporation or contact [Corporations Canada](#). We will inform the corporation of its [reporting obligations](#).

Directors

Minimum 1**Maximum** 12

ROMONA KEVEZA
245 - 67 MOWAT AVENUE
TORONTO ON M6K 3E3
Canada

Note

Active CBCA corporations are required to [update director information](#) (names, addresses, etc.) within 15 days of any change. A [corporation key](#) is required. If you are not authorized to update this information, you can either contact the corporation or contact [Corporations Canada](#). We will inform the corporation of its [reporting obligations](#).

Annual Filings

Anniversary Date (MM-DD)	12-11
Date of Last Annual Meeting	2016-01-04
Annual Filing Period (MM-DD)	12-11 to 02-09
Type of Corporation	Non-distributing corporation with 50 or fewer shareholders
Status of Annual Filings	2021 - Not due 2020 - Filed 2019 - Filed

Corporate History

Corporate Name History

1998-12-11 to Present	NUOTAKA INTERNATIONAL INC.
-----------------------	----------------------------

Certificates and Filings

Certificate of Incorporation	1998-12-11
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[Order copies of corporate documents](#)

Start New Search

Date Modified: 2021-02-03

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THIS IS **EXHIBIT "B"** REFERRED TO IN THE
AFFIDAVIT OF ROMONA KEVEZA SWORN BEFORE
ME, THIS 9TH DAY OF MARCH, 2021



A COMMISSIONER FOR TAKING AFFIDAVITS

ACCOMMODATION AGREEMENT

THIS AGREEMENT (this “**Agreement**”) is made as of this 3rd day of September, 2020.

AMONGST:

THE TORONTO-DOMINION BANK

(hereinafter referred to as the “**Lender**”)

- and -

NUOTAKA INTERNATIONAL INC.

(hereinafter referred to as the “**Borrower**”)

- and -

**ROMONA KEVEZA COLLECTION LLC, ROMONA KEVEZA ONE ROCK LLC and
ROMONA KEVEZA**

(hereinafter collectively referred to as the “**Guarantors**”,
and together with the Borrower, the “**Credit Parties**”)

RECITALS:

WHEREAS the Borrower is indebted to the Lender with respect to certain credit facilities (the “**Credit Facilities**”) made available by the Lender to the Borrowers pursuant to and under the terms of a letter agreement dated May 28, 2018, as amended by amending letters dated July 26, 2018, February 22, 2019, August 1, 2019 and December 12, 2019 (as further amended, replaced, restated or supplemented from time to time, the “**Credit Agreement**”);

AND WHEREAS each of the Guarantors has guaranteed the obligations of the Borrower to the Lender (the “**Guarantees**”), pursuant to the terms of certain guarantee agreements as more particularly set out in **Schedule “A”** hereto;

AND WHEREAS, to secure the obligations of the Borrower to the Lender, including, without limitation, those arising under the Credit Agreement and the Guarantees, the Credit Parties have provided certain security in favour of the Lender (collectively, the “**Security**”), including, without limitation, the security set out in **Schedule “B”** hereto;

AND WHEREAS certain of the Credit Facilities are payable on demand;

AND WHEREAS certain events of default have occurred, and are continuing, pursuant to the Credit Agreement, including, without limitation, (i) the breach of certain financial covenants, (ii) failing to make scheduled payments in respect of Facility #2, which are currently three months in arrears, and (iii) a Facility #1 being continually overdrawn (any and all such defaults as may be

existing and known to the Lender as of the date hereof being referred to as the “**Existing Defaults**”);

AND WHEREAS, the Lender has notified the Borrower of certain of these Existing Defaults by letters, including the most recent letter dated July 21, 2020, and in instance reserved all of its rights and remedies under any and all agreements and Security in connection with the Credit Facilities;

AND WHEREAS, as a result of the Existing Defaults, the Lender is in a position to make written demand on the Credit Parties for repayment in full of their indebtedness to the Lender, and to enforce its Security as against the Credit Parties;

AND WHEREAS the Borrower has requested and the Lender has agreed to forbear from taking certain actions under the Security in connection with the Existing Defaults and has agreed to continue to extend the Credit Facilities to the Borrower solely on the terms and conditions and subject to the limitations as specified in this Agreement, so that the Borrower has the opportunity to secure alternate financing with a view to indefeasibly repaying the Lender, in full, at the end of the Forbearance Period (as defined herein).

NOW THEREFORE in consideration of the respective covenants of the parties hereto as herein contained, and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires, all terms defined in the Credit Agreement and not otherwise defined herein shall have the respective meanings ascribed to them in the Credit Agreement. All monetary amounts referred to in this Agreement shall refer to Canadian currency.

1.2 Gender and Number

Words importing the singular include the plural and vice versa and words importing gender include all genders.

1.3 Severability

Each of the provisions contained in this Agreement is distinct and severable, and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Agreement.

1.4 Headings

The division of this Agreement into articles, sections and clauses, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.5 Entire Agreement

Except for the Financing Agreements (as hereinafter defined) and the additional documents provided for herein, this Agreement constitutes the entire agreement of the parties and supersedes all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, relating to the subject matter hereof. This Agreement may not be amended or modified except by written consent executed by all the parties. No provision of this Agreement will be deemed waived by any course of conduct unless such waiver is in writing and signed by all the parties, specifically stating that it is intended to modify this Agreement.

1.6 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to any conflicts of law or principles of comity.

1.7 Attornment

Each party hereto irrevocably attorns to the exclusive jurisdiction of the Superior Court of Justice (Commercial List) of the Province of Ontario in the City of Toronto for all matters arising out of or in connection with this Agreement.

1.8 Conflicts

If there is any inconsistency or conflict between the terms of this Agreement and the terms of the Credit Agreement, the Guarantee, the Security or any other agreement executed in connection therewith (collectively, the "**Financing Agreements**"), the provisions of this Agreement shall prevail to the extent of the inconsistency, but the foregoing shall not apply to limit or restrict in any way the rights and remedies of the Lender under the Financing Agreements or this Agreement other than as may be specifically contemplated herein.

ARTICLE 2 ACKNOWLEDGEMENT AND CONFIRMATION

2.1 Acknowledgement of Obligations

- (a) Each of the Credit Parties hereby acknowledges, confirms and agrees that, as of the close of business on September 2, 2020, the following amounts are owing for principal and interest under the Credit Facilities pursuant to the Credit Agreement, all of which is exclusive of additional amounts which are owing and which may become owing for the Lender's fees, agent costs, professional fees, and accruing

interest at the rates set out in the Credit Agreement (collectively, the "Indebtedness"):

Facility #1 – Operating Loan ¹ Interest - \$298.35	\$2,310,298.35
Facility #2 – Term Facility ² Interest - \$563.63	\$260,563.56
Facility #3 ³ (TD Business VISA)	\$55,070.52
Legal Fees to date:	\$15,000.00
Advisory Fees to date:	\$29,945.00
Total	\$2,670,877.43

RG
need to see invoice
need to see invoice
RG

- (b) Each of the Credit Parties hereby acknowledges, confirms and agrees that the Indebtedness and any other amounts now or hereafter properly payable by the Credit Parties to the Lender under the Financing Agreements is unconditionally owing to the Lender, without any right of setoff, defence, counterclaim or reduction of any kind, nature or description whatsoever, and the Credit Parties are estopped from disputing such Indebtedness.
- (c) Each of the Credit Parties hereby acknowledges, confirms and agrees that the Credit Parties will continue to accept statements of the Indebtedness issued by the Lender to be accurate statements of the amount and the particulars of the Indebtedness as of the date of the statement, absent manifest error.

2.2 Acknowledgement of Guarantees and Security Interests

- (a) Each of the Credit Parties hereby acknowledges, confirms and agrees that the Security, as applicable, has not been discharged, waived or varied, that it is binding upon the Credit Parties, as applicable, and that the Security is enforceable in accordance with its written terms until the obligations of the Credit Parties to the Lender have been indefeasibly paid and satisfied in full.
- (b) Each of the Credit Parties hereby acknowledges, confirms and agrees that the Guarantee is and shall continue to be in full force and effect and is valid, binding and enforceable upon the Credit Parties until the obligations of the Credit Parties to the Lender have been indefeasibly paid and satisfied in full, and that neither the execution of this Agreement nor any change to the Indebtedness occasioned hereby, or any other matter arising herefrom, shall in any way affect the continuing effectiveness and validity of the Guarantee.

¹ Amount fluctuates on a daily basis

² Interest per diem is \$37.58

³ The Visa cards have been frozen and cancelled. Interest is based P+1.45%, being a per diem of \$5.88.

2.3 Acknowledgement of Certain Events of Default

- (a) Each of the Credit Parties hereby acknowledges, confirms and agrees the Existing Defaults have occurred and are continuing pursuant to the provisions of the Credit Agreement.
- (b) Each of the Credit Parties further acknowledges, confirms and agrees that, as of the date hereof, the Lender has made no promises and has not waived, and does not intend to waive such Existing Defaults, and nothing contained herein or the transactions contemplated hereby shall be deemed to constitute any such waiver.

2.4 Additional Acknowledgements

Each of the Credit Parties hereby acknowledges, confirms and agrees that:

- (a) the facts set out in the recitals to this Agreement are true and accurate;
- (b) except as hereby amended, the Financing Agreements will remain in full force and effect, unamended, except as provided for herein;
- (c) except as expressly provided for in this Agreement, the Lender (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 obligations of the Credit Parties to the Lender, or that would stop it from doing so;
- (d) the Lender is entitled to exercise its rights and remedies under the Credit Agreement, the Security, the Guarantee, the PPSA and other applicable law; and
- (e) to the date hereof, the Lender has acted in a commercially reasonable manner and in good faith, and the Credit Parties are estopped from disputing same.

ARTICLE 3 CONDITIONS PRECEDENT

3.1 Conditions Precedent

The forbearance obligations of the Lender under this Agreement shall not be effective unless (collectively, the “**Conditions Precedent**”):

- (a) the Lender shall have received a copy of this Agreement, fully executed by each of the Credit Parties;
- (b) the Lender shall have received the Accommodation Fee (as defined in section 4.4 below) from the Borrower;
- (c) the Lender shall have received copies of the renewed or extended guarantee from Export Development Canada (“**EDC**”) extending the terms of existing guarantee

bearing reference no. 880-71651 guaranteeing the obligations of the Borrower regarding Facility #1, in form and substance satisfactory to the Lender;

- (d) the Lender shall have received a renewed unlimited guarantee of the obligations of the Borrower to the Lender from Romona Keveza One Rock LLC;
- (e) the Borrower shall have delivered, or caused to be delivered, a signed copy of the EDC waiver by Romona Keveza One Rock LLC; and
- (f) the Lender shall have received a copy of the life insurance policy and an assignment of life insurance on the life of Romona Keveza in the amount of \$1,500,000.00, in the form attached as **Schedule "C"** to this Agreement ("**Assignment of Life Insurance**"), together with the fully completed and signed insurer's internal collateral assignment form from the insurer.

ARTICLE 4 FORBEARANCE CONDITIONS

4.1 Forbearance

Unless an Intervening Event (as hereinafter defined and pursuant to section 7.1 of this Agreement) occurs under this Agreement, and in reliance upon the acknowledgements, representations, warranties and covenants of the Credit Parties contained in this Agreement and subject to the terms and conditions of this Agreement, and any documents executed in connection herewith, the Lender agrees, subject to the terms hereof, to forbear from exercising its rights and remedies under the Credit Agreements, the Security, the Guarantees, the *Personal Property Security Act* (Ontario) (the "**PPSA**") and other applicable law, until the earlier of:

- (a) December 31, 2020; and
 - (b) the occurrence of an Intervening Event (as hereinafter defined and pursuant to section 7.1 of this Agreement),
- (the "**Forbearance Period**").

4.2 Expiration or Termination of the Forbearance Period

Upon the expiration or termination of the Forbearance Period, the agreement of the Lender to forbear shall automatically and without further action terminate and be of no further force and effect, it being expressly agreed that the effect of such expiration or termination will be to permit the Lender to exercise its rights and remedies under the Financing Agreements, this Agreement, and any other agreement or documents executed in connection herewith immediately, including, without limitation: (i) the exercise of all remedies available pursuant to the Financing Agreements; (ii) the acceleration of all the obligations of the Borrower to the Lender without any further notice, passage of time or forbearance of any kind; (iii) the appointment of a private or court-appointed receiver (at the Lender's option) under the Security; and (iv) the making of an application to a court of competent jurisdiction, in accordance with section 1.7 of this Agreement, to enforce any

private or other remedies available to the Lender, or to seek the appointment by such court of a trustee in bankruptcy of any of the Credit Parties.

4.3 Tolling

- (a) As of the date hereof and continuing until the expiration or termination of the Forbearance Period, as applicable, and thereafter until the termination of the tolling arrangements in the manner provided for at paragraph 4.3(b) herein, the Lender and the Credit Parties hereby agree to toll and suspend the running of the applicable statutes of limitations, laches and other doctrines related to the passage of time in relation to the Indebtedness, the Guarantee, the Security and any entitlements arising from the Indebtedness, the Guarantee or the Security and any other related matters, and each of the parties confirms that this Agreement is intended to be an agreement to suspend or extend the basic limitation period, provided by section 4 of the *Limitations Act, 2002*, S.O. 2002, c. 24, Sched. B (the "**Limitations Act**") as well as the ultimate limitation period provided by section 15 of the *Limitations Act* in accordance with the provisions of sections 22(3) and 22(4) of the *Limitations Act* and as a business agreement in accordance with the provisions of section 22(5) of the *Limitations Act* and any contractual time limitations on the commencement of proceedings, any claims or defences based upon such application statute of limitations, contractual limitations or any time related doctrine including waiver, estoppel or laches.
- (b) The tolling provisions of this Agreement will terminate upon any of its parties providing the others with 60 days' written notice of an intention to terminate the tolling provisions hereof, and upon the expiry of such 60 days' notice, any time provided for under the statute of limitations, laches or any other doctrine related to the passage of time in relation to the Indebtedness, the Guarantee, the Security or any claims arising thereunder, will recommence running as of such date, and for greater certainty the time during which the parties agree to the suspension of the limitation period pursuant to the tolling provisions of this Agreement shall not be included in the computation of any limitation period.

4.4 Accommodation Fee

In consideration of the Lender entering into this Agreement, the Borrower shall pay to the Lender an accommodation fee of \$3,500.00 (the "**Accommodation Fee**"). Such Accommodation Fee will be fully earned and payable upon execution of this Agreement, and is in addition to all other fees, interest, costs and expenses payable in connection with the Financing Agreements or this Agreement. The Borrower hereby authorizes the Lender to debit the Accommodation Fee from the Borrower's account maintained with the Lender. The Accommodation Fee shall form part of the Indebtedness and shall be secured by any and all of the Security.

4.5 No Other Waivers; Reservation of Rights

Subject to Section 4.1 of this Agreement, the Lender reserves the right, in its sole and absolute discretion, to exercise any or all of its rights or remedies under any one or more of the

Financing Agreements, the PPSA or other applicable law, and the Lender has not waived any such rights or remedies, and nothing in this Agreement and no delay on the part of the Lender in exercising any such rights or remedies, shall be construed as a waiver of any such rights or remedies.

ARTICLE 5 REPORTING

5.1 Reporting Requirements

During the Forbearance Period, each of the Credit Parties agrees to continue to honour the reporting requirements as previously agreed with the Lender in the Financing Agreements or as amended herein, and shall continue to do so until such time as the obligations of the Credit Parties to the Lender have been repaid indefeasibly and in full. During the Forbearance Period, each of the Credit Parties shall also forthwith provide any report, summary, copy or information reasonably requested by the Lender including copies of all term sheets and commitment letters upon receipt. During the Forbearance Period, the Borrower shall also provide the following additional reporting to the Lender:

- (a) on a monthly basis, the Borrower shall deliver a copy of an updated order book setting out the status of existing orders and list of any new orders, such reporting to be delivered within seven (7) days following each month end;
- (b) on a monthly basis, the Credit Parties shall deliver to the Lender copies of all bank statements for account maintained at JPMorgan Chase Bank, N.A. or its affiliates (“**Chase Bank**”), such statements to be delivered within seven (7) days following each month end;
- (c) on a bi-weekly basis, the Borrower shall provide the Lender with updates on its restructuring and/or refinancing efforts, including copies of the term sheets or offer letters delivered by any third party financiers or investors;
- (d) by no later than the close of business on September 14, 2020, the Borrower shall provide to the Lender an updated weekly cash flow for the period ending December 31, 2020, and shall subsequently deliver to the Lender, on a bi-weekly basis, a variance report setting out actuals versus projections; and
- (e) by no later than the close of business on September 30, 2020, the Borrower shall provide to the Lender a copy of its consolidated annual review engagement financials for fiscal year 2019.

ARTICLE 6 OBLIGATIONS OF THE CREDIT PARTIES DURING THE FORBEARANCE PERIOD

6.1 Amendments to Credit Agreement

During the Forbearance Period, each of the Credit Parties shall adhere to all the terms, conditions and covenants of the Credit Agreement, this Agreement and the other Financing

Agreements, including, without limitation, terms requiring prompt payment of principal, interest, fees and other amounts when due, except to the extent that such terms, conditions and covenants are otherwise specifically amended by this Agreement:

- (a) Section 1 under the heading "Credit Limit" in the Credit Agreement, being Facility #1, is hereby deleted in its entirety and replaced with the following:

"1) Up to the maximum principal amount of CAD\$2,300,000*

* Facility #1 is hereby converted to an overdraft facility."

6.2 Full Co-Operation

During the Forbearance Period, the Credit Parties shall cooperate fully with the Lender, including, without limitation, by providing promptly all information requested by the Lender, and by providing the Lender full access to the books, records, property, assets and personnel of the Credit Parties wherever they may be situated and in whatever medium they may be recorded, at the request of and at times convenient to the Lender, acting reasonably, which right of access shall include the right to inspect and appraise such property and assets.

6.3 Payment and Other Obligations

The Borrower hereby covenants and agrees with the Lender to reimburse the Lender for all reasonable expenses, including, without limitation, actual legal and other professional expenses that the Lender has incurred or will incur arising out of its dealings with the Credit Parties and in the protection, preservation and enforcement of the Security and/or the Guarantee, including, without limitation, the actual fees and expenses of the Lender's solicitors, Aird & Berlis LLP (the "Professional Expenses"), and that the Professional Expenses shall be for the account of the Borrower and shall be debited directly by the Lender against the account of the Borrower upon the Borrower's receipt of invoices evidencing the Professional Expenses, failing which payment of the Professional Expenses may be made by the Lender for later repayment by the Borrower by no later than the expiration or termination of the Forbearance Period. Nothing in this Agreement shall derogate from the Borrower's obligation to pay for all of the Professional Expenses or shall constitute a cap on Professional Expenses.

6.4 Deferral of Principal Payments under Facility #2

- (a) For the pendency of the Forbearance Period, the Borrowers shall not be required to pay any principal payments currently outstanding under Facility #2 to the Lender. The Borrower hereby acknowledges and agrees that any deferred principal payments shall continue to accrue and shall be due and payable to the Lender on the earlier of (i) the occurrence of Intervening Event; or (ii) the expiration of the Forbearance Period, at which time all such amounts shall be payable immediately together with any and all Indebtedness.
- (b) For greater certainty, any and all interest payments owing under the Credit Facilities shall continue to be payable in accordance with the terms of the Credit Agreement.

6.5 Operational Obligations

- (a) For the duration of the Forbearance Period, each of the Credit Parties hereby covenants and agrees with the Lender as follows:
- (i) each of the Credit Parties undertakes and agrees to transfer the net funds (after deducting ordinary course business expenses) from collections in their accounts maintained at Chase Bank to the Borrower's account maintained with the Lender on a weekly basis, on or before the close of business each Friday;
 - (ii) without prior written consent of the Lender, the Credit Parties confirm and agree that they shall not be permitted to repay any obligations or liabilities owing by the Credit Parties to Chase Bank at any time;
 - (iii) save and except for Chase Bank, the Credit Parties shall not open or maintain any other banking accounts with any institution other than the Lender without the Lender's prior written consent;
 - (iv) the Borrower shall maintain its corporate existence as a valid and subsisting entity and shall not merge, amalgamate or consolidate with any other corporation(s), except with the Lender's prior written consent;
 - (v) except as specifically provided for herein, each of the Credit Parties shall comply in all respects with all terms and provisions of the Financing Agreements and this Agreement and nothing herein derogates therefrom. For greater certainty, except as provided for herein, the Borrower shall continue to remit all payments when due under the Financing Agreements and shall operate all facilities within the terms and the limits prescribed therein, except as amended by this Agreement;
 - (vi) the Credit Parties shall comply with any and all cash management obligations and obligations to maintain insurance in accordance with the Financing Agreements;
 - (vii) the Borrower shall be responsible for paying the fees and out of pocket expenses of the Lender and, if the Borrower fails to do so, the amount of such fees and expenses will be added to the Indebtedness and secured by the Security and the Guarantees;
 - (viii) the Borrower shall not, without the prior written consent of the Lender, make any distribution or payment to any person, corporation or other entity who does not deal with the Borrower at arm's length (as such term is defined in the *Income Tax Act* (Canada)), except for:
 - (A) payments of salary at levels not in excess of those now in effect;

- (B) payments to any landlord which are commercially reasonable and in accordance with the current lease agreement for the premises leased from such landlord; and
 - (C) payments to the Borrower's ordinary suppliers in respect of any supply arrangement with the Borrower arising in the ordinary course of the Borrower's businesses, which are commercially reasonable and are competitive with payments that would be required to be paid to a comparable supplier acting at arm's length;
- (ix) the Credit Parties shall not, without the prior written consent of the Lender, make any loans or advance money or property to any other party (including, without limitation, any subsidiary or affiliate of any of the Credit Parties) or invest in (by capital contribution, dividend or otherwise) or purchase or repurchase the shares or indebtedness or all or a substantial part of the assets or property of any other party (including, without limitation, any subsidiary or affiliate of any of the Credit Parties), or guarantee, assume, endorse, or otherwise become responsible (directly or indirectly) for the indebtedness, performance, obligations or dividends of any other party (including, without limitation, any subsidiary or affiliate of any of the Credit Parties) or agree to do any of the foregoing, other than as required by the Financing Agreements;
 - (x) none of the Credit Parties shall encumber, mortgage, hypothec, pledge or otherwise cause any form of lien or charge on any of their property or any of their assets, including intangible and contingent assets, without the prior written consent of the Lender;
 - (xi) none of the Credit Parties shall, without the prior written consent of the Lender, repay any principal or interest which may be owing or become owing in connection with any shareholder or related party loan or any loan made by any party subordinate to the Lender;
 - (xii) none of the Credit Parties shall, without the prior written consent of the Lender, make any distribution (whether by dividend or otherwise) or effect any return of capital on any investment made by any shareholder, or any party related to any shareholder, of the Credit Parties;
 - (xiii) none of the Credit Parties shall, in any case, make any payment to any party if the financial position of such Credit Party after making such payment would put such Credit Party in a position of breach or default of its obligations under the Financing Agreements, this Agreement or constitute an Intervening Event;
 - (xiv) the Borrower shall keep current at all times all obligations that constitute priority obligations, meaning those obligations payable in priority to the obligations owed to the Lender ("**Priority Payables**"), including wages and

remittances required to be made for taxes and other liabilities owed to federal, provincial and municipal governments, including, without limitation, property taxes and money owed in respect of employee source deductions pursuant to the *Canada Pension Plan Act* (Canada), *Employment Insurance Act* (Canada) and *Income Tax Act* (Canada), and in respect of Harmonized Sales Tax, and the Borrower shall provide to the Lender on a regular basis evidence of such payments satisfactory to the Lender;

- (xv) the Credit Parties shall give to the Lender prompt notice of any litigation, arbitration or administrative proceeding before or of any court, arbitration, tribunal or governmental authority affecting any of the assets, property or undertakings of the Credit Parties;
 - (xvi) the Credit Parties shall cooperate with the Lender and its counsel to arrange, upon request, for the due execution and delivery of all documentation requested by the Lender or its counsel to cure any deficiencies identified in the Lender's Security; and
 - (xvii) unless otherwise agreed to herein, the Credit Parties shall not do any act or thing which may have the effect of defeating or delaying the enforcement of the Lender's rights and remedies under any of the Security or the Guarantee.
- (b) the Borrower represents and warrants to the Lender that all its obligations with respect to employee wages and vacation pay are current as of the date of this Agreement and shall remain current throughout the Forbearance Period.

ARTICLE 7 INTERVENING EVENTS

7.1 Intervening Events

Upon the happening of any one of the following events (each an "Intervening Event"), this Agreement shall forthwith terminate:

- (a) if the aggregate value of the accounts receivable for each of the Borrower and Romona Keveza Collections LLC, net of over 90 day accounts, related party accounts, priority payables, contra accounts and customer deposits from same name with accounts receivable, falls below Cdn\$695,000 at any given time;
- (b) any material representation, warranty or statement made by any of the Credit Parties in this Agreement or any other agreement with the Lender was untrue or incorrect when made or becomes untrue or incorrect;
- (c) any of the Credit Parties fails to perform or comply with any of its respective covenants or obligations contained in this Agreement, any of the Financing Agreements or in any other agreement or undertaking made between any of the Credit Parties and the Lender, other than the covenants, obligations or undertakings

with which the impugned Credit Party has already failed to perform or comply with at time of execution of this Agreement and which are known to the Lender;

- (d) the Borrower fails to maintain and keep current payments of Priority Payables in accordance with the terms of this Agreement, which may result in any claim ranking in priority or *pari passu* to the claim of the Lender;
- (e) the Borrower defaults in timely payment of rentals or other charges due as rent in respect of any leased premises or equipment, subject to the written accommodation between the defaulting party and its landlord;
- (f) any of the Credit Parties defaults in the performance of any obligation under any of the Financing Agreements after the date hereof;
- (g) the occurrence of any other event which, in the opinion of the Lender, acting reasonably, may materially and adversely impact the priority or enforceability of the Security granted by any of the Credit Parties, or the realizable value of the collateral subject to such Security;
- (h) the Security ceases to constitute a first-ranking, valid and perfected security interest against all assets of the Borrower;
- (i) the loss, damage, destruction or confiscation of the Security or any part thereof, unless upon such event, the Credit Parties pay to the Lender forthwith such amount as the Lender, in its sole and absolute discretion, determines is satisfactory;
- (j) any person takes possession of any property of any of the Credit Parties by way of or in contemplation of enforcement of security, or a distress or execution or similar process levied or enforced against any property of any of the Credit Parties;
- (k) any change of ownership, control or management of the Borrower, without the Lender's prior written consent;
- (l) in the Lender's sole opinion, a material adverse change occurs in the business, affairs, financial condition, operation or ownership of the Borrower arising for any reason whatsoever;
- (m) the Borrower fails to maintain current insurance or other material contracts;
- (n) without the Lender's prior written consent, the Borrower ceases to carry on business in the normal course in the same manner as such business has previously been carried on or commits or threatens to commit an act of bankruptcy;
- (o) without the prior written consent of the Lender, any of the Credit Parties takes any action or commences any proceeding or any action or proceeding is taken or commenced by another person or persons against any of the Credit Parties, which the Credit Parties are not contesting, relating to the reorganization, readjustment, compromise or settlement of the debts owed by any of the Credit Parties to its

creditors where such reorganization, readjustment, compromise or settlement shall affect a substantial portion of any of the Credit Parties' assets and property, including, without limitation, the filing of a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act* (Canada) ("BIA"), the making of an order under the *Companies' Creditors Arrangement Act* (Canada) or the commencement of any similar action or proceeding by any party other than the Lender;

- (p) the filing of an application for a bankruptcy order against any of the Credit Parties pursuant to the provisions of the BIA by any party other than the Lender;
- (q) the Borrower fails to meet its payroll obligations or does not have sufficient funds available to fund its payroll obligations, or fails to produce evidence, satisfactory to the Lender, acting reasonably, of the availability of such funds to the Lender within one business day prior to the date that any payroll falls due;
- (r) the Borrower fails to make one or more of the payments, in full or in part, in accordance with the Financing Agreements, as amended only by this Agreement;
- (s) any of the Credit Parties fails to meet one or more of their reporting requirements in accordance with section 5.1 of this Agreement; or
- (t) the expiration or termination of the Forbearance Period.

ARTICLE 8 GENERAL PROVISIONS

8.1 Effect of this Agreement

Except as modified pursuant hereto, no other changes or modifications to the terms of the Financing Agreements are intended or implied and in all other respects, the terms of the Financing Agreements are confirmed.

8.2 Further Assurances

The parties hereto shall execute and deliver such supplemental documents and take such supplemental action as may be necessary or desirable to give effect to the provisions and purposes of this Agreement, all at the sole expense of the Credit Parties.

8.3 Binding Effect

This Agreement shall be binding upon and enure to the benefit of each of the parties hereto and its respective successors and permitted assigns.

8.4 Survival of Representations and Warranties

All representations and warranties made in this Agreement or any other document furnished in connection herewith shall survive the execution and delivery of this Agreement and such other document delivered in connection herewith, and no investigation by the Lender or any

closing shall affect the representations and warranties or the rights of the Lender to rely upon such representations and warranties.

8.5 Confidentiality

Each of the Credit Parties acknowledges and agrees that the Lender and its professional advisors shall be at liberty, in their sole discretion, to disclose any information obtained from the Credit Parties to any party or parties in order to recover amounts owed to the Lender by the Credit Parties.

8.6 Release

In consideration of the agreements of the Lender contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Credit Parties, on their behalf and on behalf of their successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably release, remise and forever discharge the Lender and each of its successors and assigns, participants, affiliates, subsidiaries, branches, divisions, predecessors, directors, officers, attorneys, employees, lenders and other representatives and advisors (the Lender and all such other persons being hereinafter referred to collectively as the "Releasees" and individually as a "Releasee"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defences, rights of set-off, demands and liabilities whatsoever (individually, a "Claim" and collectively, "Claims") of every name and nature, known or unknown, suspected or unsuspected, both arising at law and in equity, which the Credit Parties or any of their successors, assigns or other legal representatives may now own, hold, have or claim to have against the Releasees or any of them for, upon or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the day and date of this Agreement, including, without limitation, for or on account of, or in relation to or in any way in connection with, any of the Financing Agreements or transactions thereunder or related thereto.

8.7 No Novation

This Agreement will not discharge or constitute novation of any debt, obligation, covenant or agreement contained in the Credit Agreement or any of the Financing Agreements but the same shall remain in full force and effect save to the extent amended by this Agreement.

8.8 Notice

Without prejudice to any other method of giving notice, any notice required or permitted to be given to a party pursuant to this Agreement will be conclusively deemed to have been received by such party on the day of the sending of the notice by prepaid private courier to such party at its, his or her address noted below or by email at its, his or her email address noted below. Any party may change its, his or her address for service or address by notice given in the foregoing manner.

- (a) Notice to the Credit Parties shall be sent to:
c/o Nuotaka International Inc.

- 16 -

19 Mansion Ave.
Scarborough, ON MIL 1A5

Attention: Romona Keveza
Email: rkeveza@gmail.com

with a copy to:

Keyser Mason Ball LLP
900 - 3 Robert Speck Parkway
Mississauga, ON L4Z 2G5

Attention: Wojtek Jaskiewicz
Email: wjaskiewicz@kmbllaw.com

(b) Notice to the Lender shall be sent to:

TD Commercial Banking
Financial Restructuring Group
3140 Dufferin Street
Toronto, ON M6A 2S7

Attention: Peter Hanke and Amanda Bezner
Email: Peter.Hanke@td.com and Amanda.Bezner@td.com

with a copy to:

Aird & Berlis LLP
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Attention: Kyle Plunkett
Email: kplunkett@airdberlis.com

8.9 Binding and Enforceable Agreement

In order for this Agreement to be binding and enforceable, it shall be signed by the Credit Parties by no later than 4:00 p.m. (Toronto time) on **September 4, 2020**.

8.10 Execution in Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and which taken together will be deemed to constitute one and the same instrument. Counterparts may be executed either in original or portable document format (“PDF”) form and the parties adopt any signatures received by emailed PDF as original signatures of the parties, provided, however, that any party providing its signature in such manner will promptly forward to the other party an original of the signed copy of the Agreement which was so emailed.

8.11 No Set Off, etc.

The Credit Parties reaffirm that the Financing Agreements remain in full force and effect as amended hereby and acknowledge and agree that there is no defence, set off or counterclaim of any kind, nature or description to its obligations arising under the Financing Agreements as a result of the execution of this Agreement or otherwise.

8.12 Independent Legal Advice, etc.

Each of the Credit Parties acknowledges and declares that: (a) it has had an adequate opportunity to read and consider this Agreement and to obtain such advice in regard to it as it considers advisable, including, without limitation, independent legal advice; (b) it fully understands the nature and effect of this Agreement; and (c) this Agreement has been duly executed voluntarily.

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IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date first above mentioned.

THE TORONTO-DOMINION BANK

By: 
Name: Romona Keveza
Title: Account manager

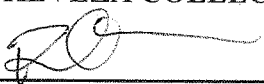
I have authority to bind the corporation.

NUOTAKA INTERNATIONAL INC.

By: 
Name: Romona Keveza
Title: Director


I have authority to bind the corporation.

ROMONA KEVEZA COLLECTION LLC

By: 
Name: Romona Keveza
Title: founder CEO

I have authority to bind the corporation.

ROMONA KEVEZA ONE ROCK LLC

By: 
Name: founder CEO
Title: Romona Keveza

I have authority to bind the corporation.


Witness VERONICA SACORUM


ROMONA KEVEZA

SCHEDULE "A"
GUARANTEES

1. Unlimited Guarantee from Romona Keveza regarding the obligations of the Borrower dated July 6, 2018.
2. Unlimited Guarantee from Romona Keveza Collection LLC regarding the obligations of the Borrower dated July 6, 2018.
3. Unlimited Guarantee from Romona Keveza One Rock LLC regarding the obligations of the Borrower dated July 6, 2018.

SCHEDULE "B"
SECURITY

1. General Security Agreement dated July 6, 2018, made by the Borrower in favour of the Lender.
2. US Security Agreement from Romona Keveza Collection LLC dated July 31, 2018.
3. US Security Agreement from Romona Keveza One Rock LLC dated July 31, 2018.
4. Assignment of Life Insurance on the life of Romona Keveza in the amount of \$1,500,000.00 from the Borrower dated July 31, 2018.
5. Assignment of Insurance from the Borrower dated July 6, 2018.
6. Assignment of Insurance from Romona Keveza 1 Rock LLC dated July 6, 2018.



(To be signed in duplicate and one copy filed with Insurance Company.)

#1050 _____ Branch

This Agreement made September month 24th day 2020 year

Between NUOTAKA INTERNATIONAL INC.
of the _____
in the _____
and Province of Ontario

(hereinafter called the "Assignor") OF THE FIRST PART;

and THE TORONTO-DOMINION BANK (hereinafter called the "Bank") OF THE SECOND PART;

and
(hereinafter called the Party of the Third Part)

OF THE THIRD PART.

WHEREAS the Assignor is indebted to and/or liable directly or indirectly to the Bank and the Bank may make such further advances to the Assignor or for which the Assignor will be liable as the Bank shall from time to time see fit and the Assignor and Party of the Third Part have, at the request of the Bank, agreed to execute these presents as a further continuing collateral security to the Bank for all present and future indebtedness and/or liability of the Assignor to the Bank:

NOW THEREFORE THIS AGREEMENT WITNESSETH for good and valuable consideration and the sum of One Dollar now paid by the Bank to each of the said Assignor and Party of the Third Part (the receipt of which is hereby by them acknowledged) they the said Assignor and Party of the Third Part have sold, assigned, transferred and set over and do by these presents sell, assign, transfer and set over to the Bank, its successors and assigns, all that certain policy of insurance

issued by Ivari
on the life of Ramona Keveza
and numbered 080830084
in the sum of \$ 1,500,000.00

and all the right, title, and interest of the Assignor and the Party of the Third Part and each of them in and to the said policy and all benefits and advantages in connection with said policy and all moneys now or which shall hereafter become due or payable thereunder including without limiting the generality of the foregoing all moneys that have heretofore become payable thereunder and are still held by the said Insurer for the Assignor and the Party of the Third Part, or any one or more of them, and accretions thereto and any prepaid premium or premiums or moneys paid to or deposited with the Insurer or other person to pay or provide for premiums thereon and interest thereon, and the benefit thereof and the right to receive any of such moneys not used or applied in payment of premiums.

AND IT IS AGREED between the undersigned and the Bank as follows:

(1) The said policy shall be held by the Bank as a general and continuing collateral security for the payment of all present and future indebtedness and/or liability, direct or indirect, and wheresoever or howsoever incurred, of the Assignor or any firm or firms of which the Assignor is or may be a member, to the Bank, and any ultimate unpaid balance thereof.

(2) So long as the Assignor is indebted or under any liability to the Bank the Bank may ask for, demand, sue for, recover and receive all moneys now due or payable or which may hereafter become due or payable under or by virtue of the said policy and give effectual receipts, releases and discharges therefor.

(3) The said Insurer shall not nor shall any other person interested be bound to enquire into the state of the account between the Bank and the said Assignor or to see to the application of any moneys paid in respect of the said policy.

(4) In case any dispute shall arise as to the amount due or payable under the terms of the said policy, the said Bank shall, so long as there exists any indebtedness or liability from the Assignor to the Bank, be at liberty in its discretion to compromise, settle and/or adjust any such dispute or compromise in such manner as the Bank shall see fit.

(5) The Assignor and the Party of the Third Part severally covenant with the Bank that the said policy of insurance is a good valid and subsisting policy according to the tenor and effect thereof, and that it has not been forfeited, assigned or otherwise disposed of or rendered void or voidable and that the only persons interested in the said policy in any way are the Assignor and the Party of the Third Part and that they have a good right and title and full power to assign the same to the Bank as herein set forth.

(6) The Assignor and the Party of the Third Part will from time to time do all such acts and execute all such documents as shall from time to time be reasonably required by the Bank to be done or executed by them and any of them to more effectually assign and transfer the said policy to the said Bank, according to the true intent and meaning of these presents.

(7) The Assignor agrees with the Bank that the Assignor will from time to time pay all premiums as and when such premiums shall become due and payable and do all other acts necessary to keep the said policy in force, and will produce the receipt for each payment of premium at least ten days before the last day for payment thereof.

(8) The Bank may, but shall not be bound to pay any premium or premiums upon the said policy, nor shall the Bank be responsible for any loss occasioned by non-payment of any premium notwithstanding the fact that the Bank may have paid some prior premium or premiums. All money so paid by the Bank for premiums shall be forthwith repayable to it by the Assignor, and until paid shall bear interest at the Bank's prime lending rate of interest established from time to time, and such premiums and interest shall be a charge upon the policy, and may at the option of the Bank be charged to the Assignor's account without prejudice to the rights of the Bank hereunder.

(9) If the Assignor shall make default in payment of any indebtedness or liability now or hereafter existing from the Assignor to the Bank or shall make default in performance of any covenant or agreement herein contained on the part of the Assignor to be observed or performed, then the Bank shall be at liberty, without any notice to the Assignor, the Party of the Third Part, or to any other person:

- (a) To sell and absolutely dispose of the said policy and the full benefit and advantage thereof at such price and upon such terms as the Bank shall see fit,
- (b) To surrender the said policy and receive such cash surrender value thereof as the Bank may be able to obtain,
- (c) At any time and from time to time to exercise any option or options given under the terms of the said policy,
- (d) To surrender the said policy for a paid up policy in the name of the Bank,
- (e) To surrender the said policy and accept in lieu thereof any other policy which the Bank may see fit to accept, such substituted policy to be in favor of the Bank, or of such other person as the Bank shall elect, or
- (f) To realize upon the said policy in such other manner as may seem to the Bank advisable.

(10) That in case the Bank shall accept as aforesaid any policy in lieu of or substitution for the said policy hereinbefore referred to, the said Bank shall have all the rights and remedies in respect of such substituted policy as it or they has or have under the terms hereof in respect of the said policy hereinbefore referred to.

(11) The Bank shall not be responsible for any loss which may be occasioned by the exercise of any powers herein contained or for the negligence of any solicitor or agent employed by it.

(12) The Bank may at any time and from time to time without in any way prejudicing or affecting the rights of the Bank hereunder take such further or other security or securities in respect of any indebtedness or liability or any part thereof for which this assignment is held as security as the Bank may deem proper and/or release, discharge, abandon, realize, modify, abstain from perfecting, take advantage of or otherwise deal with any such security or securities or any part thereof or with any security or any part thereof now held by the Bank all as the Bank may deem proper and accept or make any compositions or arrangements, grant extensions and indulgences or otherwise deal or fail to deal with the Assignor and/or any other person with respect to the said indebtedness or liability or any part thereof in such manner as the Bank may see fit.

(13) Each of the undersigned hereby irrevocably constitutes and appoints any officer or agent of the Bank the true and lawful attorney of each of the undersigned in the name, and on behalf of each of the undersigned from time to time, to endorse assign and transfer to the Bank, the said policy and any right, title, interest and benefit of each of the undersigned therein, and to sign, execute and deliver any document necessary to enable the Bank to obtain any moneys to be realized upon the said policy or payable thereunder.

(14) This agreement shall enure to the benefit of and be binding upon the parties hereto, their heirs, executors, administrators, successors and assigns respectively.

NUOTAKA INTERNATIONAL INC.



Signature

Name: Ramona Kaurza

Title: Director

Signature

Name: _____

Title: _____

Signature

Name: _____

Title: _____

Signature

Name: _____

Title: _____

Signature

Name: _____

Title: _____

DATED

(mm/dd/yyyy)

NUOTAKA INTERNATIONAL INC.

- TO -

THE TORONTO-DOMINION BANK

(#1050

Branch)

**Assignment of
Life Insurance Policy**

(with agreement as to powers of the Bank)



WAIVER

Export Development Canada ("EDC")
Ottawa, Ontario K1A 1K3
Canada

Institution: The Toronto-Dominion Bank

Obligor (Borrower): Nuotaka International Inc.

Re: EDC Guarantee(s)/Suretyship(s)

EDC may guarantee, in accordance with the terms of one or more EDC guarantee(s)/suretyship(s) (each an "EDC Guarantee/Suretyship", collectively "EDC Guarantees/Suretyships") payment to the Institution of amounts which the "Obligor" fails to pay pursuant to one or more agreements with the Institution (each a "Transaction Agreement", collectively "Transaction Agreements"). Each of the undersigned executed or may execute one or more guarantees/suretyships in favour of the Institution, guarantying certain obligations of the Obligor under the Transaction Agreements.

In consideration of EDC issuing the EDC Guarantees/Suretyships to the Institution and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the undersigned hereby:

- (a) **No discharge of Obligations:** acknowledges and agrees that the issuance by EDC of an EDC Guarantee/Suretyship in favour of the Institution and any payment by EDC to the Institution under such EDC Guarantee/Suretyship:
- i. is for the benefit of the Institution only and not for the benefit of the undersigned; and
 - ii. does not lessen, discharge or release it from its obligations to pay under any guarantee/suretyship it may execute in favour of the Institution.
- (b) **Contribution:** expressly waives the benefit of all privileges and rights based on law, equity, statute or contract, which now or may hereafter be available to it against EDC as co-guarantor or co-surety including, without limitation, any right it may have as surety to obtain contribution from EDC as a co-guarantor or a co-surety and if located in Quebec, expressly waives the benefit of all privileges and rights it may have against EDC as co-guarantor or as solidary or joint surety, including, without limitation, any action in subrogation or the personal right of action that the undersigned may have against EDC under articles 1651, 1656, 1659 and 2360 of the Civil Code of Quebec.
- (c) **Subrogation:** acknowledges and agrees that, following payment by EDC to the Institution under one or more EDC Guarantee/Suretyship:
- i. it will become liable to EDC under such EDC Guarantee/Suretyship it has executed in favour of the Institution, either by way of subrogation of EDC to the rights of the Institution or by way of assignment to EDC thereof; and
 - ii. it agrees to execute and deliver such documents and do such things as may be necessary or desirable for EDC to benefit from such subrogation and/or assignment.
- (d) **Disclosure:** acknowledges and agrees that:
- i. any obligation of EDC to maintain confidentiality shall be subject to the requirements of applicable law, regulation or legal process and Canada's and/or EDC's international commitments;
 - ii. EDC may disclose, following the signing of the Transaction Agreement(s), the following information: the name of the Institution, the EDC financial service provided and date of related agreement, a general description of the transactions/projects (including country), the amount of EDC support in an approximate dollar range and the name of the Obligor; and
 - iii. the Institution may disclose to EDC of any information of the undersigned, confidential or otherwise, including, without limitation, credit information, financial statements (audited and unaudited), payment history, business plans, business history and business organization.
- (e) **Independent Legal Advice:** understands the nature and effect of, and agrees to be bound by, the terms of this Waiver as set forth above, and has either obtained **independent legal advice** in relation to this Waiver, or hereby waives such right.

The parties to this agreement have expressly requested that it be drawn up in English. Les parties ont expressément demandé que cette entente soit rédigée en anglais.

This Waiver may be executed in any number of counterparts, and all the counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF each of the undersigned have signed and delivered this Waiver.

Guarantor/Surety Name: Romona Keveza One Rock LLC

Guarantor/Surety Name: _____

Signature: _____

Signature: _____

I have the authority to bind the Guarantor/Surety

I have the authority to bind the Guarantor/Surety

Name (Print): Romona Keveza

Name (Print): _____

Date: Sept 4

Date: _____

GUARANTY

Date of Agreement: _____, 2020

BORROWER: NUOTAKA INTERNATIONAL INC.

GUARANTOR: ROMONA KEVEZA ONE ROCK LLC

LENDER: THE TORONTO-DOMINION BANK

1. GUARANTY.

The Guarantor unconditionally guarantees the full and punctual payment when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, of all obligations of the Borrower now or hereafter existing with respect to any credit or loan agreement, guaranty, letter of credit, overdraft or any other financial accommodation existing between the Borrower and the Lender, whether for principal, interest, fees, expenses, or otherwise (including any interest accruing thereon after maturity, or after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding relating to any Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), and all obligations of the Guarantor now or hereafter existing under this Guaranty, whether for principal, interest, fees, expenses, indemnities or otherwise (such obligations being the "Guaranteed Obligations", and any related agreements or instruments being the "Guaranteed Agreements"), and agrees to pay any and all expenses (including counsel fees and expenses) incurred by the Lender in enforcing any rights under this guaranty agreement (this "Guaranty"). This Guaranty constitutes a guaranty of payment when due and not of collection, and the Guarantor specifically agrees that it shall not be necessary or required that the Lender exercise any right, assert any claim or demand or enforce any remedy whatsoever against the Borrower or any other person before or as a condition to the obligations of the Guarantor hereunder.

2. ACCELERATION OF GUARANTY.

The Guarantor agrees that, in the event of the dissolution or insolvency of the Borrower or the Guaranty, or the inability of the Borrower or the Guarantor to pay debts as they become due, or an assignment by the Borrower or the Guarantor for the benefit of creditors, or the commencement of any case or proceeding in respect of the Borrower or the Guarantor under any bankruptcy, insolvency or similar laws, and if such event shall occur at a time when any of the Guaranteed Obligations may not then be due and payable, the Guarantor will pay to the Lender forthwith the full amount which would be payable hereunder by the Guarantor if all such Guaranteed Obligations were then due and payable.

3. GUARANTY ABSOLUTE.

The Guarantor guarantees that the Guaranteed Obligations will be paid when due or strictly in accordance with the terms of the applicable Guaranteed Agreement(s), regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Lender with respect thereto. The liability of the Guarantor

under this Guaranty shall be absolute and unconditional irrespective of:

- (a) any lack of validity or enforceability of the Guaranteed Agreement(s);
- (b) the failure of the Lender (i) to assert any claim or demand or to enforce any right or remedy against the Borrower or any other person (including any other guarantor) under the provisions of any Guaranteed Agreement, or (ii) to exercise any right or remedy against any other guarantor (including the Guarantor) of, or collateral securing, any Guaranteed Obligation;
- (c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to departure from any of the terms of the Guaranteed Agreement(s);
- (d) any reduction, limitation, impairment or termination of any Guaranteed Obligations for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to (and the Guarantor hereby waives any right to or claim of) any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, any Guaranteed Obligations or otherwise;
- (e) any addition, exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations;
- (f) any failure of the Lender to disclose to Guarantor any information relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of Borrower or any other loan party now or hereafter known to the Lender (the Guarantor waiving any duty on the part of the Lender to disclose such information). Guarantor hereby assumes responsibility for keeping itself informed of the financial condition of Borrower and other loan party, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations; or
- (g) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Borrower or any guarantor. This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by the Borrower upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all

as though such payment had not been made. The Lender at any time and from time to time, without notice to or the consent of any Guarantor, and without impairing or releasing, discharging or modifying the Guarantors' liabilities hereunder, may (a) apply any and all payments by whomever paid or however realized including any proceeds of any collateral, to any Guaranteed Obligations in such order, manner and amount as the Secured Parties may determine in their sole discretion, (b) substitute, exchange or release any security or guaranty; or (c) take such actions and exercise such remedies hereunder as provided herein.

4. WAIVER.

The Guarantor waives promptness, diligence, notice of acceptance, notice of extensions of credit to Borrower, presentment, notice of dishonor, protest, demand for payment, and any defense based upon the Lender's failure to comply with the notice requirement under applicable law and any other notice with respect to any of the Guaranteed Obligations and this Guaranty and any requirement that the Lender protect, secure, perfect or insure any security interest or lien or any property subject thereto or exhaust any right or take any action against the Lender or any other person or entity or any collateral. Guarantor waives all defenses based on suretyship or impairment of collateral.

Without limiting any of the foregoing, Guarantor waives, to the maximum extent permitted by law, (a) all rights and defenses arising out of an election of remedies by the Lender, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for a guaranteed obligation, has destroyed the Guarantor's rights of subrogation and reimbursement against any Borrower, any other loan party or any other person under any applicable law and (b) all rights and defenses that the Guarantor may have because the Guaranteed Obligations are or become secured by real property, which means, among other things: (i) the Lender may collect from the Guarantor without first foreclosing on any real property collateral or personal property collateral pledged by any loan party or any other person and (ii) if Lender forecloses on any real property pledged by any loan party or any other person: (A) the amount of the Guaranteed Obligations may be reduced only by the price for which such real property is sold at the foreclosure sale, even if such real property is worth more than the sale price; and (B) the Lender may collect from the Guarantor even if the Lender, by foreclosing on such real property, have destroyed any right the Guarantor may have to collect from any loan party or any other person. The foregoing is an unconditional and irrevocable waiver of any rights and defenses such Guarantor may have because the Guaranteed Obligations are secured by real property

GUARANTOR EXPRESSLY WAIVES THE EFFECT OF ANY STATUTE OF LIMITATIONS OR OTHER LIMITATIONS ON ANY ACTIONS UNDER THIS GUARANTY.

Guarantor acknowledges that it will receive substantial direct and indirect benefits from the financing arrangements contemplated by any related security agreement, instrument or agreement and that the waivers set forth herein are knowingly made in contemplation of such benefits.

5. SUBROGATION; LIMITATION.

The Guarantor hereby agrees that it will not exercise any rights which it may acquire by way of rights of subrogation under this Guaranty, by any payment made hereunder or otherwise, until the prior payment in full in cash of all Guaranteed Obligations and the termination of all commitments of the Lender under the Guaranteed Agreement(s). Any amount paid to the Guarantor on account of any such subrogation rights prior to the payment in full in cash of all Guaranteed Obligations shall be held in trust for the benefit of the Lender and shall immediately be paid to the Lender and credited and applied against the Guaranteed Obligations, whether matured or unmatured.

In furtherance of the foregoing, for so long as any Guaranteed Obligations or any commitments of the Lender under any Guaranteed Agreement(s) remain outstanding, the Guarantor shall refrain from taking any action or commencing any proceeding against the Borrower (or any of its successors or assigns, whether in connection with a bankruptcy proceeding or otherwise) to recover any amount in respect of any payment made under this Guaranty to the Lender.

Notwithstanding any other provision of this Guaranty, to the extent that any mandatory and non-waivable provision of applicable law pertaining to fraudulent transfer or fraudulent conveyance would otherwise render the full amount of the obligations of the Guarantor hereunder avoidable, invalid or unenforceable, the obligations of the Guarantor hereunder shall be limited to the maximum amount which does not result in such avoidability, invalidity, unenforceability or violation.

6. CONTINUING GUARANTY; TRANSFER OF GUARANTEED AGREEMENT(S).

This Guaranty is a continuing guaranty and shall (i) remain in full force and effect until payment in full in cash of the Guaranteed Obligations and all other amounts payable under this Guaranty and termination of all commitments of the Lender under the Guaranteed Agreement(s), (ii) be binding upon the Guarantor, its respective successors and assigns, and (iii) inure to the benefit of and be enforceable by the Lender and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (iii), the Lender may assign or otherwise transfer the Guaranteed Agreement(s) to any other person or entity, and such other person or entity shall thereupon become vested with all the rights in respect thereof granted to the Lender herein or otherwise.

7. REPRESENTATIONS AND WARRANTIES.

The Guarantor represents and warrants as of the date of each advance of funds to the Borrower under the Guaranteed Agreement(s):

- (a) **Corporate Organization, etc.** The Guarantor is (i) a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, (ii) duly qualified to do business, and (iii) in good standing as a foreign corporation in each jurisdiction where the nature of its business requires such qualification.
- (b) **Due Authorization.** The execution, delivery and performance of this Guaranty are within the corporate powers of the Guarantor, have been duly authorized by all necessary corporate action, and do not contravene (i) the

organizational documents of the Guarantor, (ii) any applicable law, rule or regulation, or (iii) any contractual restriction binding on or affecting the Guarantor or its respective properties and subsidiaries.

- (c) **No Governmental Approvals.** No authorization or approval (including exchange control approval) or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Guarantor of this Guaranty.
- (d) **Valid, Legal and Binding Obligation.** This Guaranty is the Guarantor's legal, valid and binding obligation, enforceable against the Guarantor in accordance with its terms.
- (e) **Material Adverse Change.** As of the date of the making of each extension of credit by the Lender to the Borrower, the Guarantor represents that since the date of the most recent audited annual financial statements of the Guarantor, there has been no event or condition which, individually or in the aggregate, would have a material adverse effect on (i) the business, assets, operations or financial condition of the Guarantor; (ii) the ability of the Guarantor or any guarantor to pay or perform its obligations under this Guaranty or any related guaranty or collateral agreement; (iii) the rights and remedies of the Lender under this Guaranty or any related guaranty or security agreement, instrument or agreement or (iv) the value of any Collateral (as defined in the applicable security agreement, if any).
- (f) **Additional Representations and Warranties.** Any additional representations and warranties set forth in the facility letter dated August 16, 2019, among Blue Streak Electronics Inc. and the Lender (as may be amended, restated, supplemented, replaced or otherwise altered, from time to time, the "Facility Letter").

8. POSITIVE COVENANTS OF THE GUARANTOR.

- (a) **Other Credit Arrangements.** The Guarantor will notify the Lender of any change in the amount and/or the terms of any credit agreement made with any other lender or any action taken by another lender to recover amounts owing to such other lender.
- (b) **Maintain Corporate Status, Etc.** The Guarantor will (i) maintain its status as a corporation duly organized, validly existing and in good standing in the jurisdiction of its incorporation, and (ii) remain duly qualified to do business and in good standing as a foreign corporation in each jurisdiction where the nature of its business requires such qualification.
- (c) **Maintain Property.** The Guarantor will maintain and preserve all of the Guarantor's properties which are used or useful in the conduct of the Guarantor's business in good working order and condition, ordinary wear and tear excepted.
- (d) **Maintain Insurance.** The Guarantor will maintain insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the

same general areas in which the Guarantor operates; and furnish to the Lender, upon the Lender's request, copies of such policies.

- (e) **Ranking of Obligations.** The Guarantor will take all necessary actions to ensure that its obligations hereunder not be subordinated to any other indebtedness of the Guarantor.
- (f) **Compliance with Laws.** The Guarantor will comply in all material respects with all applicable laws, rules, regulations and orders (including environmental laws), such compliance to include paying before the same become delinquent, all taxes, assessments and governmental charges imposed upon the properties of the Guarantor, except to the extent contested in good faith and by appropriate proceedings promptly instituted and diligently pursued.
- (g) **Business Records.** The Guarantor will permit the Lender or its authorized representative to have full and reasonable access to its premises, its business, financial and computer records and allow the duplication or extraction of pertinent information therefrom.
- (h) **Additional Positive Covenants.** Any additional positive covenants set forth in the Facility Letter.

9. NEGATIVE COVENANTS OF THE GUARANTOR.

- (a) **Limitation on Liens.** The Guarantor shall not create or suffer to exist, or permit any subsidiary to create or suffer to exist, any lien, security interest or other charge or encumbrance, or any other type of preferential arrangement, upon or with respect to any of the consolidated properties, whether now owned or hereafter acquired, or assign, or permit any of its subsidiaries to assign, any right to receive income, in each case to secure or provide for the payment of any obligation of any person, other than
 - (i) purchase money liens or purchase money security interests upon or in any property acquired or held by the Guarantor or any of its subsidiaries in the ordinary course of business to secure the purchase price of such property or to secure indebtedness incurred solely for the purpose of financing the acquisition of such property;
 - (ii) liens arising by law or in the ordinary course of business in the nature of warehouseman's liens, supplier's liens, and the like, and which do not in the aggregate have a material adverse effect on (A) the business, assets, operations or financial condition of the Guarantor; (B) the ability of the Guarantor or any guarantor to pay or perform its obligations under this Guaranty or any related guaranty or collateral agreement; (C) the rights and remedies of the Lender under this Guaranty or any related guaranty or security agreement, instrument or agreement or (D) the value of any Collateral (as defined in the applicable security agreement, if any);
 - (iii) liens or security interests existing on such property at the time of its acquisition (other than any such lien or security interest created in contemplation of such acquisition);

(iv) other liens set forth in the Permitted Liens (as defined in the Facility Letter) in the Facility Letter.

- (b) **Disposition of Assets.** The Guarantor will not sell, lease, assign, transfer, convey or otherwise dispose of, or permit any subsidiary to sell, lease, assign, transfer, convey or otherwise dispose of, any of its assets, other than inventory disposed of in the ordinary course of business and equipment which is obsolete or not economically viable.
- (c) **Limitations on Mergers and Consolidations.** The Guarantor will not merge or consolidate with or into any corporation or other entity, or permit any of its subsidiaries to do so.
- (d) **Additional Negative Covenants.** Any additional negative covenants set forth in the Facility Letter.

10. REPORTING REQUIREMENTS.

In addition to the reporting requirements set forth in the facility letter dated August 19, 2019 (as amended, restated or supplemented from time to time, the "Facility Letter"), the Guarantor shall furnish the following reports and information to the Lender:

- (a) **Events of Default and Material Adverse Events.** The Guarantor will promptly notify the Lender of
 - (i) the occurrence of each Event of Default (as defined in the applicable Guaranteed Agreement) and each event which, with the giving of notice or lapse of time, or both, would constitute an Event of Default (as defined in the applicable Guaranteed Agreement), continuing on the date of such statement, a statement of the Guarantor's chief financial officer setting forth details of such Event of Default or other event and the action which the Guarantor has taken and proposes to take with respect thereto, and
 - (ii) any event or condition which, individually or in the aggregate, would have a material adverse effect on (A) the business, assets, operations or financial condition of the Guarantor; (B) the ability of the Guarantor or any guarantor to pay or perform its obligations under this Guaranty or any related guaranty or collateral agreement; (C) the rights and remedies of the Lender under this Guaranty or any related guaranty or security agreement, instrument or agreement or (D) the value of any Collateral (as defined in the applicable security agreement, if any).
- (b) **ERISA Reports.** At the request of the Lender, the Guarantor will provide, promptly after the filing or receiving thereof, copies of all reports and notices which the Guarantor or any of its subsidiaries files under the Employees Retirement Income Security Act of 1974, as amended, with the Internal Revenue Service or the Pension Benefit Guaranty Corporation or the U.S. Department of Labor or which the Guarantor or any of its subsidiaries receives from such Corporation or any other government agency.
- (c) **Environmental Audit.** At the request of the Lender, the Guarantor will cause to be prepared, at the Guarantor's expense, an environmental audit satisfactory in scope and substance to the Lender.
- (d) **Other Information.** Such other information respecting the condition or operations, financial or otherwise, of the

Guarantor or any of its subsidiaries as the Lender may from time to time reasonably request.

- (e) **Additional Reporting Requirements.** Any additional reporting requirements set forth in the Facility Letter.

11. TAXES.

- (a) **Payments Free and Clear of Taxes.** All payments by the Guarantor under this Guaranty shall be made free and clear of and without deduction for any present or future taxes, deductions, charges or withholdings or other charges of any nature whatsoever imposed by any taxing authority, other than taxes on net income and franchise taxes of the United States and any political subdivision thereof (such non-excluded items being hereinafter referred to as "Taxes"). If any withholding or deduction from any payment to be made by the Guarantor under this Guaranty is required in respect of any Taxes pursuant to any applicable law, rule or regulation, (i) the sum payable hereunder will be increased so that after making all required deductions the Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Guarantor will make such deductions, and (iii) the Guarantor will pay the full amount deducted to the relevant taxation authority in accordance with applicable law.
- (b) **Copies of Receipts.** Within 30 days after the date of any payment of Taxes, the Guarantor will furnish to the Lender the original or a certified copy of a receipt evidencing payment thereof.
- (c) **Survival.** Without prejudice to the survival of any other agreement of the Guarantor under this Guaranty, the agreements and obligations of the Guarantor contained in subsections (a) and (b) of this Section 11 shall survive the payment in full of principal and interest hereunder and under any instrument delivered in connection with this Guaranty.

12. SUBMISSION TO JURISDICTION; PROCESS AGENT; WAIVER OF JURY TRIAL.

- (a) **Submission to Jurisdiction.** The Guarantor hereby expressly and irrevocably submit to the jurisdiction of the courts of the State of New York, and of the United States District Court for the Southern District of New York, in each case located in New York county of the State of New York, for the purpose of any litigation based hereon, or arising out of, under, or in connection with, this Guaranty, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of any secured party or any guarantor relating thereto, and irrevocably agrees to be bound by any judgment rendered thereby in connection with such litigation. The Guarantor hereby expressly and irrevocably waives, to the fullest extent permitted by law, any objection which any of them may have or hereafter may have to the laying of venue of any such litigation brought in any such court referred to above and any claim that any such litigation has been brought in an inconvenient forum. To the extent that the Guarantor has or hereafter may acquire any immunity from jurisdiction of any court of from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution or otherwise) with respect to itself or

its property, the Guarantor hereby irrevocably waives (to the extent permitted under applicable law) such immunity in respect of its obligations under this Guaranty and the other Guaranteed Agreement(s).

- (b) **Appointment of Process Agent.** If the Borrower has appointed a Process Agent, the Process Agent may receive on behalf of the Borrower and its property service of copies of the summons and complaint and any other process which may be served in any such action or proceeding. The Process Agent may receive on behalf of the Guarantor and its property service of copies of the summons and complaint and any other process which may be served in any such action or proceeding. Such service may be made by mailing or delivering a copy of such process to the Guarantor in care of the Process Agent at the Process Agent's address, and the Guarantor irrevocably authorizes and directs the Process Agent to accept such service on the Guarantor's behalf. As an alternative method of service, the Guarantor also irrevocably consents to the service of any and all process in any such action or proceeding by the mailing of copies of such process to the Guarantor at its address specified in the Lender's records.
- (c) **Other Service of Process.** Nothing in this Guaranty shall affect the right of the Lender to serve legal process in any other manner permitted by law or affect the right of the Lender to bring any action or proceeding against the Guarantor or the Guarantor's property in the courts of any other jurisdiction.
- (d) **WAIVER OF JURY TRIAL.** THE GUARANTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS GUARANTY OR ANY RELATED DOCUMENT OR TRANSACTION, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE LENDER OR THE GUARANTOR RELATING THERETO. THE GUARANTOR ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION (AND EACH OTHER PROVISION OF EACH OTHER RELATED DOCUMENT TO WHICH SUCH PERSON IS A PARTY) AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER ENTERING INTO THIS GUARANTY AND EACH OTHER RELATED AGREEMENT.

Guarantor acknowledges that it has read and understood all the provisions of this Guaranty, including the waiver of jury trial, and has been advised by counsel as necessary or appropriate.

13. ADDRESS FOR NOTICES.

All notices and other communications provided for hereunder shall be in writing (including communication by fax) and, if to

16. SIGNATURE.

the Guarantor, delivered to the Guarantor at the address indicated on the signature page of this Guaranty and, if to the Lender, delivered to the Lender at the Lender's address as indicated on the signature page of the Facility Letter or, as to each party, at such other address as shall be designated in a written notice by such party to the other party.

14. GOVERNING LAW.

This Guaranty shall be governed by, and construed in accordance with, the internal laws of the State of New York (including Sections 5-1401 and 5-1402 of the General Obligations Law of the State of New York).

15. MISCELLANEOUS.

- (a) **Costs and Expenses; Indemnity.** The Guarantor will pay on demand all costs, expenses and taxes in connection with the preparation, execution, delivery, ongoing administration and enforcement of this Guaranty, including, without limitation, the reasonable attorneys' fees and out-of-pocket expenses of the Lender. The Guarantor agrees to indemnify the Lender from and against any and all claims, losses and liabilities arising or resulting from this Guaranty, except claims, losses or liabilities resulting from the Lender's gross negligence or willful misconduct.
- (b) **Severability.** Any provision of this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Guaranty or affecting the validity or enforceability of such provision in any other jurisdiction.
- (c) **Delay.** No delay in enforcing the Lender's rights will affect the Guarantor's obligations under this Guaranty.
- (d) **Date.** If this Guaranty is not dated when signed by the Guarantor, the Guarantor authorizes the Lender to date this Guaranty.
- (e) **Integration.** This Guaranty supersedes all other agreements, written or oral, between the parties hereto relating to the same subject matter.
- (f) **Amendments and Modifications.** Any amendment or modification to this Guaranty shall be in writing and executed by each of the parties to this Guaranty.
- (g) **Counterparts.** This Guaranty may be executed in any number of and by different parties hereto on separate counterparts, all of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile or other similar method of electronic transmission shall be deemed to be an original signature hereto.

By signing below, the Lender and the Guarantor agree to be bound by the terms and conditions of this Guaranty.

[Signature Page Follows]

THE TORONTO-DOMINION BANK

By: X _____

Name: _____

Title: _____

Address: 3140 Dufferin Street
Toronto, Ontario M6A 2T1

Attention: Peter Hanke

**ROMONA KEVEZA ONE ROCK LLC,
a New York corporation**

By: X RLK _____

Name: Romona Keveza _____

Title: Founder & CEO _____

By: X _____

Name: _____

Title: _____

Address: _____

Attn: _____

Phone: _____

Fax: _____

41112337.2

SCHEDULE "C"
FORM OF ASSIGNMENT OF LIFE INSURANCE

[See attached form]

40864704.5

THIS IS **EXHIBIT "C"** REFERRED TO IN THE
AFFIDAVIT OF ROMONA KEVEZA SWORN BEFORE
ME, THIS 9TH DAY OF MARCH, 2021



A COMMISSIONER FOR TAKING AFFIDAVITS

AIRD BERLIS

Kyle Plunkett
Direct: 416.865.3406
E-mail: kplunkett@airdberlis.com

February 1, 2021

DELIVERED BY REGULAR MAIL, REGISTERED MAIL AND EMAIL (rkeveza@gmail.com)

Nuotaka International Inc.

219 Dufferin St.
Toronto, ON M6K 3J1

Attention: Romona Keveza

Dear Ms. Keveza:

RE: The Toronto-Dominion Bank (“TD Bank”) loans to Nuotaka International Inc. (the “Debtor”), as guaranteed by each of Romona Keveza Collection LLC (“Collection LLC”), Romona Keveza One Rock LLC (“One Rock LLC”) and Romona Keveza (“Romona” and together with the Debtor, Collection LLC and One Rock LLC, the “Credit Parties”)

We are the lawyers for TD Bank in connection with its lending arrangements with the Debtor.

The Debtor is indebted to TD Bank with respect to certain credit facilities (the “**Credit Facilities**”) made available by TD Bank to the Debtor pursuant to and under the terms of a letter agreement between TD Bank and the Debtor dated May 28, 2018, as amended by amending letters dated July 26, 2018, February 22, 2019, August 1, 2019, and December 12, 2019 (as further amended, replaced, restated or supplemented from time to time, the “**Credit Agreement**”).

On September 3, 2020, the Credit Parties and TD Bank entered into an accommodation agreement dated September 3, 2020 (as amended and extended from time to time, the “**Forbearance Agreement**”). All capitalized terms used but not defined herein shall have the meanings given to such terms in the Forbearance Agreement.

Pursuant to the Forbearance Agreement, despite certain events of default having occurred under the Credit Agreement, TD Bank agreed to forbear from exercising its rights and remedies thereunder until the earlier of: (a) January 31, 2021; and (b) the occurrence of an Intervening Event.

The Forbearance Period has now expired. One or more Intervening Event has occurred under the Forbearance Agreement, including, without limitation:

- a) the Debtor has failed to indefeasibly repay TD Bank, in full, by the end of the Forbearance Period;
- b) the Debtor, Collection LLC and One Rock LLC failing to maintain, on a combined basis, a Total Liabilities to Tangible Net Worth Ratio of 4:1 for the fiscal year ended December 31, 2019 as calculated pursuant to the Credit Agreement;

- c) the Debtor, Collection LLC and One Rock LLC failing to maintain, on a combined basis, a Debt Service Coverage Ratio of not less than 120% for the fiscal year ended December 31, 2019 as calculated pursuant to the Credit Agreement;
- d) the Debtor failing to deliver to TD Bank updated variance reports setting out actuals versus projections for various periods; and
- e) as part of the Forbearance Agreement, the Credit Parties previously acknowledged and confirmed certain events of default, none of which were waived by TD Bank.

As at January 29, 2021, the following amounts are owing to TD Bank for principal, interest, costs and fees pursuant to the Credit Facilities, the Credit Agreement and the Forbearance Agreement:

Nuotaka International Inc.	Indebtedness
Facility #1 – Operating Loan	\$2,328,165.56
Facility #2 – Term Facility	\$260,413.26
TD Business VISA Facility	\$55,946.15
Accommodation Extension Fee	\$2,000.00
Export Development Canada Amendment Fee	\$1,600.00
Consulting Fees	\$29,945.00
Legal Fees	\$24,399.36
Total	\$2,702,469.33

All Credit Facilities except for the Term Loan are due on demand. On behalf of TD Bank, we hereby make formal demand for payment of **\$2,702,469.33**, together with accruing interest and any and all costs and expenses (including, without limitation, any additional legal and other professional fees) incurred by TD Bank (collectively, the “**Indebtedness**”). Payment is required to be made immediately. Interest continues to accrue on the Indebtedness at the rates established by the Credit Agreement and any other agreement, as applicable.

The Indebtedness and other obligations of the Debtor under the Credit Agreement are secured by, *inter alia*, a general security agreement granted by the Debtor dated July 6, 2018, which grants TD Bank, amongst other things, a security interest in any of and all of the Debtor’s property, assets and undertakings.


If payment of the Indebtedness is not received forthwith, TD Bank shall take whatever steps it considers necessary or appropriate to collect and recover the amounts owing to it, including, without limitation, steps to appoint an interim receiver, receiver or receiver and/or manager of the Debtor, in which case TD Bank will also be seeking all costs incurred in so doing.

On behalf of TD Bank, we also enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA Notice**”).

TD Bank hereby reserves its rights to initiate proceedings within the ten (10) day period set out in the BIA Notice, if circumstances warrant such proceedings.

Yours truly,

AIRD & BERLIS LLP

A handwritten signature in black ink, appearing to read 'Kyle Plunkett', written over a horizontal line.

Kyle Plunkett

KP/dl

Encl.

cc: Client
Wojtek Jaskiewicz, Keyser Mason Ball, LLP (wjaskiewicz@kmblaw.com)

NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))

DELIVERED BY REGULAR MAIL, REGISTERED MAIL, AND EMAIL (rkeveza@gmail.com)

TO: **Nuotaka International Inc.**
 219 Dufferin St.
 Toronto, ON M6K 3J1
Attention: Romona Keveza

insolvent company / person

TAKE NOTICE that:

1. The Toronto-Dominion Bank ("**TD Bank**"), a secured creditor, intends to enforce its security on the property, assets and undertakings of Nuotaka International Inc. (the "**Debtor**"), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal property interests of the Debtor.
2. The security (the "**Security**") that is to be enforced is in the form of, *inter alia*, a general security agreement between the Debtor and TD Bank dated July 6, 2018, which grants TD Bank, amongst other things, a security interest in any of and all of the Debtor's property, assets and undertakings.
3. As at January 29, 2021, the total amount of the indebtedness secured by the Security is the sum of **\$2,702,469.33** in principal and interest, plus accruing interest and recovery costs of TD Bank (including, without limitation, TD Bank's legal and other professional fees).
4. TD Bank will not have the right to enforce the Security until after the expiry of the ten (10) day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

DATED at Toronto this 1st day of February, 2021.

THE TORONTO-DOMINION BANK
 by its lawyers, **Aird & Berlis LLP**

Per:



Kyle Plunkett

Brookfield Place, Suite 1800
 181 Bay Street, Box 754
 Toronto, ON M5J 2T9
 Tel: 416-863-1500
 Fax: 416-863-1515

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

056

Court File No. 31-2711340
Estate No. 31-2711340

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF NUOTAKA INTERNATIONAL INC. OF THE CITY OF
TORONTO IN THE PROVINCE OF ONTARIO**

ONTARIO
**SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AN INSOLVENCY
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

AFFIDAVIT OF ROMONA KEVAZA

WEISZ FELL KOUR LLP
100 King Street West, Suite 5600
Toronto, ON M5X 1C9

Caitlin Fell
LSO No. 60091H
cfell@wfkllaw.ca
Tel: 416.613.8282

Shaun Parsons
LSO No. 81240A
sparsons@wfkllaw.ca
Tel: 416.613.8284

Fax: 416.613.8290

Lawyers for Nuotaka International Inc.

TAB 3

Court File No. 31-2711340
Estate No. 31-2711340

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE PROPOSAL OF
NUOTAKA INTERNATIONAL INC.
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO

FIRST REPORT TO COURT OF PROPOSAL TRUSTEE

DATED MARCH 9, 2021

INTRODUCTION

1. On February 10, 2021, Nuotaka International Inc. (the "**Debtor**") filed with the Official Receiver a Notice of Intention to Make a Proposal ("**NOI**") to its creditors and named Dodick Landau Inc. as Proposal Trustee (the "**Proposal Trustee**"). Attached as **Appendix "A"** is the Certificate of Filing of the NOI for the Debtor.
2. A detailed overview of the Debtor's business operations, corporate structure and financial difficulties which led to the filing of the NOI is set out in the Affidavit of Romona Keveza sworn March 9, 2021 (the "**Keveza Affidavit**"), served and filed with the Court in support of the Debtor's motion for the relief set out herein.
3. All capitalized terms used in this Report but not otherwise defined shall have the meaning ascribed to such terms in the Keveza Affidavit.
4. This first report (the "**Report**") of the Proposal Trustee is made in connection with the motion of the Debtor to:
 - i. abridge the time for service of the Notice of Motion, the Motion Record and this Report and validates the manner of service; and

- ii. extend the time for filing a proposal, and extend the stay of proceedings granted upon the filing of the NOI for a period of 45-days to, and including, April 26, 2021.

DISCLAIMER

- 5. In preparing this Report, the Proposal Trustee has relied upon certain unaudited, draft and/or internal financial information, the Company's books and records, discussions with the management of the Company ("**Management**") and information from other third-party sources (collectively, the "**Information**"). Except as described in this Report:
 - i. the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance in respect of the Information;
 - ii. some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants handbook, has not been performed; and
 - iii. the Proposal Trustee has prepared this Report in its capacity as a Court appointed officer for purposes of the Company's motion returnable March 11, 2021. Parties using this Report, other than for the purpose of the motion, are cautioned that it may not be appropriate for their purposes.
- 6. Future oriented financial information referred to in this Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
- 7. Unless otherwise stated, all monetary amounts contained herein are in Canadian dollars.

EXTENSION OF STAY OF PROCEEDINGS

8. The Debtor is seeking an extension of the time for the filing of the proposal to and including April 26, 2021 for a total of 45 days.
9. The stay extension is required to provide the Debtor with the necessary time to restructure its business.
10. The Proposal Trustee is of the view that the Debtor is acting in good faith and with due diligence in formulating and implementing a restructuring plan that would preserve its business and assets for the benefit of its stakeholders. Without the extension, the Debtor is not in a position to 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. If the extension applied for is granted, the Debtor would likely be able to make a viable proposal to its creditors.

OVERVIEW OF THE DEBTOR'S WEEKLY CASH FLOW FORECAST

11. The Debtor, with the assistance of the Proposal Trustee, has prepared a thirteen-week cash flow forecast for the period of February 14, 2021 to May 14, 2021 ("**Cash Flow Forecast**"). A copy of the Cash Flow Forecast is attached hereto as **Appendix "B"** to this Report. The Cash Flow Forecast has been prepared by Management of the Debtor for the purpose of this motion, using probable and hypothetical assumptions set out in notes 1 to 10 attached to the Cash Flow Forecast. The Cash Flow Forecast reflects receipts and disbursements to be received or paid over the thirteen-week forecast period in Canadian dollars.
12. The Cash Flow Forecast projects that the Debtor will have sufficient liquidity to fund its expenses and the Proposal proceeding throughout the proposed extension of the stay of proceedings.
13. The Proposal Trustee's review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussion related to information supplied to the Proposal Trustee by certain of the Management and employees of the Debtor. Since hypothetical

assumptions need not be supported, the Proposal Trustee's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. The Proposal Trustee has also reviewed the support provided by Management of the Debtor for the probable assumptions, and the preparation and presentation of the Cash Flow Forecast.

14. Based on the Proposal Trustee's review, nothing has come to its attention to cause it to believe that, in all material respects:
 - i. the hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;
 - ii. as at the date of this Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Debtor or do not provide a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions; or
 - iii. the Cash Flow Forecast does not reflect the probable and hypothetical Assumptions.
15. As described in the Disclaimer above, since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented, even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Proposal Trustee expresses no assurance as to whether the Cash Flow Forecast will be achieved. In addition, the Proposal Trustee expresses no opinion or other form of assurance with respect to the accuracy of financial information presented in the Cash Flow Forecast.
16. The Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

CONCLUSION AND RECOMMENDATION

17. The Proposal Trustee is of the view that granting the stay extension, will allow the Debtor sufficient time to restructure its business.

18. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief being requested by the Debtor pursuant to the BIA.

All of which is respectfully submitted this 9th day of March 2021.

DODICK LANDAU INC.

In its capacity as the Proposal Trustee of
Nuotaka International Inc.
and not in its personal or corporate capacity.

Per:



Rahn Dodick, CA, CPA, CIRP, LIT
President

APPENDIX "A"



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2711340
Estate No. 31-2711340

In the Matter of the Notice of Intention to make a
proposal of:

Nuotaka International Inc.
Insolvent Person
DODICK LANDAU INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: February 10, 2021

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

E-File/Dépôt Electronique

Date: February 11, 2021, 07:31

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

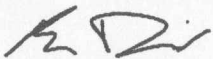
APPENDIX "B"

Nuotaka International Inc.
Weekly Cash Flow Forecast
For the period from February 13, 2021 to May 14, 2021

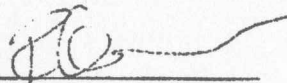
Week Ending	Notes	19-Feb-21	26-Feb-21	5-Mar-21	12-Mar-21	19-Mar-21	26-Mar-21	2-Apr-21	9-Apr-21	16-Apr-21	23-Apr-21	30-Apr-21	7-May-21	14-May-21	TOTAL
Receipts															
Operational Receipts			34,300	34,300	34,300	34,300	34,300	34,300	34,300	34,300	34,300	34,300	34,300	34,300	411,600
Other Receipts			98,650	23,000	30,000	-	-	-	-	30,000	-	35,000	-	30,000	246,650
Total Receipts	2	-	132,950	57,300	64,300	34,300	34,300	34,300	34,300	64,300	34,300	69,300	34,300	64,300	658,250
Disbursements															
Direct Costs	3	-	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000
Payroll	4	-	16,888	46,000	15,500	47,388	15,500	46,000	15,500	46,000	16,888	46,000	15,500	15,500	342,663
Occupancy Costs	5	-	7,065	9,848	-	-	7,065	2,845	7,003	-	-	7,065	9,848	-	50,740
G&A Expenses	6	-	9,725	-	-	-	9,725	-	-	-	9,725	-	-	-	29,175
Total Disbursements		-	39,678	61,848	21,500	53,388	38,290	54,845	28,503	52,000	32,613	59,065	31,348	21,500	494,578
Net Cash Flow From Operations		-	93,272	(4,548)	42,800	(19,088)	(3,990)	(20,545)	5,797	12,300	1,687	10,235	2,952	42,800	163,672
Interest															
Interest	7	-	2,500	9,000	-	-	2,500	-	9,000	-	2,500	-	9,000	-	34,500
Professional Fees	8	-	5,000	10,000	7,500	10,000	2,500	5,000	-	-	-	-	-	-	40,000
Net Cash Flow		-	85,772	(23,548)	35,300	(29,088)	(8,990)	(25,545)	(3,203)	12,300	(813)	10,235	(6,048)	42,800	89,172
Bank Balance															
Opening Bank Balance		-	-	85,772	62,224	97,524	68,436	59,446	33,901	30,698	42,998	42,185	52,420	46,372	-
Add: Net Cash Flow		-	85,772	(23,548)	35,300	(29,088)	(8,990)	(25,545)	(3,203)	12,300	(813)	10,235	(6,048)	42,800	89,172
Closing Bank Balance		-	85,772	62,224	97,524	68,436	59,446	33,901	30,698	42,998	42,185	52,420	46,372	89,172	89,172

This statement of forecast cash flow of Nuotaka International Inc. is prepared in accordance with section 50.4 (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 19th day of February, 2021.

Dodick Landau Inc.

Per: 
Rahn Dodick, CPA, CA, CIRP, LIT
President

Nuotaka International Inc.

Per: 
Romona Kreveza
President

Nuotaka International Inc. ("Nuotaka" or the "Company")
Major Assumptions
Cash Flow Forecast
For the Period February 14, 2021 to May 14, 2021 (the "Period")

1. Nuotaka is a contract manufacturer of bridal wear and evening gowns. Nuotaka sells the products it manufactures to Romona Keveza Collection LLC ("RKC") who distributes the products through retail stores located in the United States.

The financial projections have been prepared for the purpose of meeting the proposal proceeding requirements of the Bankruptcy and Insolvency Act. The Projection is based on the hypotheses that Nuotaka will continue operations in the normal course and will generate sufficient cash flow to meet its ongoing operational needs. The Company's expenses for the first week in the Period were paid directly by RKC and no receipts were received from RKC in this first week.

Receipts:

2. Nuotaka's operational receipts are based on the collection of its existing receivables as well as a budget for new sales and is based on its average monthly collections for the last 6 months. As noted above Nuotaka sells the gowns it manufactures to RKC who then sells the bridal dresses and evening wear to retailers and remits approximately 60% of its collections to Nuotaka as the manufacturer of the dresses.
3. Other Receipts are composed of various payments forecast to be received from the Government of Canada. Included in the balances are HST refunds totaling \$58,000 which the Company receives on a monthly basis. The Company is expecting to continue to meet the wage subsidy requirements for the Government of Canada wage subsidy program and is planning to submit and collect the wage subsidy for December, January, February, March and April in the Period for a total of \$160,000. Other Receipts also include a onetime tax refund of approximately \$29,000 to be received by the Company on account of a reassessment by Canada Revenue Agency of its 2016 corporate tax obligation.

Disbursements:

4. Direct costs represent the cost of materials purchased by the Company to manufacture the wedding gowns, and evening wear, including, among other things, fabric, zippers, buttons and garment bags.
5. Payroll includes amounts for 14 employees (3 hourly employees and 11 salaried employees). Other payroll costs include payments on account of health benefits, source deduction remittances in the Period, as well as weekly payments to certain independent contractors.

6. **Occupancy expenses include Nuotaka's office rent, storage unit rents, insurance and utilities.**
7. **General and administrative expense include various lease payments for furniture, a vehicle, and printer, vehicle insurance and other general office expenses.**
8. **Interest payments includes amounts being paid on account of interest to both Toronto Dominion Bank of Canada and Business Development Bank of Canada who are both secured creditors of the Company.**
9. **Professional fees include forecast fees for the Proposal Trustee and the Company's legal counsel for the Period.**
10. **The opening cash balance as of February 13, 2021 is NIL.**

TAB 4

Court File No. 31-2711340
Estate No. 31-2711340

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
(COMMERCIAL LIST)

THE HONOURABLE MR) THURSDAY, THE 11TH
)
JUSTICE CAVANAGH) DAY OF MARCH, 2021

IN THE MATTER OF THE *BANKRUPTCY AND*
***INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF NUOTAKA INTERNATIONAL INC. OF THE CITY OF
TORONTO IN THE PROVINCE OF ONTARIO

ORDER
(Extension of Time to File Proposal)

THIS MOTION, made by Nuotaka International Inc. (the "**Company**"), for an Order extending the period of time for filing a proposal pursuant to section 50.4(9) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**"), was heard this day by video conference due to the COVID-19 crisis.

ON READING the Affidavit of Romona Keveza affirmed March 9, 2021, and on reading the First Report of Dodick Landau Inc. dated March 9, 2021 in its capacity as proposal trustee of the Company, and on hearing the submissions of counsel for the Company, as well as all persons present as stated in the counsel slip, no one appearing for any other person on the service list, although

properly served as appears from the affidavit of service of Shaun Parsons sworn March ●, 2021, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service 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 OF TIME TO FILE A PROPOSAL

2. **THIS COURT ORDERS** that pursuant to Section 50.4(9) of the BIA, the time for the Company to file a proposal with the Official Receiver be and is hereby extended to April 26, 2021.

ORDER EFFECTIVE IMMEDIATELY

3. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order without any need for entry and filing.

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

Court File No. 31-2711340
Estate No. 31-2711340

**AND IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF
NUOTAKA INTERNATIONAL INC. OF THE CITY
OF TORONTO IN THE PROVINCE OF ONTARIO**

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER
(Extension of Time to File Proposal)

WEISZ FELL KOUR LLP
100 King Street West, Suite 5600
Toronto, ON M5X 1C9

Caitlin Fell
LSO No. 60091H
cfell@wfkaw.ca
Tel: 416.613.8282

Shaun Parsons
LSO No. 81240A
sparsons@wfkaw.ca
Tel: 416.613.8284

Fax: 416.613.8290

Lawyers for Nuotaka International Inc.

**IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED**

**Court File No. 31-2711340
Estate No. 31-2711340**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF NUOTAKA INTERNATIONAL INC. OF THE CITY OF
TORONTO IN THE PROVINCE OF ONTARIO**

ONTARIO
**SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

MOTION RECORD

WEISZ FELL KOUR LLP

100 King Street West, Suite 5600
Toronto, ON M5X 1C9

Caitlin Fell

LSO No. 60091H

cfell@wfkllaw.ca

Tel: 416.613.8282

Shaun Parsons

LSO No. 81240A

sparsons@wfkllaw.ca

Tel: 416.613.8284

Fax: 416.613.8290

Lawyers for Nuotaka International Inc.