

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF QUALITY RUGS OF CANADA LIMITED  
AND THE OTHER COMPANIES LISTED IN SCHEDULE "A"  
HERETO (collectively the "**Applicants**")

**MONITOR'S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Justice Penny of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated August 25, 2023 (the "**Initial Order**"), RSM Canada Limited, was appointed as monitor of the Applicants (in such capacity, the "**Monitor**") in proceedings commenced by the Applicants under the *Companies' Creditors Arrangement Act*.

B. Pursuant to the Initial Order, the Interim Lender's Charge in favour of Waygar Capital Inc. ("Waygar") made pursuant to an Order of this Court made on August 4, 2023 ("August 4 Order") is to be fully discharged and no longer enforceable upon the filing by the Monitor with this Court of a certificate, confirming that the Interim Financing provided by Waygar pursuant to the August 4 Order has been paid in full net of the amount of \$707,000.

C. Unless otherwise indicated or defined herein, capitalized terms used in this Monitor's Certificate shall have the meanings given to them in the Initial Order and August 4 Order.

**THE MONITOR CERTIFIES** the following:

1. In accordance with paragraph 58 of the Initial Order, the Interim Financing provided by Waygar pursuant to the August 4 Order has been paid in full net of the amount of \$707,000.

2. As a result of the payment noted above, and in accordance with paragraph 58 of the Initial Order, upon the filing of this Certificate with the Court, the Interim Lender's Charge is fully discharged and no longer enforceable.
3. DATED at Toronto, Ontario this 1<sup>st</sup> day of September, 2023.

**RSM CANADA LIMITED**  
solely in its capacity as CCAA  
Monitor of the Applicants and  
not in its personal or corporate capacity

Per: 

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Name: Arif Dhanani

Title: Vice-President

**SCHEDULE A  
OTHER APPLICANTS**

A.1 QSG Opcos (in addition to QRCL)

1. Timeline Floors Inc.
2. Ontario Flooring Ltd
3. Weston Hardwood Design Centre Inc
4. Malvern Contract Interiors Limited

A.2 Holding Companies

5. Quality Commercial Carpet Corporation;
6. Joseph Douglas Pacione Holdings Ltd.;
7. John Anthony Pacione Holdings Ltd.;
8. Jopac Enterprises Limited;
9. Patjo Holdings Inc.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF QUALITY RUGS OF CANADA LIMITED AND THE OTHER COMPANIES LISTED IN SCHEDULE "A" HERETO

Court File No. CV-23-00703933-00CL

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PROCEEDING COMMENCED AT  
TORONTO

**MONITOR'S CERTIFICATE**

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