

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

B E T W E E N:

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and -

GREENHOUSES CANADA INC.

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c.C.43, AS AMENDED

MOTION RECORD OF THE APPLICANT
(returnable September 18, 2020)

CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Sam Rappos (LSO # 51399S)
Tel: (416) 218-1137
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Lawyers for the Applicant

TO: THE SERVICE LIST

SERVICE LIST

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<p>RSM CANADA LIMITED 11 King St. West, Suite 700, Box 27 Toronto, ON M5H 4C7</p> <p>Danny Weisz Tel: (416) 646-8778 Fax: (416) 480-2646 Email: daniel.weisz@rsmcanada.com</p> <p>Court-appointed Receiver</p>	<p>MILLER THOMSON LLP 100 New Park Place, Suite 700 Vaughan, Ontario L4K 0H9</p> <p>Bobby Sachdeva Tel: (905) 532-6670 Fax: (905) 660-0139 E-mail: bsachdeva@millerthomson.com</p> <p>Lawyers for RSM Canada Limited</p>
<p>DESMARAIS, KEENAN LLP 15 MacKenzie Street Sudbury, ON P3C 4Y1</p> <p>J. Robert LeBlanc Tel: (705) 669-4763 Fax: (705)675-7390 E-mail: leblanc@dklawyers.ca</p> <p>Lawyers for Kamich Steel Inc.</p>	<p>WORKPLACE SAFETY AND INSURANCE BOARD 200 Front Street West Toronto, ON M5V 3J1</p> <p>Eric Kupka Tel: (416) 344-3143 Fax: (416) 344-3160 Email: eric_kupka@wsib.on.ca</p>

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Email: diane.winters@justice.gc.ca

Lawyers for Canada Revenue Agency

**HER MAJESTY THE QUEEN IN RIGHT OF
THE PROVINCE OF ONTARIO AS
REPRESENTED BY THE MINISTER OF
FINANCE**

PO Box 620
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TOWN OF ESPANOLA

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REALTY, BROKERAGE**

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bruno@royalpage.ca

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

B E T W E E N:

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INDEX

Tab	Document
1.	Notice of Motion
2.	Affidavit of Dodie Ballesteros, sworn September 9, 2020
A.	Affidavit of Dodie Ballesteros, sworn July 22, 2019 (without exhibits)
B.	Parcel Registers, dated September 8, 2020
C	Receivership Order and Endorsement, dated July 30, 2019
3.	Draft Order

TAB 1

Court File No. CV-19-624071-00CL

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

B E T W E E N:

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and -

GREENHOUSES CANADA INC.

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c.C.43, AS AMENDED

NOTICE OF MOTION
(returnable September 18, 2020)

THE APPLICANT (“BDC”) will make a motion to a Judge of the Commercial List on Friday September 18, 2020 at 1:00 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 e-mailing Sam Rappos at samr@chaitons.com.

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

THE MOTION IS FOR:

(a) an order:

- (i) approving the activities of RSM Canada Ltd. (“**RSM**”) in its capacity as the Court-appointed receiver (the "**Receiver**") of real property municipally known as 37 & 85 Panache Lake Road, Espanola, Ontario (the “**Real Property**”) owned by the Respondent (the "**Debtor**");
 - (ii) discharging RSM Canada Ltd. as Receiver and releasing RSM Canada Ltd. from any and all liability;
 - (iii) abridging the time for service of this notice of motion and motion record and validating the method of service so that the motion is properly returnable on September 18, 2020; and
- (b) such further and other relief as counsel may request and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

1. BDC made a loan to the Debtor in the principal amount of \$1.6 million (the “**Loan**”) pursuant to a letter of offer dated February 13, 2015, as amended.
2. As security for the Loan, the Debtor granted to BDC a first mortgage over the Real Property.
3. As a result of the Debtor’s default, BDC demanded payment of the Loan and delivered its notice of intention to enforce security on November 7, 2018.
4. After a 6-month forbearance period, the Debtor was unable to repay the Loan.

5. On July 30, 2019, On BDC's unopposed application, the Court appointed RSM as Receiver of the Real Property.
6. BDC and the Debtor have entered into a settlement agreement regarding the amount payable by the Debtor to BDC and secured by BDC's mortgage over the Real Property. As part of the settlement, BDC has agreed to bring a motion to discharge the Receiver.
7. BDC requests that the Court waive the requirement under paragraph 18 of the order dated July 30, 2019 (the "**Receivership Order**") that the Receiver and its legal counsel pass its accounts, as BDC has agreed to pay for the fees and disbursements of the Receiver and its counsel from the settlement amount.
8. The Affidavit of Dodie Ballesteros sworn September 9, 2020 (the "**Ballesteros Affidavit**") and the exhibits thereto, including the Affidavit of Dodie Ballesteros sworn July 22, 2019.
9. The Report of the Receiver, to be filed (the "**Report**").
10. Rules 1.04, 1.05, 2.01, 2.03, and 37 of the *Rules of Civil Procedure* (Ontario).
11. The Receivership Order.
12. The equitable and inherent jurisdiction of the Court.
13. Such other grounds as counsel may advise and this Honourable Court may permit.

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

- (a) The Ballesteros Affidavit and the exhibits thereto;

- (b) The Report; and
- (c) such further and other material as counsel may advise and this Honourable Court may permit.

September 9, 2020

CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Sam Rappos (LSO # 51399S)
Tel: (416) 218-1137
Fax: (416) 218-1837
E-mail: samr@chaitons.com

TO: THE SERVICE LIST

Lawyers for the Applicant

SCHEDULE “A”

Join Zoom Meeting

<https://us02web.zoom.us/j/87442239147?pwd=dG1Fb3A5dzhpNlBmL3Nwd1pMK1Q1QT09>

Meeting ID: 874 4223 9147

Passcode: 100554

One tap mobile

+13462487799,,87442239147#,,,,,0#,,100554# US (Houston)

+16465588656,,87442239147#,,,,,0#,,100554# US (New York)

Dial by your location

+1 346 248 7799 US (Houston)

+1 646 558 8656 US (New York)

+1 669 900 9128 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 301 715 8592 US (Germantown)

+1 312 626 6799 US (Chicago)

Meeting ID: 874 4223 9147

Passcode: 100554

Find your local number: <https://us02web.zoom.us/u/kdsgio3oSF>

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION
(returnable September 18, 2020)

CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

Sam Rappos (LSO #51399S)
Tel: (416) 218-1137
Fax: (416) 218-1837
E-mail: samr@chaitons.com

Lawyers for the Applicant

TAB 2

Court File No. CV-19-624071-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and -

GREENHOUSES CANADA INC.

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c.C.43, AS AMENDED

AFFIDAVIT OF DODIE BALLESTEROS
(Sworn September 9, 2020)

I, **DODIE BALLESTEROS**, of the City of Brampton, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a Business Specialist, Special Accounts, with the Applicant, Business Development Bank of Canada (“**BDC**” or the “**Bank**”) and am the individual responsible for managing the loan account of the Respondent, Greenhouses Canada Inc. (the “**Debtor**”). As such, I have knowledge of the matters to which I hereinafter depose. The facts set forth herein are within my personal knowledge, determined from the face of the documents attached as exhibits hereto or from information and advice provided to me by third parties. Where I have relied upon such information and advice, I have identified the source and verily believe same to be true.

2. This affidavit is sworn in support of a motion by BDC discharging RSM Canada Limited (“**RSM**”) as Court-appointed receiver (the “**Receiver**”) of the Real Property (as defined below) owned by the Debtor.

3. On July 22, 2019, BDC commenced this proceeding seeking the appointment of RSM as receiver over real property municipally known as 37 & 85 Panache Lake Road, Espanola, Ontario (the “**Real Property**”). Attached hereto and marked as **Exhibit “A”** is a copy of my affidavit sworn July 22, 2019 (without exhibits). Attached hereto and collectively marked as **Exhibit “B”** are copies of the parcel registers for the Real Property retrieved on September 8, 2020.

4. As set out in the parcel registers, the Bank has the only mortgage registered against title to the Real Property.

5. The Debtor did not oppose BDC’s application. On July 30, 2019, RSM was appointed as Receiver over the Real Property pursuant to the Order of The Honourable Madam Justice Dietrich (the “**Receivership Order**”). Attached hereto and collectively marked as **Exhibit “C”** are copies of the Receivership Order and endorsement.

6. The Bank and the Debtor have entered into a settlement agreement regarding the amount payable by the Debtor to the Bank and secured by BDC’s mortgage over the Real Property. As part of the settlement, the Bank has agreed to bring this motion to discharge the Receiver.

7. Additionally, the Bank has agreed to pay for the fees and disbursements of the Receiver and its counsel from the settlement amount. As a result, the Bank requests that the Court waive the requirement under paragraph 18 of the Receivership Order that the Receiver and its legal counsel pass its accounts.

8. I have been advised by Sam Rappos of Chaitons LLP, BDC's lawyers with respect to the Debtor, that the service list for the Bank's motion will include every party that has an encumbrance registered against the Real Property and a writ of seizure registered against the Debtor in the Province of Ontario.

9. I have been advised by the Receiver that it intends to file a report with the Court in connection with the Bank's motion for its discharge.

10. This affidavit is sworn in support of BDC's motion and for no other or improper purpose.

SWORN BEFORE ME virtually at the City
of Toronto, in the Province of Ontario on
September 9, 2020



Commissioner for Taking Affidavits
(or as may be)



DODIE BALLESTEROS

***THIS IS EXHIBIT "A" TO THE
AFFIDAVIT OF DODIE BALLESTEROS
SWORN BEFORE ME THIS 9TH
DAY OF SEPTEMBER, 2020.***



.....
A Commissioner Etc.

Court File No.

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

BETWEEN:

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and -

GREENHOUSES CANADA INC.

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c.C.43, AS AMENDED

AFFIDAVIT OF DODIE BALLESTEROS

(Sworn July 22, 2019)

I, **DODIE BALLESTEROS**, of the City of Brampton, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a Business Specialist, Special Accounts, with the Applicant, Business Development Bank of Canada ("**BDC**") and am the individual responsible for managing the loan account of the Respondent, Greenhouses Canada Inc. (the "**Debtor**"). As such, I have knowledge of the matters to which I hereinafter depose. The facts set forth herein are within my personal knowledge, determined from the face of the documents attached as exhibits hereto or from information and advice provided to me by third parties. Where I have relied upon such information and advice, I have identified the source and verily believe same to be true.

- 2 -

2. This affidavit is sworn in support of an application by BDC for the appointment of RSM Canada Limited (“**RSM**”) as receiver of the Real Property (as defined below) owned by the Debtor.

THE DEBTOR

3. The Debtor is an Ontario corporation with its registered office located at 5 Westview Crescent, Lively, Ontario. The Debtor was incorporated on August 14, 2014 as 1916438 Ontario Limited, and changed its name to Greenhouses Canada Inc. on April 19, 2016. A copy of the Corporate Profile Report for the Debtor is attached hereto and marked as **Exhibit “A”**.

4. The Debtor is the registered owner of real property municipally known as 37 & 85 Panache Lake Road, Espanola, Ontario (the “**Real Property**”). Copies of the parcel registers for the Real Property are collectively attached hereto and marked as **Exhibit “B”**.

5. The Debtor acquired the Real Property in March 2015 with the intention of constructing buildings on the property.

LOAN TO THE DEBTOR

6. Pursuant to a letter of offer dated February 13, 2015 (as amended by letters dated March 10, 2015, March 12, 2015, December 4, 2015, October 20, 2016, July 10, 2017, and May 18, 2018) (collectively, the “**Commitment Letter**”), BDC made a loan to the Debtor in the principal amount of \$1.6 million (the “**Loan**”). The Loan provided for \$1.0 million to finance the Debtor’s purchase of the Real Property, and \$600,000 to finance construction on the Real Property. A copy of the Commitment Letter is attached hereto and marked as **Exhibit “C”**.

7. As security for the Loan, BDC obtained, among other things, the following from the Debtor:

- 3 -

- (a) a first charge/mortgage in the principal amount of \$1.6 million registered on title to the Real Property on March 13, 2015 as instrument number SD290618 (the “**Mortgage**”), a copy of which is attached hereto and marked as **Exhibit “D”**; and
- (b) a general security agreement dated March 12, 2015 (the “**GSA**”), a copy of which is attached hereto and marked as **Exhibit “E”**.

8. Pursuant to section 11.1 of the Standard Charge Terms under the Mortgage and section 15.1 of the GSA, upon the occurrence of an event of default, BDC may appoint a receiver over the Debtor’s property and assets, including without limitation the Real Property.

OTHER CREDITORS OF THE DEBTOR

9. I am advised by Sam Rappos of Chaitons LLP (“**Chaitons**”), BDC’s lawyers with respect to the Debtor, that BDC holds the only registered mortgage against the Real Property. However, on January 25, 2019, Kamich Steel Systems Inc. (“**Kamich**”) registered a construction lien on title to the Real Property in the amount of \$115,482.42. Copies of Kamich’s construction lien and certificate are collectively attached hereto and marked as **Exhibit “F”**.

10. I am also advised by Mr. Rappos that Chaitons obtained enquiry response certificates from the Ontario Personal Property Security Registration System in respect of registrations which are outstanding against the Debtor (under both its current and former names) under the *Personal Property Security Act* (Ontario) as at July 7, 2019, copies of which are collectively attached hereto and marked as **Exhibit “G”**. The searches disclose the particulars of the following registrations:

- 4 -

- (a) Her Majesty in Right of Ontario Represented by the Minister of Finance, with collateral classified as “inventory”, “equipment”, “accounts” and “other”, and in the amount of \$3,409;
- (b) Bodkin Capital Corporation, with collateral classified as “equipment” and “other”, and containing a general collateral description referencing leased equipment;
- (c) Sudbury Credit Union Limited, with collateral classified as “inventory”, “equipment” and “accounts”;
- (d) Ford Credit Canada Limited, with collateral classified as “equipment”, “other” and “motor vehicle included”, and containing details for a specific 2016 Ford F150; and
- (e) BDC’s two registrations.

11. I have no knowledge regarding the Debtor’s current status with amounts that could be owing to Canada Revenue Agency for employee sourced deductions or HST.

12. I am further advised by Mr. Rappos that, as of July 8, 2019, the following writs of execution were registered against the Debtor in the City of Greater Sudbury:

- (a) writ number 18-0000218 registered on May 7, 2018 by the Workplace Safety and Insurance Board in the amount of \$16,345.45; and
- (b) writ number 18-0000593 registered on December 4, 2018 by the Ministry of Finance in the amount of \$3,408.32 with respect to the *Employer Health Tax Act* (Ontario).

- 5 -

13. Mr. Rappos has also advised me that, based on tax certificates dated July 16, 2019 from the Town of Espanola, the Debtor failed to pay its first two real property tax installments and is currently in arrears of \$12,938.56 for the Real Property. Copies of the tax certificates are attached hereto and marked as **Exhibit “H”**.

DEMAND UNDER THE LOAN

14. In November 2018, the Debtor was in default under the Loan as a result of its failure to make required payments under the Commitment Letter. Additionally, at that time the Debtor had not yet completed the construction of buildings on the Real Property.

15. As a result, on November 7, 2018, BDC informed the Debtor in writing that it was in default and demanded immediate repayment of all amounts owing under the Loan and issued to the Debtor a notice of intention to enforce security pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “*BIA*”). A copy of the demand letter and BIA notice is attached hereto and marked as **Exhibit “I”**.

FORBEARANCE

16. Pursuant to a forbearance agreement dated December 5, 2018 between the Bank and the Debtor, among others (the “**Forbearance Agreement**”), the Bank agreed to forbear from enforcing its security until the earlier of February 15, 2019 or the occurrence of an event of default under the Forbearance Agreement, to provide the Debtor with time to complete a pending sale of the Real Property to GaiaCann Inc. (“**GaiaCann**”). A copy of the Forbearance Agreement is attached hereto and marked as **Exhibit “J”**.

17. Under the Forbearance Agreement, the Debtor agreed that:

- 6 -

- (a) it did not dispute that it was liable under the Loan to BDC;
- (b) it was in default of its obligations to BDC;
- (c) all documents held by BDC were valid, binding and enforceable; and
- (d) the demand for payment and BIA notice were valid and effective, that the time given for payment by BDC was reasonable, and that the Debtor would not contest the validity of the demand, BIA notice, or the reasonableness of the time given for payment in any proceeding for any reason whatsoever.

18. Pursuant to section 33 of the Forbearance Agreement, it was an event of default under the agreement if the Debtor failed to repay BDC in full by February 15, 2019. Pursuant to sections 35 and 36 of the Forbearance Agreement, the Debtor consented to the appointment of a receiver upon an event of default.

19. In February 2019, the Debtor requested that BDC extend the forbearance period to May 15, 2019, as it had not finalized the sale transaction with GaiaCann. BDC agreed to the extension pursuant to a forbearance extension letter dated February 20, 2019, a copy of which is attached hereto and marked as **Exhibit "K"**.

20. In May 2019, the Debtor requested that BDC again extend the forbearance period, this time to June 12, 2019, as the Debtor still had not completed the sale transaction with GaiaCann. BDC agreed to the extension pursuant to a forbearance extension letter dated May 13, 2019, a copy of which is attached hereto and marked as **Exhibit "L"**.

- 7 -

21. The forbearance period expired on June 12, 2019. Since that time, BDC has been informed by the Debtor's lawyers that GaiaCann has requested numerous extensions to the closing date due to its inability to obtain mortgage funds, from June 19, 2019, to June 26, 2019, to July 3, 2019 to July 5, 2019.

22. On July 3, 2019, Mr. Rappos sent an email to the Debtor's lawyers informing them that if payment was not received by BDC on July 5, 2019, BDC would bring an application for the appointment of a receiver. A copy of the email is attached hereto and marked as **Exhibit "M"**.

23. The sale by the Debtor to GaiaCann did not close on July 5, 2019. On July 8, 2019, the Debtor's lawyer sent an email to Mr. Rappos indicating that GaiaCann requested another extension to July 12, 2019. A copy of the email is attached hereto and marked as **Exhibit "N"**.

24. As of the date of the swearing of this affidavit, the Debtor has not completed a sale of the Real Property to GaiaCann.

25. As of June 25, 2019, the Debtor owed \$1,125,993.73 to BDC for principal, interest, disbursements and fees, as set out in the letter sent by BDC to the Debtor dated June 26, 2019, a copy of which is attached hereto and marked as **Exhibit "O"**.

IT IS JUST AND CONVENIENT TO APPOINT A RECEIVER

26. The Debtor has been in default of its obligations to BDC since November 2018. On November 8, 2018, BDC demanded payment and issued its BIA notice. BDC agreed to forbear for a 6-month period to allow the Debtor to complete a sale of the Real Property.

27. BDC's forbearance period expired on June 12, 2019. In the past four weeks, the Debtor still has not been able to complete the sale transaction with GaiaCann.

- 8 -

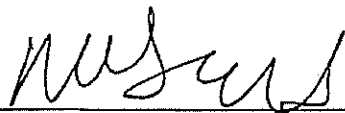
28. As a consequence of the Debtor's default, pursuant to the Mortgage and the GSA, the Debtor agreed to BDC appointing a receiver. In connection with the Forbearance Agreement, the Debtor has consented to BDC's application for the Court appointment of a receiver.

29. In the circumstances, it is just and convenient to have a receiver appointed over the Real Property for the purpose of realizing on the property under the supervision of the Court for the benefit of all of the Debtor's stakeholders.

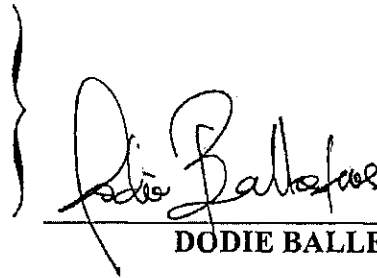
30. BDC proposes that RSM be appointed as receiver. RSM has advised BDC that it is prepared to act as receiver if so appointed. A copy of RSM's consent is attached hereto and marked as Exhibit "P".

31. This affidavit is sworn in support of BDC's application for the appointment of a receiver over the Real Property and for no other or improper purpose.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario on
July 22, 2019



Commissioner for Taking Affidavits
(or as may be)



DODIE BALLESTEROS

Marla Terri Gold, a Commissioner, etc.,
Province of Ontario, for the Business Development
Bank of Canada, expires August 29, 2020

***THIS IS EXHIBIT "B" TO THE
AFFIDAVIT OF DODIE BALLESTEROS
SWORN BEFORE ME THIS 9TH
DAY OF SEPTEMBER, 2020.***



.....
A Commissioner Etc.



Ontario ServiceOntario

LAND
REGISTRY
OFFICE #53

73405-0155 (LT)

PAGE 1 OF 2
PREPARED FOR llynda001
ON 2020/09/08 AT 12:48:23

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT LT 6 CON 4 MERRITT PT 1, 2, 3, 4, 5 & 6 53R19368; SUBJECT TO AN EASEMENT IN GROSS OVER PTS 1, 3 & 5 53R19368 AS IN SD185945; TOWN OF ESPANOLA

PROPERTY REMARKS: CROWN GRANT SEE WP1397. CORRECTION: DOCUMENT SD185945 ADDED TO 73405-0155 ON 2016/01/05 AT 10:00 BY LABONTE-LAROCQUE, THERESE.

ESTATE/QUALIFIER: ABSOLUTE
RECENTLY: DIVISION FROM 73405-0154
PIN CREATION DATE: 2012/04/11

OWNERS' NAMES
1916438 ONTARIO LIMITED
CAPACITY SHARE
R0WN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2012/04/11 **						
53R19368	2010/09/22	PLAN REFERENCE				C
SD185945	2010/11/01	TRANSFER EASEMENT	\$2	THE CORPORATION OF THE TOWN OF ESPANOLA	ESPANOLA REGIONAL HYDRO INC.	C
SD222846	2012/04/05	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** THE CORPORATION OF THE TOWN OF ESPANOLA	2309360 ONTARIO LIMITED	
REMARKS: PLANNING ACT STATEMENTS						
SD239203	2012/11/01	CHARGE		*** COMPLETELY DELETED *** 2309360 ONTARIO LIMITED	SOCIETE D'AIDE AUX ENTREPRISES DE LACLOCHE MANITOULIN BUSINESS ASSISTANCE CORPORATION	
SD244713	2013/02/04	CHARGE		*** COMPLETELY DELETED *** 2309360 ONTARIO LIMITED	BANK OF MONTREAL	
SD244714	2013/02/04	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 2309360 ONTARIO LIMITED	BANK OF MONTREAL	
REMARKS: MAY BE DELETED WHEN SD244713 IS DELETED						
SD244715	2013/02/04	POSTPONEMENT		*** COMPLETELY DELETED *** SOCIETE D'AIDE AUX ENTREPRISES DE LACLOCHE MANITOULIN BUSINESS ASSISTANCE CORPORATION	BANK OF MONTREAL	
REMARKS: POSTPONES SD239203 TO SD244713 AND SD244714						
SD256365	2013/08/02	CHARGE		*** COMPLETELY DELETED *** 2309360 ONTARIO LIMITED	BANK OF MONTREAL	
SD256366	2013/08/02	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 2309360 ONTARIO LIMITED	BANK OF MONTREAL	
REMARKS: SD256365.						
SD256368	2013/08/02	POSTPONEMENT		*** COMPLETELY DELETED ***		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.



* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
		REMARKS: SD239208 TO SD256365 AND SD256366		SOCIETE D'AIDE AUX ENTREPRISES DE LACLOCHE MANITOULIN BUSINESS ASSISTANCE CORPORATION	BANK OF MONTREAL	
SD290615	2015/03/13	TRANSFER REMARKS: PLANNING ACT STATEMENTS.	\$1,000,000	2309360 ONTARIO LIMITED	1916438 ONTARIO LIMITED	C
SD290618	2015/03/13	CHARGE	\$1,600,000	1916438 ONTARIO LIMITED	BUSINESS DEVELOPMENT BANK OF CANADA	C
SD290619	2015/03/13	NO ASSGN RENT GEN REMARKS: SD290618		1916438 ONTARIO LIMITED	BUSINESS DEVELOPMENT BANK OF CANADA	C
SD290887	2015/03/20	DISCH OF CHARGE REMARKS: SD244713.		*** COMPLETELY DELETED *** BANK OF MONTREAL		
SD290888	2015/03/20	DISCH OF CHARGE REMARKS: SD256365.		*** COMPLETELY DELETED *** BANK OF MONTREAL		
SD292975	2015/04/30	DISCH OF CHARGE		*** COMPLETELY DELETED *** SOCIETE D'AIDE AUX ENTREPRISES DE LACLOCHE MANITOULIN BUSINESS ASSISTANCE CORPORATION		
		REMARKS: SD239203.				
SD308571	2016/01/05	LR'S ORDER REMARKS: AMEND T/V DESCRIPTION - ADD SD185945		LAND REGISTRAR, SUDBURY LAND REGISTRY OFFICE		C
SD365437	2018/10/24	APL (GENERAL) REMARKS: CHANGE OF NAME INSTRUMENT SD185945		ESPANOLA REGIONAL HYDRO DISTRIBUTION CORPORATION		C
SD370567	2019/01/25	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** KAMICH STEEL SYSTEMS INC.		
SD371522	2019/02/15	CERTIFICATE REMARKS: SD370567		*** COMPLETELY DELETED *** KAMICH STEEL SYSTEMS INC.	1916438 ONTARIO LIMITED	
SD394722	2020/04/08	APL DEL CONST LIEN REMARKS: SD370567, SD371522		*** COMPLETELY DELETED *** KAMICH STEEL SYSTEMS INC.		

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Ontario ServiceOntario

LAND
REGISTRY
OFFICE #53

73405-0157 (LT)

PAGE 1 OF 2
PREPARED FOR Lynda001
ON 2020/09/08 AT 12:49:47

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT LT 6 CON 4 MERRITT BEING PT 8 53R19737; TOWN OF ESPANOLA

PROPERTY REMARKS: CROWN GRANT SEE WP1397.

ESTATE/QUALIFIER: RECENTLY:
FEE SIMPLE DIVISION FROM 73405-0156
ABSOLUTE

PIN CREATION DATE:
2012/05/24

OWNERS' NAMES
1916438 ONTARIO LIMITED

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2012/05/24 **						
53R19737	2012/03/05	PLAN REFERENCE		*** DELETED AGAINST THIS PROPERTY *** THE CORPORATION OF THE TOWN OF ESPANOLA	2309360 ONTARIO LIMITED	C
SD226262	2012/05/22	TRANSFER		*** COMPLETELY DELETED *** 2309360 ONTARIO LIMITED	BANK OF MONTREAL	
SD244713	2013/02/04	CHARGE		*** COMPLETELY DELETED *** 2309360 ONTARIO LIMITED	BANK OF MONTREAL	
SD244714	2013/02/04	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 2309360 ONTARIO LIMITED	BANK OF MONTREAL	
SD256365	2013/08/02	CHARGE		*** COMPLETELY DELETED *** 2309360 ONTARIO LIMITED	BANK OF MONTREAL	
SD256366	2013/08/02	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 2309360 ONTARIO LIMITED	BANK OF MONTREAL	
SD290615	2015/03/13	TRANSFER	\$1,000,000	2309360 ONTARIO LIMITED	1916438 ONTARIO LIMITED	C
SD290618	2015/03/13	CHARGE	\$1,600,000	1916438 ONTARIO LIMITED	BUSINESS DEVELOPMENT BANK OF CANADA	C
SD290619	2015/03/13	NO ASSGN RENT GEN		1916438 ONTARIO LIMITED	BUSINESS DEVELOPMENT BANK OF CANADA	C
SD290887	2015/03/20	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		

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* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SD290888	2015/03/20	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
		REMARKS: SD256365.				
SD370567	2019/01/25	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** KAMICH STEEL SYSTEMS INC.		
SD371522	2019/02/15	CERTIFICATE		*** COMPLETELY DELETED *** KAMICH STEEL SYSTEMS INC.	1916438 ONTARIO LIMITED	
		REMARKS: SD370567				
SD394722	2020/04/08	APL DEL CONST LIEN		*** COMPLETELY DELETED *** KAMICH STEEL SYSTEMS INC.		
		REMARKS: SD370567. SD371522				

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***THIS IS EXHIBIT "C" TO THE
AFFIDAVIT OF DODIE BALLESTEROS
SWORN BEFORE ME THIS 9TH
DAY OF SEPTEMBER, 2020.***



.....
A Commissioner Etc.

Court File No. CV-19-624071-00CL

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

THE HONOURABLE *MADAM*)
JUSTICE *DIETRICH*)

TUESDAY, THE 30th
DAY OF JULY, 2019



BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and -

GREENHOUSES CANADA INC.

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c.C.43, AS AMENDED

**ORDER
(appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing RSM Canada Limited as receiver and manager (in such capacities, the "**Receiver**") without security, of real property municipally known as 37 and 85 Panache Lake Road, Espanola, Ontario and legally

described as set out on **Schedule "A"** hereto (the "**Property**") owned by Greenhouses Canada Inc. (the "**Debtor**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Dodie Ballesteros sworn July 22, 2019 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and such other parties listed on the Counsel Slip, no one else appearing for any party served as appears from the affidavits of service of Lynda Christodoulou sworn July 23, 2019 and the affidavit of service of Vanessa Kohan sworn July 25 2019, and on reading the consent of RSM Canada Limited to act as the Receiver,

SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, RSM Canada Limited is hereby appointed Receiver, without security, of the Property.

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (d) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor with respect to the Property and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (e) to settle, extend or compromise any indebtedness owing to the Debtor with respect to the Property;
- (f) to execute, assign, issue and endorse documents of whatever nature in respect of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (g) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the

Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (h) to market the Property, including advertising and soliciting offers in respect of the Property and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (i) to sell, convey, transfer, lease or assign the Property with the approval of this Court, and notice under section 31 of the Ontario *Mortgages Act* shall not be required;
- (j) to apply for any vesting order or other orders necessary to convey the Property to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting the Property;
- (k) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (l) to register a copy of this Order and any other Orders in respect of the Property against title to the Property;
- (m) to apply for any permits, licences, approvals or permissions with respect to the Property as may be required by any governmental authority and any renewals

thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- (n) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor; and
- (o) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

11. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor in connection with or relating to the Property or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor in connection with or relating to the Property are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver.

RECEIVER TO HOLD FUNDS

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

to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

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

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

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

FUNDING OF THE RECEIVERSHIP

20. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed

\$75,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

24. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of

documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: rsmcanada.com/37-and-85-panache-lake-road

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

26. **THIS COURT ORDERS** that the Applicant, the Receiver and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtor's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning

of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

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

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

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

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

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

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



ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JUL 30 2019

PER / PAR:



SCHEDULE "A"**LEGAL DESCRIPTION OF THE PROPERTY**

PIN 73405-0155 (LT)

Property Description:

Part Lot 6 Concession 4 Merritt Part 1, 2, 3, 4, 5 & 6 53R19368;
Subject to an easement in gross over Parts 1, 3 & 5 53R19368 as in
SD185945; Town of Espanola

PIN 73405-0157 (LT)

Property Description:

Part Lot 6 Concession 4 Merritt being Part 8 53R19737; Town of
Espanola

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that RSM Canada Limited, the receiver and manager (the "**Receiver**") of the real property municipally known as 37 and 85 Panache Lake Road, Espanola, Ontario owned by Greenhouses Canada Inc. (the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 30th day of July, 2019 (the "**Order**") made in an application having Court file number CV-19-624071-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

DATED the _____ day of _____, 20__.

RSM CANADA LIMITED,
solely in its capacity as Receiver of the Property,
and not in its personal capacity

Per: _____

Name:

Title:

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

PROCEEDING COMMENCED AT
TORONTO

ORDER

CHAITONS LLP

5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

Sam Rappos

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E-mail: samr@chaitons.com

Lawyers for the Applicant

COUNSEL SLIPCOURT FILE NO CV-19-624071-00CLDATE July 30, 2019NO ON LIST 8TITLE OF PROCEEDING Business Development Bank of Canada vs. Greenhouse Canada Inc.COUNSEL FOR: BDC PHONE & FAX NOS
PLAINTIFF(S)
APPLICANT(S) Maya Poliak
PETITIONER(S) (416) 218-1161
(416) 218-1844COUNSEL FOR: PHONE & FAX NOS
DEFENDANT(S)
RESPONDENT(S)July 30, 2019

The Respondent and all persons on the service list were duly served. There has been no response from any of them.

Order to appoint + receiver over the real property described therein to go in the form of the draft signed by me today.

Derrick J.

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF DODIE BALLESTEROS
(sworn September 9, 2020)

CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

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Lawyers for the Applicant

TAB 3

Court File No. CV-19-624071-00CL

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

THE HONOURABLE MR.)	FRIDAY, THE 18th DAY
)	
JUSTICE HAINEY)	OF SEPTEMBER, 2020

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and -

GREENHOUSES CANADA INC.

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c.C.43, AS AMENDED

ORDER

THIS MOTION, made by the Applicant, for an order approving the activities of RSM Canada Limited in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of real property municipally known as 37 & 85 Panache Lake Road, Espanola, Ontario (the "**Real Property**") owned by the Respondent (the "**Debtor**"), discharging RSM Canada Limited, as Receiver, and releasing RSM Canada Limited from any and all liability, was heard this day virtually by Zoom videoconference due to the COVID-19 crisis.

ON READING the report of the Receiver dated September 9, 2020 (the "**Report**") and the Affidavit of Dodie Ballesteros sworn September 9, 2020 and the exhibits thereto, and on hearing the submissions of counsel for the Applicant and the Receiver, no one else appearing

from the service list although served as evidenced by the Affidavit of Lynda Christodoulou sworn September 1, 2020, filed;

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

2. **THIS COURT ORDERS** that the activities of the Receiver, as set out in the Report, are hereby approved.

3. **THIS COURT ORDERS** that the requirement for the Receiver and its counsel to pass its accounts pursuant to paragraph 18 of the Order dated July 30, 2019 is hereby dispensed with.

4. **THIS COURT ORDERS** that upon the Receiver filing a certificate certifying that it has completed the Remaining Activities (as defined in the Report), the Receiver shall be discharged as Receiver of the Real Property provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of RSM Canada Limited in its capacity as Receiver.

5. **THIS COURT ORDERS AND DECLARES** that RSM Canada Limited is hereby released and discharged from any and all liability that RSM Canada Limited now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of RSM Canada Limited while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing,

RSM Canada Limited is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

6. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this order is effective from the date it is made, and it is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal order for original, signing, entry and filing, as the case may be, when the Court returns to regular operations.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

ORDER

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Lawyers for the Applicant

BUSINESS DEVELOPMENT BANK OF CANADA
Applicant

-and-

GREENHOUSES CANADA INC.
Respondent
Court File No. CV-19-624071-00CL

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

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD
(returnable September 18, 2020)

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