

**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 EASTERN MEAT SOLUTIONS  
INC., 2298442 ONTARIO LIMITED, COLDTERRA  
SUPPLY CHAIN LTD., COLDTERRA REALTY  
CORPORATION, RVB HOLDINGS INC., VANDEN  
BROEK HOLDINGS (2008) INC., COLDTERRA REALTY  
CALGARY CORPORATION AND EASTERN MEAT  
SOLUTIONS (USA) CORP.**

**Applicants**

**MOTION RECORD  
(Re: Stay Extension and PSMI Distribution)  
Returnable May 28, 2025**

May 21, 2025

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Court File No.: CV-24-00720622-00CL

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# TAB 1

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
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**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 EASTERN MEAT SOLUTIONS INC.,  
2298442 ONTARIO LIMITED, COLDTERRA SUPPLY  
CHAIN LTD., COLDTERRA REALTY CORPORATION,  
RVB HOLDINGS INC., VANDEN BROEK HOLDINGS (2008)  
INC., COLDTERRA REALTY CALGARY CORPORATION  
AND EASTERN MEAT SOLUTIONS (USA) CORP.**

**Applicants**

**NOTICE OF MOTION  
(Stay Extension and PMSI Distribution)  
(Returnable May 28, 2025 at 9:30 a.m.)**

The Applicants will make a motion before the Honourable Justice Kimmel of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on May 28, 2025, at 9:30 a.m. (ET), or as soon after that time as the motion may be heard by videoconference at Toronto, Ontario. The videoconference details will be provided by the Court.

**PROPOSED METHOD OF HEARING:** The Motion is to be heard

☐ In writing under subrule 37.12.1(1);

☐ In writing as an opposed motion under subrule 37.12.1(4);

☐ In person;

☐ By telephone conference;

☒ By video conference.

**THE MOTION IS FOR**

1. An Order (the “**Stay Extension and PMSI Distribution Order**”) attached hereto as Tab 3 of this Motion Record:<sup>1</sup>
  - (a) extending the Stay Period until and including August 29, 2025;
  - (b) approving the Fourth Report of the Monitor (the “**Fourth Report**”), to be filed in connection with this motion, and the Monitor’s activities set out therein;
  - (c) approving the fees and disbursements of the Monitor and its legal counsel;
  - (d) authorizing and approving the Third DIP Amendment (as defined below); and
  - (e) authorizing and directing the Monitor and 2298442 Ontario Limited to make future distributions in respect of certain purchase money security interests in the amounts as provided in the Fourth Report.
2. Such further and other relief as this Honourable Court may deem just and equitable.

**THE GROUNDS FOR THE MOTION ARE:**

***Background and Activities Since the Initial Order***

3. The Applicants are a group of privately held companies that were in the business of procuring and distributing meat products and food processing services as well as cold storage and supply chain solutions for the food industry.

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<sup>1</sup> All capitalized terms not expressly defined herein are defined, and have the meanings set forth, in the Affidavit of Robert Vanden Broek sworn May 21, 2025 (the “**Broek Affidavit**”).

4. The Applicants had three distinct business lines, each of which was carried out by a separate entity within the corporate group. There was a meat trading and market services business, which was conducted by Eastern Meat and has been wound down. There was a food processing business, which was conducted by Sierra Foods and was sold to 1001000161 Ontario Limited (the “**Purchaser**”), with the transaction closing on October 25, 2024. Lastly, Coldterra Supply Chain Ltd. (formerly Sierra Supply Chain Services Inc., “**Coldterra Services**”) continues to operate a cold storage and transportation business (the “**Cold Storage Business**”).
5. The Applicants were granted CCAA protection on May 21, 2024, under an Initial Order followed by an Amended and Restated Initial Order at the Comeback Hearing on May 31, 2024, where the Court approved a sale and investment solicitation process for Sierra Foods’ business and assets.
6. On September 25, 2024, the Court issued two orders:
  - (a) The Approval and Vesting Order, approving the sale of Sierra Foods to the Purchaser pursuant to an APA, vesting in the Purchaser all of the right, title, and interest of Sierra Foods in and to the Purchased Assets (as defined in the APA).
  - (b) The Stay Extension Order, which among other things, (i) extended the stay period to January 31, 2025; (ii) approved the KERP; (iii) granted a KERP charge of \$285,600; and (iv) recognized the Applicants’ compliance with Wage Earner Protection Program Regulations requirements as prescribed by section 3.2.

7. On January 24, 2025, the Court granted an order (the “**January Stay Extension Order**”), which among other things, (i) extended the Stay Period up to and including May 31, 2025; (ii) approved the Monitor’s Third Report, and the Monitor’s activities, conduct and decisions set out therein; (iii) approved the fees and disbursements of the Monitor and its legal counsel; (iv) authorized and approved the Second DIP Amendment; (v) ratified the Applicants’ actions related to the filing of Articles of Amendment for Sierra Custom Foods Inc., Sierra Realty Corporation and Sierra Realty (Calgary) Corporation; and (vi) authorized and directed the Applicants to file the Articles of Amendment in respect to Sierra Supply Chain Services Inc.
8. Since the granting of the January Stay Extension Order, the Applicants have continued to act in good faith and with due diligence.
9. The Applicants continue to operate the Cold Storage Business through Coldterra Supply Chain Ltd. under the oversight of the Court-appointed Monitor. However, since the last stay extension, the Applicants have faced increasing challenges with the Manager, GoCold Solutions Inc. (formerly Confederation Freezers Inc.) of the Cold Storage Business under the Cold Storage Management Agreement dated December 17, 2021 (the “**Cold Storage Agreement**”).
10. The Manager, and its corporate parent Premium Brands Holdings Corporation, have persistently failed to comply with key contractual obligations under the Cold Storage Agreement, including the provision of financial statements and accounting reports necessary to calculate payments owing to Coldterra Services and Eastern Meats.

11. Despite extensive efforts to resolve the accounting disputes and repeated discussions over several months, the issues remain unresolved. After the Manager allowed the contractual cure period to expire without resolution following written notice of default, the Applicants confirmed the termination of the Cold Storage Agreement in accordance with its terms, on May 21, 2025. At the request of the Manager, the Monitor has also been involved in reviewing and confirming the Applicants' internal accounting and estimated entitlements and advising the Manager that they are reasonable, conservative, and supported by external documentation.

### ***Stay Extension***

12. The January Stay Extension Order granted a stay of proceedings until May 31, 2025.
13. The Applicants request an extension of the Stay Period up to and including August 29, 2025.
14. The stay extension is necessary and appropriate in the circumstances to allow for the continued operation of the Cold Storage Business. It will also enable the Applicants to pursue various restructuring options in respect of the Cold Storage Business and the manner in which the claims of creditors may be addressed.
15. The Applicants are of the view that no party will be materially prejudiced by the stay extension and the Monitor supports the relief sought.

### ***The Approval of Monitor's Reports & Activities***

16. The Applicants seek approval of the Fourth Report and the activities and conduct of the Monitor as set out therein. The Applicants also seek approval of the fees and disbursements



of the Monitor for the period from January 4, 2025 to May 3, 2025 and its counsel for the period from January 1, 2025 to April 30, 2025, as set out in the Fourth Report.

17. The factual basis for the approval of the Fourth Report and the fees and disbursements of the Monitor and its counsel will be set out in the Fourth Report. The Applicants support the relief sought.

***Distribution to Purchase Money Security Interests***

18. As described in the Broek Affidavit and in the Fourth Report, there are certain amounts owed to holders of purchase money security interests as creditors of Sierra Foods. Sierra Foods seeks approval for the Monitor and Sierra Foods to make distributions in respect of certain purchase money security interests in the amounts as provided in the Fourth Report.

***DIP Extension***

19. The Second DIP Amending Agreement to the DIP Facility Loan Agreement currently provides for a maturity date of May 31, 2025.
20. To accommodate the proposed extension of the Stay Period, the Applicants require a third amendment to the DIP Facility Loan Agreement to extend the maturity date to August 29, 2025.
21. The Applicants and the DIP Lender are finalizing the terms of an amendment to the DIP Credit Agreement (the “**Third DIP Amendment**”). Key changes will include extending the maturity date to August 29, 2025 and updating the DIP Budget.

***Other Grounds***

22. The provisions of the CCAA, including, without limitation, sections 2(1), 11, 11.02(2) and the inherent and equitable jurisdiction of this Honourable Court.
23. Rules 1.04, 2.01, 2.03, 3.02, 16, and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended, and section 106 of the *Courts of Justice Act*, R.R.O. 1990 c. C.43, as amended.
24. Such further and 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:

25. The Affidavit of Robert Vanden Broek sworn May 21, 2025;
26. The Fourth Report of the Monitor, to be filed; and
27. Such further and other evidence as counsel may advise and this Honourable Court may permit.

May 21, 2025

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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 EASTERN MEAT SOLUTIONS INC., 2298442 ONTARIO LIMITED, COLDTERRA SUPPLY CHAIN LTD., COLDTERRA REALTY CORPORATION, RVB HOLDINGS INC., VANDEN BROEK HOLDINGS (2008) INC., COLDTERRA REALTY CALGARY CORPORATION AND EASTERN MEAT SOLUTIONS (USA) CORP.

Court File No. CV-24-00720622-00CL

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

Proceedings commenced at Toronto

**NOTICE OF MOTION  
(Stay Extension and PMSI Distribution)  
Returnable May 28, 2025)**

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# TAB 2

**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  
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2298442 ONTARIO LIMITED, COLDTERRA SUPPLY CHAIN  
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RVB HOLDINGS INC., VANDEN BROEK HOLDINGS (2008)  
INC., COLDTERRA REALTY CALGARY CORPORATION AND  
EASTERN MEAT SOLUTIONS (USA) CORP.**

Applicants

**AFFIDAVIT OF ROBERT VANDEN BROEK**

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Court File No.: CV-24-00720622-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
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**IN THE MATTER OF THE *COMPANIES' CREDITORS  
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INC., COLDTERRA REALTY CALGARY CORPORATION AND  
EASTERN MEAT SOLUTIONS (USA) CORP.**

Applicants

**AFFIDAVIT OF ROBERT VANDEN BROEK  
(sworn May 21, 2025)**

I, **ROBERT VANDEN BROEK**, of the City of Etobicoke, in the Province of Ontario,  
**MAKE OATH AND SAY AS FOLLOWS:**

1. I am a director of Eastern Meat Solutions Inc. ("**Eastern Meat**"), 2298442 Ontario Limited, formerly known as Sierra Custom Foods Inc. ("**Sierra Foods**"), Coldterra Supply Chain Ltd., formerly known as Sierra Supply Chain Services Inc. ("**Coldterra Services**"), Coldterra Realty Corporation, formerly known as Sierra Realty Corporation ("**Coldterra Realty**"), RVB Holdings Inc., Vanden Broek Holdings (2008) Inc., Eastern Meat Solutions (USA) Corp., and Coldterra Realty Calgary Corporation, formerly known as Sierra Realty Calgary Corporation ("**Coldterra Calgary**" and collectively, the "**Applicants**").
2. I hold the title of Chief Executive Officer or President for each Applicant. I am actively involved in the day-to-day management and supervision of the Applicants' businesses. As such, I have personal knowledge of the matters deposed to herein, including the overall

business and financial affairs of the Applicants. Where I have relied on other sources for information, including the books and records of the Applicants, I have stated the source of my information and I believe such information to be true. In preparing this affidavit, I have consulted with other members of senior management and the Applicants' legal and financial advisors. The Applicants do not waive, or intend to waive, any applicable privilege by any statement herein.

3. This is my seventh affidavit sworn and filed in this proceeding. All capitalized terms not expressly defined herein are defined, and have the meanings set forth, in my affidavit sworn on May 21, 2024 (the "**Initial Affidavit**"), in my affidavit sworn on May 28, 2024, (the "**Second Vanden Broek Affidavit**"), in my affidavit sworn on September 19, 2024 (the "**Third Vanden Broek Affidavit**") and in my affidavit sworn on January 17, 2025 (the "**Fourth Vanden Broek Affidavit**") in these proceedings. All references to monetary amounts in this affidavit are in Canadian dollars unless otherwise stated.
4. This affidavit is sworn in support of the Applicants' motion returnable before the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on May 28, 2025, in which the Applicants seek an order (the "**Stay Extension and PMSI Distribution Order**") in the form of the draft order included at Tab 3 of the Applicants' motion record for, among other things, the following relief:
  - (a) an extension of the stay period up to and including August 29, 2025 (the "**Stay Period**");
  - (b) authorizing and approving the Third DIP Amendment (as defined below);



- (c) authorizing the Monitor and 2298442 Ontario Limited to make future distributions in respect of certain purchase money security interests in the amounts as provided in the Fourth Report of the Monitor (the “**Fourth Report**”);
- (d) approving the Fourth Report, to be filed in connection with this motion, and the Monitor’s activities and conduct set out therein;
- (e) approving the fees and disbursements of the Monitor and its legal counsel; and
- (f) granting such further and other relief as this Court deems just.

**A. Background and Activities Since the Initial Order**

- 5. The Applicants are a group of privately held companies that were in the business of procuring and distributing meat products and food processing services and remain in the business of cold storage and supply chain solutions for the food industry.
- 6. The Applicants had three distinct business lines, each of which was carried out by a separate entity within the corporate group. There was a meat trading and market services business, which was conducted by Eastern Meat and has been wound down. There was a food processing business, which was conducted by Sierra Foods and was sold to 1001000161 Ontario Limited (the “**Purchaser**”), with the transaction closing on October 25, 2024. Lastly, Coldterra Services continues to operate a cold storage and transportation business (the “**Cold Storage Business**”).
- 7. On May 21, 2024, the Applicants were granted protection under the CCAA pursuant to the Initial Order of the Honourable Justice Penny.

8. On May 31, 2024, at the Comeback Hearing, the Court granted an Amended and Restated Initial Order (the “**ARIO**”).
9. On May 31, 2024, the Court also granted an order (the “**SISP Approval Order**”), which, among other things, approved a sale and investment solicitation process in respect of the business and/or the assets of Sierra Foods (the “**SISP**”).
10. On September 25, 2024, the Court granted an Approval and Vesting Order approving the sale transaction (the “**Transaction**”) contemplated by the asset purchase agreement between Sierra Foods and the Purchaser dated September 19, 2024, as amended (the “**APA**”) and vesting in the Purchaser all of the right, title, and interest of Sierra Foods in and to the Purchased Assets (as defined in the APA).
11. On September 25, 2024, the Court granted a second order (the “**September Stay Extension Order**”), which, among other things, (i) extended the stay period until and including January 31, 2025; (ii) approved a key employee retention plan for certain employees of the Applicants (the “**KERP**”); (iii) granted a related KERP charge on the Property in the maximum aggregate amount of \$285,600; and (iv) declared that the Applicants meet the criteria prescribed by section 3.2 of the Wage Earner Protection Program Regulations, SOR/2008-222 and the Applicants’ former employees are individuals to whom the *Wage Earner Protection Program Act* (Canada), SC 2005, c 47, s 1 applies.
12. On January 24, 2025, the Court granted an order (the “**January Stay Extension Order**”), which among other things, (i) extended the Stay Period up to and including May 31, 2025; (ii) approved the Monitor’s Third Report, and the Monitor’s activities set out therein; (iii)

approved the fees and disbursements of the Monitor and its legal counsel; (iv) authorized and approved the Second DIP Amendment; (v) ratified the Applicants' actions related to the filing of Articles of Amendment for Sierra Custom Foods Inc., Sierra Realty Corporation and Sierra Realty (Calgary) Corporation; and (vi) authorized and directed the Applicants to file the Articles of Amendment in respect to Sierra Supply Chain Services Inc.

13. Since the granting of the January Stay Extension Order, the Applicants have continued to act in good faith and with due diligence to, among other things:
  - (a) file the Articles of Amendment for Sierra Supply Chain Services Inc. on February 18, 2025, in accordance with the requirements of the APA previously approved by the Court and pursuant to the January Stay Extension Order;
  - (b) continue to operate the Cold Storage Business in the ordinary course, subject to the oversight of the Monitor;
  - (c) with the assistance of the Monitor, communicate with employees, customers, suppliers, and other key stakeholders;
  - (d) communicate with the Bank of Montreal ("**BMO**") in its capacity as DIP Lender and senior secured creditor of the Applicants and provide BMO with updates on the Applicants' restructuring efforts;
  - (e) review the Purchaser's determination of inventory and reconcile disputed valuations of the inventory by the Purchaser;

- (f) prepare for and attend a motion on April 1, 2025, seeking relief to permanently enjoin BMO from advancing funds pursuant to a Standby Letter of Credit (BMT06972210S) (“LC”) to Woolsey Equities Inc.; and
  - (g) communicate and negotiate with GoCold Solutions Inc. (the “**Manager**”, formerly Confederation Freezers Inc.) and Premium Brands Holding Corporation (“**Premium Brands**”) regarding the termination of the Cold Storage Agreement (as defined below).
14. The Applicants are considering a motion on the issue of any entitlement of Woolsey Equities Inc. to amounts under the LC pursuant to the Honourable Justice Penny’s endorsement dated May 12, 2025, which left that issue for another day.
- B. Cold Storage Restructuring**
15. A critical component of the Cold Storage Business is a Cold Storage Management Agreement dated as of December 17, 2021 (the “**Cold Storage Agreement**”) among Eastern Meat, Coldterra Services, the Manager, and Premium Brands. Premium Brands is the Manager’s ultimate corporate parent. All capitalized terms not expressly defined in this section are defined, and have the meanings set forth in the Cold Storage Agreement. A copy of the Cold Storage Agreement is attached hereto as **Exhibit “A”**.
16. Pursuant to the Cold Storage Agreement, Coldterra Services engaged the Manager to manage all aspects of the Cold Storage Business at a 275,000-square-foot portion of the leased facility located at 90 Glover Road, Hamilton, Ontario (the “**Facility**”). The scope of services included warehousing, food storage, freight transportation, supply chain management and general corporate management, particularly, budgeting and financial

reporting. Premium Brands guaranteed the performance of certain obligations under the Cold Storage Agreement.

17. As manager of the Cold Storage Business under the Cold Storage Agreement, the Manager is responsible for substantially all aspects of operations, including invoicing, budgeting, accounting and reporting, personnel, purchases of supplies, repairs and alterations, and cash management (including the full authority to enter into contracts related to the Cold Storage Business and to exercise control over the applicable operating accounts with BMO).
18. As part of the Cold Storage Agreement, among other things: (i) the Manager agreed to pay Coldterra Services an inducement fee in the aggregate amount of \$5 million; (ii) the Manager agreed to provide Coldterra Services with two unsecured loans in the aggregate amount of \$2 million to finance working capital and security deposit requirements under the lease in respect of the Facility; (iii) provided certain terms and conditions of the Cold Storage Agreement are met, the Manager is entitled to receive an annual fixed management fee of \$1 million per year as well as an annual performance fee determined by a formula based on the distributable cash of the Cold Storage Business, as defined in the Cold Storage Agreement; and (iv) Coldterra Services is entitled to a guaranteed amount of distributable cash generated by the Cold Storage Business for each fiscal year based on the financial projections and adjustments set out in the Cold Storage Agreement.
19. The Cold Storage Agreement required the Manager to: (i) maintain proper books and records for the Cold Storage Business, (ii) prepare regular monthly and annual financial reports, and (iii) deliver those reports to Coldterra Services. Those reports were a critical

input for determining Coldterra Services' entitlement to cash flows and other metrics under the Cold Storage Agreement.

20. To date, the Manager has failed to meet its obligations under the Cold Storage Agreement.
21. Pursuant to Section 4.5(d) of the Cold Storage Agreement, the Manager was required to prepare Annual Statements, which would be used to determine the Distributable Cash and Guaranteed Distributable Cash required to be paid to Coldterra Services pursuant to the Cold Storage Agreement. Pursuant to Section 4.5(e) of the Cold Storage Agreement, Eastern Meat and Coldterra Services were then to audit the Annual Statements for accuracy.
22. Eastern Meat and Coldterra are unable to audit the Annual Statements, as the Annual Statements have never been provided by the Manager. The Manager and Premium Brands assert that the Distributable Cash and Guaranteed Distributable Cash cannot be accurately calculated because there has not been an audit. In doing so, they attempt to rely on their own breach to prevent Eastern Meat and Coldterra Services from quantifying what is owed to Eastern Meat and Coldterra Services under the Cold Storage Agreement.
23. Despite repeated requests, the Manager has not provided Coldterra Services with the necessary reports to verify or calculate the amounts due between the parties. Coldterra Services prepared internal estimates using available records, including audited consolidated financial statements prepared for Eastern Meat, to assess the financial position under the Cold Storage Agreement, for the amounts distributable to Eastern Meat under the Cold Storage Agreement. However, the Manager and Premium Brands assert that Eastern Meat and Coldterra Services' calculations are unreliable, notwithstanding that

they have been reviewed by the Monitor. The Monitor has examined, tested and supports the estimates provided by Eastern Meat and Coldterra Services of the amounts owing under the Agreement. The Monitor advised the Manager that it was satisfied that Coldterra Services' estimates were supported by external documents, conservative and were in fact, in some cases, punitive to Eastern Meat.

24. On October 31, 2024, Coldterra Services issued a demand letter outlining the counterparties' defaults and detailing the outstanding amounts, quantified to the date of the letter, that were owed by Premium Brands (as guarantor) and the Manager to Coldterra Services under the Cold Storage Agreement. A copy of the October 31, 2024 demand letter is attached as **Exhibit "B"**.
25. On November 18, 2024, counsel to Premium Brands and the Manager indicated a desire on their part to attempt to resolve the issues at a business level.
26. Over the course of October 2024 through to December 2024, Coldterra Services and the Manager attempted to resolve their issues. Their discussions did not result in any resolution.
27. On December 30, 2024, Coldterra Services issued a further demand letter to Premium Brands, detailing the counterparties' defaults under the Cold Storage Agreement and demanding payment to cure those defaults by January 10, 2025. Coldterra Services also gave notice pursuant to paragraph 12.2 of the Cold Storage Agreement, triggering a 120-day period for the Manager to cure their breaches under the Cold Storage Agreement. A copy of the December 30, 2024 demand letter is attached as **Exhibit "C"**.

28. On January 13, 2025, Premium Brands responded through counsel on a without prejudice basis.
29. On February 27, 2025, counsel to Coldterra Services reiterated the numerous defaults by the Manager and Premium Brands under the Cold Storage Agreement and provided a detailed response addressing the allegations raised by the Manager, including the context in which those allegations were made. A copy of the February 27, 2025, correspondence from counsel to Coldterra Services is attached as **Exhibit “D”**.
30. Since the granting of the January Stay Extension Order, numerous discussions have occurred between the parties and their respective counsel with data exchanged.
31. As outlined above, the absence of any accounting from the Manager goes to the heart of the issue. The Manager and Premium Brands rely on the Manager’s own failure to provide accounting to avoid calculating the payments owed to EMS and Coldterra Services. Further, the Manager and Premium Brands assert that internal accounting prepared by EMS and Coldterra is unreliable.
32. In response to this assertion and at the request of the Manager and Premium Brands, as part of the on-going without prejudice discussions, the Monitor undertook a detailed examination of Coldterra Services’ estimates and methodology in preparing its internal accounting with respect to the Cold Storage business. Among other things, the Monitor verified the four main cost items subject to adjustment, being rent, utilities, lease payments, and labour against third-party invoices and internal financial records. The Monitor confirmed that the financial information used by Coldterra Services was conservative and, in some respects, unfavourable to Coldterra Services. That said, the Monitor confirmed



that the calculations were reliable and supported the Applicants in utilizing these amounts in the discussions with the Manager. I understand that the Monitor will be reporting on this to the Court in the Fourth Report.

33. In light of the Monitor's work, the Applicants made a final without prejudice offer to the Manager and Premium Brands on May 15, 2025. The offer went unanswered.
34. As a result, on May 21, 2025, in light of the Manager's repeated and ongoing breaches of its contractual obligations, its failure to cure any such defaults in the required cure period, its failure to resolve the accounting and reconciliation process, and the complete breakdown of the commercial relationship between the parties, the Applicants' counsel wrote to the Manager's counsel to advise that pursuant to section 12.2 of the Cold Storage Agreement, the notice period following the default notice and demand had expired, and the Cold Storage Agreement was terminated by its own terms. A copy of the May 21, 2025 letter is attached as **Exhibit "E"**.
35. The Monitor advised the Applicants that it supports this step and that the amounts identified as owing to Coldterra Services are based on sound methodology and credible records.
36. If the parties cannot resolve the payment of the amounts owing to the Applicants pursuant to the now-terminated Cold Storage Agreement, the Applicants intend to bring a motion before the CCAA court for determination of the issue.
37. In addition, following the termination, the Applicants intend to utilize the proposed extension to the Stay Period to focus on restructuring the remaining Cold Storage Business,

in light of this termination, with the objective of repaying BMO's outstanding secured debts and completing a restructuring.

**C. Stay Extension**

38. The proposed Stay Extension and PMSI Distribution Order contemplates an extension of the Stay Period up to and including August 29, 2025. The stay extension is necessary and appropriate in the circumstances to allow for the continued operation of the Applicants' remaining business. It will also enable the Applicants to consider the restructuring options in respect of the Cold Storage Business and the manner in which the claims of creditors may be addressed.
39. The Applicants have acted, and continue to act, in good faith and with due diligence during this proceeding. The Cash Flow Forecast that will be appended to the Fourth Report demonstrates that, subject to the approval of the Third DIP Amendment, which is described below, the Applicants will have sufficient liquidity to fund their business operations during the proposed extension to the Stay Period. The Applicants are of the view that no party will be materially prejudiced by the stay extension.

**D. Distribution to Purchase Money Security Interests**

40. Following the completion of the Transaction, subject to certain closing adjustments, all proceeds have been or will be applied towards the repayment of BMO's secured debt and certain purchase money security interests. As a result, Sierra Foods will no longer hold any material assets available for realization for the benefit of its creditors.
41. The Monitor's counsel has reviewed the lease agreements between the various equipment lessors and Sierra Foods and provided the Monitor with an opinion relating to any purchase money security interests with respect to Sierra Foods. I understand that information

regarding the proposed purchase money security interest distributions will be set out in the Fourth Report.

**E. DIP Extension**

42. The second amending agreement to the DIP Facility Loan Agreement (the “**Second DIP Amending Agreement**”), currently provides for a maturity date of May 31, 2025, which aligned with the stay extension granted pursuant to the January Stay Extension Order.
43. The Applicants require a third amendment to the DIP Facility Loan Agreement to extend the maturity date until August 29, 2025. This will align with the proposed extension to the Stay Period described above.
44. The Applicants and the DIP Lender are negotiating an amendment to the DIP Credit Agreement (the “**Third DIP Amendment**”). The material changes in the Third DIP Amendment, among other things, will extend the maturity date until August 29, 2025, and update the DIP Budget (as defined therein). A copy of the unexecuted Third DIP Amendment, is attached as **Exhibit “F”** to this affidavit.

**F. Approval of Monitor’s Reports & Activities**

45. The Applicants seek approval of the Fourth Report and the activities and conduct of the Monitor as set out therein. The Applicants also seek approval of the fees and disbursements of the Monitor for the period from January 4, 2025, to May 3, 2025 and its counsel for the period from January 1, 2025, to April 30, 2025, as set out in the Fourth Report.
46. The factual basis for the approval of the Fourth Report and the fees and disbursements of the Monitor and its counsel will be set out in the Fourth Report. The Applicants support the relief sought.

47. This affidavit is sworn in support of the Applicants' motion for the Stay Extension and PMSI Distribution Order described herein and for no other or improper purpose.

**SWORN** by **ROBERT VANDEN BROEK**, in the City of Etobicoke, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 21 day of May, 2025 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely*.



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**Shurabi Srikaruna (LSO# 90908K)**



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**ROBERT VANDEN BROEK**

This is Exhibit "A" referred to in the Affidavit of ROBERT VANDEDN BROEK sworn by Robert Vanden Broek in the City of Etobicoke, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 21st day of May, 2025 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely*.



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A Commissioner for taking affidavits

**SHURABI SRIKARUNA**  
**(LSO# 90908K)**

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# **COLD STORAGE MANAGEMENT AGREEMENT**

**December 17, 2021**

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## **COLD STORAGE MANAGEMENT AGREEMENT**

**THIS COLD STORAGE MANAGEMENT AGREEMENT** is made with effect on and as of the 17<sup>th</sup> day of December, 2021

**AMONG:**

**EASTERN MEAT SOLUTIONS INC.**, an Ontario corporation  
(**"EMS"**);

**AND:**

**SIERRA SUPPLY CHAIN SERVICES INC.**, an Ontario corporation  
(**"Sierra"**);

**AND:**

**CONFEDERATION FREEZERS INC.**, a Canadian corporation  
(the **"Manager"**);

**AND:**

**PREMIUM BRANDS HOLDINGS CORPORATION**, a Canadian corporation  
(**"PBHC"**);

**WHEREAS:**

- A. The Manager is in the business of providing cold storage management services;
- B. EMS is party to a Lease Agreement between 2362302 Ontario Inc. (the **"Landlord"**) dated June 14, 2013 (the **"Original Lease"**), and to a Lease Amending Agreement dated September 17, 2019 (the **"First Amending Agreement"**);
- C. Sierra Realty Corporation (**"Sierra Realty"**), an indirect wholly-owned subsidiary of EMS, is a party to a Lease Amending and Assignment Agreement dated September 17, 2019 (the **"Second Amending Agreement"**), a Lease Amending Agreement dated October 31, 2019 (the **"Third Amending Agreement"**), and a lease amending and extending agreement dated November 2, 2020 (the **"Fourth Amending Agreement"**) between the Landlord and EMS and Sierra Realty, as tenant, pursuant to which the Landlord leased the Hamilton Property (as defined herein) to Sierra Realty and EMS (the Original Lease, First Amending Agreement, Second Amending Agreement, Third Amending Agreement, and Fourth Amending Agreement are herein collectively called the **"Lease"**);

- D. Sierra has subleased the Hamilton Property from Sierra Realty and EMS pursuant to an Occupancy Agreement dated as of September 25, 2019 (the “**Occupancy Agreement**”) between Sierra Realty and EMS, as leaseholders, and Sierra, as occupant; and
- E. Sierra wishes to engage the Manager to conduct the Cold Storage Business (as defined herein) on the Managed Property (as defined herein) and the Manager wishes to accept such engagement, subject to the terms and conditions set forth in this Agreement;

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties covenant and agree as follows:

## **ARTICLE 1 INTERPRETATION**

### **1.1           Definitions**

In this Agreement, including this Article 1 and in any amendments to this Agreement, unless otherwise stated or unless there is something in the subject matter or context inconsistent therewith:

- (a) “**80% Utilization**” has the meaning set forth in Section 7.1(b)(iii)(B);
- (b) “**Additional Capex**” has the meaning set forth in Section 4.3(c);
- (c) “**Adjusted Labour and Hydro Costs**” has the meaning set forth in Section 7.1(b)(iii)(B);
- (d) “**Affiliate**” has the meaning set forth in the *Canada Business Corporations Act*, and includes a “**Subsidiary**”;
- (e) “**Annual Budget**” has the meaning set forth in Section 10.1;
- (f) “**Annual CPI Increase**” has the meaning set forth in Section 9.2(d);
- (g) “**Annual Distributions**” has the meaning set forth in Section 11.2(b);
- (h) “**Annual Statements**” has the meaning set forth in Section 4.5(c);
- (i) “**Applicable Laws**” means any laws, statutes, treaties, regulations, codes, ordinances, orders, decrees, rules, judgments, decisions, writs, policies, by-laws, permits, consents, injunctions, guidelines, practices, settlement agreements or government requirements enacted, promulgated, issued, entered into agreed or imposed by any Governmental Authority, that apply to the Managed Property or the use and occupancy thereof or the operation of the Cold Storage Business thereon;

- (j) **“Appointment Notice”** has the meaning set forth in Article 14;
- (k) **“Audit”** has the meaning set forth in Section 4.5(e);
- (l) **“Authorized Personnel”** means those individuals hired by the Manager and employed by Sierra in accordance with Section 4.1(d) and Section 4.7 to provide services in respect of the oversight, management, administration, operation, accounting, sales and marketing, maintenance and information technology of the Managed Property and the Cold Storage Business, including for the avoidance of doubt all employees and personnel appropriate for the proper operation of the Cold Storage Business, in the sole discretion of the Manager;
- (m) **“Baseline EBITDA”** means, in respect of any Fiscal Year, the Baseline EBITDA of the Cold Storage Business set forth in the Financial Projections, as adjusted pursuant to Section 7.1;
- (n) **“Business Day”** means any day exclusive of Saturdays, Sundays or statutory holidays in the Province of Ontario or the Province of British Columbia, and also excluding any day on which the principal chartered banks located in the City of Toronto and/or the City of Vancouver are closed for business during normal banking hours;
- (o) **“Capital Expenditures”** means any expenditures that are capital in nature in accordance with generally accepted accounting principles;
- (p) **“Claim”** means any claim, demand, action, suit or proceeding;
- (q) **“Cold Storage Assets”** means the assets, other than the Managed Property, used in the conduct of the Cold Storage Business at the Managed Property, including, without limitation, the Cold Storage Contracts, Operating Supplies and Cold Storage Permits;
- (r) **“Cold Storage Business”** means the business to be carried on by Sierra and managed by the Manager at the Managed Property, being a business specializing in the provision of: (i) warehousing and warehouse storage services for the food industry; (ii) multi-temperature, including refrigerated, ambient and frozen, food storage services; (iii) freight transportation and transportation by truck of refrigerated and frozen food goods; and (iv) supply chain management services for the food industry;
- (s) **“Cold Storage Contracts”** means all contracts, agreements, and commitments made by, or binding upon, Sierra relating to the Managed Property or in respect of the Cold Storage Business conducted therefrom or the Cold Storage Assets used in connection therewith;
- (t) **“Cold Storage Permits”** means all licences and permits issued by any Governmental Authority and required in connection with or pertaining to the operation of the Cold Storage Business;

- (u) **“Commencement Date”** has the meaning set forth in Section 2.2(b);
- (v) **“Compensation”** means the salaries, wages and other similar payments made to, or accrued for the benefit of, any Authorized Personnel, including incentive compensation, together with all fringe benefits payable to, or accrued for the benefit of, such Authorized Personnel, unemployment compensation or other employment taxes, pension fund contributions, worker's compensation, group life, accident and health insurance premiums, and profit sharing, retirement bonuses, disability and other similar benefits;
- (w) **“Control”** means the holding, directly or indirectly, of: (i) securities of a Person to which are attached more than 50% of the votes that may be cast to elect directors of the Person or, in the case of a partnership, of the general partner of such partnership; or (ii) the votes attached to securities of a Person which are sufficient, if exercised, to elect a majority of the directors of the Person;
- (x) **“Deemed Corporate Tax Rate”** means 26.5%;
- (y) **“Direct Claim”** has the meaning set forth in Section 15.3;
- (z) **“Distributable Cash”** means, with respect to the Cold Storage Business, earnings after: (i) Operating Expenses; (ii) the Income Tax Expense; (iii) Capital Expenditures (other than Additional Capex); and (iv) amounts required in connection with any working capital growth of the Cold Storage Business;
- (aa) **“Distributable Cash Shortfall”** has the meaning set forth in Section 13.5(b);
- (bb) **“Distributable Cash Targets”** means, in respect of any Fiscal Year, the Distributable Cash Target of the Cold Storage Business set forth in the Financial Projections, as adjusted pursuant to Section 7.1;
- (cc) **“Effective Date”** shall mean the date of execution of this Agreement by the parties hereto;
- (dd) **“EMS”** has the meaning set forth in the preamble to this Agreement;
- (ee) **“EMS Change of Control”** means: (i) EMS ceasing to be a Vanden Broek Controlled Entity; or (ii) the sale or transfer of all or substantially all of the assets of EMS, unless substantially all of the proceeds of such transaction, excluding any proceeds payable to any lender(s) under the Existing Credit Facilities and Security in connection with such transaction, are distributed to a Vanden Broek Controlled Entity and such Vanden Broek Controlled Entity agrees to guarantee, jointly and severally with Sierra, the payment of the Sierra Termination Payment pursuant to Section 16.1(b);
- (ff) **“Estate Sale”** has the meaning set forth in Section 9.2(d)(i);
- (gg) **“Exceptional Expenses”** has the meaning set forth in Section 10.2;

- (hh) **“Existing Credit Facilities and Security”** means the term and revolving credit facilities extended by Bank of Montreal to EMS, as secured by guarantees given by each of the operating Affiliates of EMS, including Sierra, and by security interests granted by EMS and each such guarantor over their respective property and assets, as amended , modified or replaced from time to time;
- (ii) **“Expert”** has the meaning set forth in Article 14;
- (jj) **“Fees”** means, collectively, the Management Fee and the Performance Fee;
- (kk) **“Financial Projections”** means, collectively, the financial projections of the Cold Storage Business set forth in Schedule A, as adjusted pursuant to Section 7.1;
- (ll) **“First Amending Agreement”** has the meaning set forth in Recital B;
- (mm) **“Fiscal Year”** means the fiscal year of Sierra ending on September 30 of each year, provided that, the Fiscal Year ended September 30, 2022 means the period from February 1, 2022 to September 30, 2022;
- (nn) **“Fourth Amending Agreement”** has the meaning set forth in Recital C;
- (oo) **“Governmental Authority”** means any: (i) governmental or public department, central bank, court, minister, governor-in-council, cabinet, commission, tribunal, board, bureau, agency or commission, whether international, multinational, national, federal, provincial, state, county, municipal, local, or other; (ii) subdivision or authority of any of the above; (iii) stock exchange, securities regulatory authority or regulator; and (iv) quasi-governmental or private body exercising any executive, legislative, regulatory, expropriation or taxation authority under or for the account of any of the above;
- (pp) **“Guaranteed Distributable Cash”** means, in respect of any Fiscal Year, the Guaranteed Distributable Cash of the Cold Storage Business set forth in the Financial Projections, as adjusted pursuant to Section 7.1;
- (qq) **“Hamilton Property”** means, collectively, the real property and buildings municipally known as 90 Glover Road, Hamilton, Ontario L8W 3T7;
- (rr) **“Income Tax Expense”** means, in respect of any Fiscal Year, the Taxable Income for such Fiscal Year multiplied by the Deemed Corporate Tax Rate;
- (ss) **“Indemnified Party”** has the meaning set forth in Section 15.3;
- (tt) **“Indemnifying Party”** has the meaning set forth in Section 15.3;
- (uu) **“Inducement Fee”** has the meaning set forth in Section 2.2;
- (vv) **“Initial Term”** has the meaning set forth in Section 13.1(a);

- (ww) “**Interim Lender**” has the meaning set forth in 10.4(b);
- (xx) “**Issue**” has the meaning set forth in Article 14;
- (yy) “**Landlord**” has the meaning set forth in Recital B;
- (zz) “**Lease**” has the meaning set forth in Recital C;
- (aaa) “**Losses**” means, in respect of any matter, all claims, demands, proceedings, losses, damages, liabilities, penalties, costs and expenses (including all reasonable legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement) arising directly or indirectly as a consequence of such matter, excluding consequential, indirect and exemplary damages or losses;
- (bbb) “**Liability**” means any liability or obligation of any kind, whether liquidated or unliquidated, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, secured or unsecured, joint or several, due or to become due;
- (ccc) “**Managed Property**” means the Hamilton Property, including all equipment and leasehold interests in the real property used in the operation of the Cold Storage Business, but excluding the Processing Facility;
- (ddd) “**Management Fee**” has the meaning set forth in Section 6.1(a);
- (eee) “**Management Services**” has the meaning set forth in Section 4.1;
- (fff) “**Manager**” has the meaning set forth in the preamble to this Agreement;
- (ggg) “**Manager Breach**” has the meaning set forth in Section 15.1;
- (hhh) “**Manager Indemnitees**” has the meaning set forth in Section 15.1;
- (iii) “**Manager Termination Payment**” has the meaning set forth in Section 13.5(b);
- (jjj) “**Mandate**” has the meaning set forth in Section 4.1;
- (kkk) “**Material Damage**” means any damage or destruction to the Managed Property as a result of which the average number of pallet positions available to be managed by the Manager in any Fiscal Year, calculated on a daily basis, is less than 44,000 pallet positions;
- (lll) “**Monthly Distribution**” has the meaning set forth in Section 11.2(a);
- (mmm) “**Monthly Statements**” has the meaning set forth in Section 4.5(b);
- (nnn) “**Occupancy Agreement**” has the meaning set forth in Recital D;
- (ooo) “**Operating Account**” has the meaning set forth in Section 10.3(a);

- (ppp) “**Operating Expenses**” means for any period the aggregate, without duplication, of all costs and expenses of every nature and kind paid or incurred in connection with the management, marketing, operation, maintenance and repair of the Managed Property and the Cold Storage Business and properly attributable to that period, determined on an accrual basis under generally accepted accounting principles. For greater certainty Operating Expenses shall include the Management Fee and all amounts payable under the Lease and will exclude any corporate expenses allocated by EMS;

The determination of Operating Expenses shall be based on the best information available to the Manager, and may, at times prior to the Audit, be estimated if the amount of actual expenditure is not available.

- (qqq) “**Operating Supplies**” means, collectively, the inventory of all consumable items, and operating supplies necessary for the proper operation and maintenance of the Managed Property and the Cold Storage Business;

- (rrr) “**Option**” has the meaning set forth in Section 9.2(d);

- (sss) “**Option Notice**” has the meaning set forth in Section 9.2(d);

- (ttt) “**Option Period**” has the meaning set forth in Section 9.2(d);

- (uuu) “**Option Price**” has the meaning set forth in Section 9.2(d);

- (vvv) “**Original Lease**” has the meaning set forth in Recital B;

- (www) “**PBHC**” has the meaning set forth in the preamble to this Agreement;

- (xxx) “**Performance Fee**” has the meaning set forth in Section 6.1(b);

- (yyy) “**Person**” includes an individual, corporation, body corporate, company, limited liability company, unlimited liability company, partnership (whether general, limited or undeclared), firm, joint venture, syndicate, association, fund, trust, trustee, executor, administrator, legal personal representative, estate, government, Governmental Authority and any other form of entity or organization, whether or not having legal status;

- (zzz) “**Processing Facility**” means: (i) the processing facility located on the first floor of the Hamilton Property, comprised of approximately 17,500 square feet; (ii) the office space located on the second floor of the Hamilton Property; and (iii) the welfare area located on the second floor of the Hamilton Property, each as identified in Schedule B, and shall include 400 pallet positions reserved for the Processing Facility at the Hamilton Property, at no charge;

- (aaaa) “**Project**” means the expansion of the existing building and facilities on the Hamilton Property to be comprised of approximately: (i) 49,000 pallet positions; (ii) 250,000 square feet of freezer space; (iii) 900,000 kilograms of freezing



capability per week using state-of-the-art freezing technology; and (iv) 1,800 cooler positions;

(bbbb) “**Renewal Term**” has the meaning set forth in Section 13.1(b);

(cccc) “**Second Amending Agreement**” has the meaning set forth in Recital C;

(dddd) “**Security Deposit Loan**” has the meaning set forth in Section 3.2;

(eeee) “**Sierra**” has the meaning set forth in the preamble to this Agreement;

(ffff) “**Sierra Change of Control**” means: (i) Sierra ceasing to be a Vanden Broek Controlled Entity; or (ii) the sale or transfer of all or substantially all of the assets of Sierra;

(gggg) “**Sierra Indemnites**” has the meaning set forth in Section 15.2;

(hhhh) “**Sierra Realty**” has the meaning set forth in Recital C;

(iiii) “**Sierra Termination Payment**” has the meaning set forth in Section 13.5(a)(i);

(jjjj) “**Strategic Investor Sale**” has the meaning set forth in Section 9.2(d)(ii);

(kkkk) “**Subsidiary**” has the meaning set forth in the *Canada Business Corporations Act*;

(llll) “**Taking**” means the expropriation, taking or condemnation of the Managed Property by any Governmental Authority in any expropriation, eminent domain, compulsory acquisition, condemnation or like proceedings or a sale to such Governmental Authority in lieu thereof, including a temporary taking for a duration in excess of 180 days;

(mmmm) “**Taxable Income**” means, in respect of any Fiscal Year, the Taxable Income of the Cold Storage Business set forth in, and calculated in accordance with, the Financial Projections (for greater certainty, excluding any corporate expenses or adjustments allocated by EMS);

(nnnn) “**Term**” means the Initial Term plus any Renewal Terms, taken together;

(oooo) “**Third Amending Agreement**” has the meaning set forth in Recital C;

(pppp) “**Third Party Claim**” has the meaning set forth in Section 15.3;

(qqqq) “**Vanden Broek Controlled Entity**” means any Person that is Controlled by Robert Vanden Broek or his successors, estate or permitted assigns; and

(rrrr) “**Working Capital Facility**” has the meaning set forth in Section 3.1.

## 1.2 Interpretation

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (a) “**Agreement**” means this Cold Storage Management Agreement, including all Schedules attached hereto, as it may from time to time be supplemented or amended by one or more agreements between the parties in accordance with the terms hereof;
- (b) all references in this Agreement to “pallet positions” shall be based on a 55” pallet equivalency;
- (c) all references in this Agreement to a “Fiscal Year” followed by a “year” shall mean the Fiscal Year ended September 30 of that year;
- (d) except as otherwise set forth in this Agreement, all references in this Agreement to the exercise of “discretion” by a Person shall mean the reasonable exercise of the discretion of that Person in good faith with regard to all relevant factors and circumstances;
- (e) all references in this Agreement to designated “Articles”, “Sections” and other subdivisions are to be designated Articles, Sections and other subdivisions of this Agreement;
- (f) the words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision;
- (g) the headings are for convenience only and do not form a part of this Agreement and they shall not be used to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;
- (h) the word “including”, when following any general statement, term or matter, shall not be construed to limit the general statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language is used; and
- (i) all references to the plural in relation to defined terms herein shall also mean the singular and to the singular shall also mean the plural unless the context otherwise requires.

## 1.3 Statutes

Any reference in this Agreement to any statute means such statute and any statute or law enacted to supersede or replace such statute.

## ARTICLE 2 APPOINTMENT OF MANAGER

### 2.1 Appointment

Sierra hereby appoints the Manager as an independent contractor and not as an agent, to provide the Management Services hereunder, and the Manager hereby accepts such appointment. Such appointment shall be in effect for the duration of the Term, shall be irrevocable and shall not be subject to termination except as specifically provided in Article 13 of this Agreement.

### 2.2 Inducement Fee

In consideration of the appointment of the Manager by Sierra to provide the Management Services, the Manager shall pay the following amounts to Sierra (collectively, the “**Inducement Fee**”):

- (a) [REDACTED] on or before January 1, 2022; and
- (b) [REDACTED] on or before the date of completion of the Project, which, for greater certainty, shall include the completion of the dock facility, the quick freeze (QFM) facility and freezer facility, each in accordance with the Plans, and the availability of no less than 47,000 daily pallet positions (the “**Commencement Date**”).

## ARTICLE 3 LOANS FROM THE MANAGER

### 3.1 Working Capital Facility

For the period commencing on the Commencement Date and ending on September 30, 2024, the Manager will provide a credit facility to Sierra of up to [REDACTED] (the “**Working Capital Facility**”) to be used by Sierra for initial working capital purposes. The Working Capital Facility shall not bear interest and shall be repaid to the Manager out of the Operating Account if and when, in the Manager’s sole discretion, the Operating Account has sufficient funds to pay all anticipated Operating Expenses, Capital Expenditures and other expenses of the Cold Storage Business. For greater certainty, all amounts owing under the Working Capital Facility, if any, shall be fully repaid on September 30, 2024.

### 3.2 Security Deposit Loan

On or before March 1, 2022, the Manager will loan (the “**Security Deposit Loan**”) to EMS up to [REDACTED] to be used by EMS to satisfy the security deposit requirements under the Lease. The Security Deposit Loan shall be evidenced by a promissory note, substantially in the form attached hereto as Schedule C.

## ARTICLE 4 COLD STORAGE MANAGEMENT SERVICES

### 4.1 Management Services

The Manager shall manage the Cold Storage Business in accordance with the mandate attached hereto as Schedule D (the “**Mandate**”) and provide to Sierra cold storage management services in respect of the Managed Property, including, *inter alia*, performing the following duties and services (the “**Management Services**”):

- (a) **Invoicing.** Prepare and issue in the name of Sierra accounts, bills and invoices for services rendered in connection with the Cold Storage Business, and to pursue the payment and collection of all such accounts, bills and invoices on a timely fashion;
- (b) **Annual Budget.** Prepare and update the Annual Budget for approval by EMS in accordance with Section 10.1 and once approved, supervise the implementation and management of such Annual Budget;
- (c) **Accounting and Reporting.** Prepare and maintain proper books and records relating to the Cold Storage Business, other than books and records relating to the Parent Account, perform regular accounting and prepare financial reports in accordance with Section 4.5;
- (d) **Personnel.** Hire, direct, employ, supervise, promote and dismiss, in its sole discretion, Authorized Personnel in accordance with, and subject to, Section 4.7;
- (e) **Services, Materials and Supplies.** On behalf of Sierra, purchase all Operating Supplies and contract for or purchase all other services, materials and supplies required in the operation of the Cold Storage Business and in the performance of the Manager’s duties and responsibilities under this Agreement, and shall endeavour to do so at competitive prices. The cost of such services, materials and supplies shall be an Operating Expense and shall be funded and paid out of the Operating Account;
- (f) **Repairs and Alterations.** Supervise and direct the making of all renovations and property repairs and maintenance to the Managed Property which are in the ordinary course of the Cold Storage Business and which are necessary or desirable in keeping with the Mandate, and in accordance with the Lease to the extent applicable, so as to maintain the Managed Property in good condition and working order and at all times in the manner appropriate, including implementation of Capital Expenditure programs approved by Sierra and in connection therewith contract for all construction and other technical services and supplies at competitive prices;
- (g) **Information Technology.** Manage all on-site computer, data processing, telecommunications and other information technology, systems and equipment necessary or desirable in connection with the operation of the Managed Property and the Cold Storage Business or in keeping with the Mandate at competitive

prices; the cost of such technology, systems and equipment shall be an Operating Expense or Capital Expenditure, as applicable, and shall be funded and paid out of the Operating Account;

- (h) **Compliance with Laws and Obligations.** Develop and implement management systems designed to ensure compliance by Sierra with (i) all of the terms and conditions of all restrictions, agreements and obligations with respect to the Managed Property or the use, operation or ownership of which the Manager has been previously advised by Sierra, and (ii) all Applicable Laws and all lawful requirements of all Governmental Authorities having jurisdiction over the Managed Property or the Cold Storage Business;
- (i) **Legal Proceedings.** On behalf of and in the name and at the expense of Sierra, commence and prosecute and/or defend, as appropriate, any action and proceedings or take any legal action, which is available by law to Sierra for the protection of Sierra's rights and which should be taken, or for the recovery of any amounts owing and unpaid or in respect of any Claim by a third party relating to any incident or circumstance at the Managed Property. The Manager shall keep Sierra apprised of the status and developments of any proceedings as often as reasonably required by Sierra. The Manager shall not have the right to settle, transact or discontinue any such proceedings with respect to Claims for amounts in excess of \$75,000 without the prior written approval of Sierra, such approval to not be unreasonably withheld, conditioned or delayed;
- (j) **Selection of Professionals.** Select the lawyers, engineering consultants and other professionals necessary or appropriate to be retained in connection with the operation of the Cold Storage Business and the Managed Property. Sierra shall be responsible for the payment of all reasonable legal or other fees, costs and other monies payable to any such lawyers, engineering consultants and other professionals, which shall be an Operating Expense and shall be funded and paid out of the Operating Account;
- (k) **Pay Bills.** At the expense of Sierra, pay as they become due all Operating Expenses and any other expenses relating to the operation of the Cold Storage Business and the Managed Property, in each case in accordance with the Annual Budget (except to the extent of permitted variances in accordance with Article 10). The Manager shall develop and implement a management system for the payment of all such expenses on a timely basis so as to avoid any late payment charges, penalties or interest;
- (l) **Liens and Encumbrances.** Use reasonable efforts to keep the Managed Property and the Cold Storage Assets free from any new liens, charges and encumbrances arising out of the operation of the Cold Storage Business, except in relation to any new financing or other charge or encumbrance approved by Sierra in writing;
- (m) **Claims.** Promptly notify Sierra of any Claim for \$75,000 or more asserted, threatened or instituted against the Manager (other than by Sierra) or against Sierra

or EMS which involves the performance of this Agreement or relates to the Managed Property or the Cold Storage Business;

- (n) **Licenses and Permits.** In the name of Sierra, apply for and use its reasonable efforts to obtain and maintain in full force and effect, and, as appropriate, renew, all such Cold Storage Permits as may be required in connection with the management and operation of the Managed Property and the Cold Storage Business. Sierra shall co-operate with the Manager in the application for, maintenance and renewal of, such Cold Storage Permits and, in particular but without limitation, Sierra agrees to execute and deliver any and all applications and other documents as shall be reasonably required in applying for, obtaining and maintaining such Cold Storage Permits. Notwithstanding the foregoing, the Manager shall have no liability to Sierra should the Manager, having made application for and used commercially reasonable efforts to obtain any Cold Storage Permit, fail to obtain any such Cold Storage Permit;
- (o) **Cash Management.** Manage the Operating Account and conduct all banking arrangements in connection with the day-to-day operation of the Managed Property and the Cold Storage Business in accordance with Section 10.3;
- (p) **Sales and Marketing.** Supervise sales and marketing with respect to the Managed Property and the Cold Storage Business;
- (q) **Construction and Technical Services.** On behalf of Sierra, supervise all construction and technical services in connection with the construction of any additional buildings or facilities at the Managed Property, the completion of major renovations with respect to the Managed Property, the repair or reconstruction of any Material Damage to the Managed Property or which is required as a result of any Taking of the Managed Property or part thereof, or other Capital Expenditures which are not made in the ordinary course of the operation of the Cold Storage Business, including the supervision and direction of any third party project or construction manager retained in connection therewith and contract payment arrangements;
- (r) **Meetings.** Make its officers and employees available to meet with representatives of Sierra and EMS, including the directors or committees thereof, at all reasonable times upon reasonable prior notice; and
- (s) **General.** Diligently do and perform every other act whatsoever necessary to comply with the obligations of the Manager pursuant to this Agreement or which is customary and usual in connection with the operation and management of a cold storage comparable to the Cold Storage Business. For greater certainty, the Manager may, in its sole discretion, delegate the performance of any or all of the Management Services to Authorized Personnel.

4.2 Contracts

- (a) In connection with the performance by the Manager of its duties under this Agreement, the Manager shall have the authority to negotiate, make, enter into and perform, in the name of, for the account of, on behalf of and at the expense of Sierra, all Cold Storage Contracts that are reasonably necessary for the proper operation of the Cold Storage Business and the Managed Property, in the sole discretion of the Manager; provided that, for each such Cold Storage Contract relating to the supply of goods or services to Sierra with an estimated value of more than \$75,000:
  - (i) such Cold Storage Contract, notwithstanding its stated term, shall be terminable without cost or penalty to Sierra on not more than 30 days' notice; or
  - (ii) such Cold Storage Contract shall have been authorized in the then-current Annual Budget or shall be approved by Sierra, such approval to not be unreasonably withheld, conditioned or delayed.
- (b) Notwithstanding Section 4.2(a), the Manager shall not do any of the following without the prior written approval of Sierra:
  - (i) enter into any financing or other borrowing in respect of the Cold Storage Business, or secured by, the Managed Property;
  - (ii) transfer any Cold Storage Assets to any Person that does not deal at arm's length with the Manager or an Affiliate of the Manager (excluding, for the avoidance of doubt, Fees or other amounts payable to the Manager pursuant to this Agreement);
  - (iii) create or permit the creation of any encumbrance on the Managed Property other than liens being contested diligently and in good faith and for the payment of which adequate reserves have been taken;
  - (iv) enter into or commit Sierra to enter into any new collective bargaining agreement with any Authorized Personnel employed at the Managed Property; or
  - (v) deal with or contact the Landlord in any manner whatsoever in relation to the Lease, the Hamilton Property or the Managed Property.

4.3 Capital Expenditures

- (a) The Manager is authorized to make Capital Expenditures only in accordance with the terms of the then-current Annual Budget or as otherwise approved by Sierra (except in accordance with Section 10.2 or where otherwise required in an emergency to preserve property or the safety of persons in or about the premises of the Managed Property); provided, however, that the Manager shall not be required to procure approval from Sierra to the extent that the total cost of all Capital

Expenditures in such Fiscal Year does not exceed the budgeted amount for all Capital Expenditures in such Fiscal Year by more than \$100,000.

- (b) All Capital Expenditures that are not authorized pursuant to Section 4.3(a) shall be approved by Sierra, such approval to not be unreasonably withheld, conditioned or delayed.
- (c) Any Capital Expenditures required by the Business prior to June 1, 2023 in order to complete the Managed Property such that it has the capacity in order to achieve the projected Baseline EBITDA for Fiscal Year 2024, as adjusted pursuant to Section 7.1, in excess of \$500,000 (the “**Additional Capex**”) shall be paid by EMS and shall be funded and paid out of the Parent Account. For greater certainty: (i) any Additional Capex paid by EMS shall not adjust any of the Financial Projections including, without limitation, the Distributable Cash Targets, Guaranteed Distributable Cash and Baseline EBITDA; and (ii) the Additional Capex shall not include any Capital Expenditures incurred by or on behalf of Sierra to enhance or exceed the initial scope of the Project.

#### 4.4 Marketing

During the Term of this Agreement, the Manager shall arrange and supervise advertising and other promotional activities relating to the Cold Storage Business. The Manager, in its sole discretion, may cause the Cold Storage Business to participate in sales and promotional campaigns and activities where such activities are in furtherance of the profitability of the Cold Storage Business.

#### 4.5 Accounts, Records and Reports

- (a) The Manager shall maintain, or cause to be maintained, such accounting systems, books of account and other business records with respect to the Managed Property, the Cold Storage Business and the Management Services currently in use in connection with the Cold Storage Business (or as may be changed from time to time with the consent of Sierra, such consent not to be unreasonably withheld, conditioned or delayed) and as are necessary to maintain an accurate record of the business and operations of the Managed Property and the Cold Storage Business. The accounting system and accounts and records to be maintained pursuant to this Section shall comply in all material respects with: (i) all Applicable Laws; and (ii) generally accepted accounting principles, consistently applied, except where such principles conflict with any Applicable Laws. The Manager shall keep such books and records at the Managed Property or at another location mutually acceptable to the parties, and Sierra shall have the right to examine and take copies of such books of account and records at all reasonable times subject to reasonable notice being given by Sierra to the Manager.
- (b) On or before the 20<sup>th</sup> day following the end of each calendar month, the Manager shall deliver, or cause to be delivered, to EMS monthly statements in respect of the



Cold Storage Business (the “**Monthly Statements**”), which shall consist of all of the following unless otherwise consented to by Sierra:

- (i) a profit and loss statement in respect of the Cold Storage Business in the immediately preceding calendar month and for the year to date;
  - (ii) a condensed statement showing the Distributable Cash, Operating Expenses, Capital Expenditures, Fees and Monthly Distribution for the immediately preceding month and for the year to date;
  - (iii) a statement or statements showing: (A) how the amounts shown to be payable to the Manager on account of its Fees have been computed; (B) accounts receivable on an aged basis; (C) a Capital Expenditure summary for the immediately preceding calendar month; (D) the occupancy rate for the immediately preceding calendar month; (E) the balances of the Operating Account as of the end of the immediately preceding calendar month; and (F) upon request, copies of all Operating Account statements for the immediately preceding calendar month within the Manager’s control;
  - (iv) upon request, copies of all tax returns filed by the Manager on behalf of Sierra or with respect to the Managed Property, together with copies of all such returns to the extent not previously provided; and
  - (v) a report comparing actual expenditures during such month and for the year-to-date with budgeted expenditures for such month and for the year-to-date as set out in the Annual Budget and comparative figures for the comparable periods for the previous Fiscal Year and an analysis of month and year to date financial results and variances to budget.
- (c) As soon as reasonably practicable after the end of each fiscal quarter, but no later than 30 days following the end of such fiscal quarter, the Manager shall arrange a meeting with representatives of EMS and Sierra in order to review current operations and results and discuss and consider any changes which would enhance operations of the Cold Storage Business;
- (d) As soon as reasonably practicable after the end of each Fiscal Year of the Term, but no later than 45 days after the end of such Fiscal Year, the Manager shall deliver to EMS each of the following (the “**Annual Statements**”):
- (i) a profit and loss statement for such Fiscal Year; and
  - (ii) a statement showing the Operating Expenses, Capital Expenditures, Fees, Distributable Cash and any Distributable Cash Shortfall for such Fiscal Year and a comparison to the Financial Projections.
- (e) Within 30 days following receipt by EMS of the Annual Statements for each Fiscal Year, the auditors of EMS shall conduct an audit of the Annual Statements for such

Fiscal Year (each, an “**Audit**”). Subject to Section 4.8(d), the Audit shall be completed at the sole cost and expense of EMS.

- (f) Without limiting or derogating from the Manager’s duties under this Section 4.5, the Manager shall maintain or compile and shall provide Sierra with any and all other information, accounts, reports or records related to the Cold Storage Business as Sierra may reasonably require from time to time.
- (g) Sierra and the Manager shall co-operate to develop the report formats, classification of information, accounting policies and the forecast assumptions of reports to be used by the Manager.
- (h) Sierra or its agents or representatives shall have the right to review and document the internal accounting controls and cash holding procedures maintained by the Manager. The Manager agrees to work with Sierra to resolve deficiencies in internal accounting controls.

#### 4.6 Property and Operational Insurance

- (a) Sierra shall, in conjunction with the Landlord, commencing on or before the Commencement Date and continuing throughout the Term, procure and maintain insurance policies with respect to the Managed Property with the following minimum levels of coverage and at all times in compliance with any lender requirements:
  - (i) all risk property insurance on the Managed Property (including contents) against loss or damage by fire, lightning and all other risks covered by the usual standard extended coverage endorsement, and with coverage in the amount of not less than 100% of the replacement cost thereof, inclusive of footings and foundations;
  - (ii) insurance against loss or damage from explosion of boilers, pressure vessels, pressure pipes and sprinklers installed in the Managed Property;
  - (iii) business interruption insurance covering loss of profits and necessary continuing expenses, including the Fees, for interruptions caused by any occurrences covered by the insurance referred to in Sections 4.6(a)(i) and 4.6(a)(ii) above, for a period of 24 months (or such longer period as may be notified to the Manager by Sierra in order to satisfy lender requirements);
  - (iv) flood insurance in an amount not less than the maximum limit available for the Managed Property (but only if the Managed Property is located in a zone identified by any lender to the Manager as a flood hazard area);
  - (v) comprehensive or commercial general liability insurance against claims for death, bodily injury, or property damage occurring on, in or about the Managed Property in an amount not less than \$10,000,000 per occurrence,

and automobile liability insurance on vehicles operated in conjunction with the Sierra;

- (vi) warehouseman's legal liability insurance against claims for physical loss of or damage to property of others while at the Hamilton Property in a reasonable amount based on the products stored at the Managed Property; and
- (vii) crime insurance and cyber risk insurance in an amount not less than \$2,000,000 per occurrence.

The Manager shall be added as an additional insured to the insurance coverage under Section 4.6(a)(v).

- (b) All policies of insurance required under Section 4.6(a) shall be consistent with insurance customarily obtained by owners or operators of cold storage facilities of a similar size, quality, character and location as the Managed Property and shall comply with the requirements set forth in the Lease (to the extent they are made known to the Manager). Sierra shall have the right to periodically review and require a change in the amounts of insurance maintained with respect to the Managed Property and/or to require the insurance of additional risks in order to make such insurance compatible with prudent industry standards and applicable loan documents, and to reflect increases in liability exposures, taking into account the size and location of the Managed Property provided that Sierra's requirements hereunder shall be consistent with those for cold storage facilities of same or similar class, size, location and markets as the Managed Property.
- (c) Sierra and the Manager hereby waive their rights of recovery against each other, their respective officers, directors, agents and employees for loss or damage to the Managed Property and any resultant business interruption to the extent covered by the insurance maintained under this Section 4.6. Should any such policies of insurance require an endorsement to effect such a waiver, Sierra shall cause them to be so endorsed.
- (d) The costs or other expenses of all insurance procured and maintained pursuant to the provisions of Section 4.6(a) shall be an Operating Expense of the Cold Storage payable as and to the extent provided herein.

#### 4.7 Authorized Personnel

- (a) Subject to Section 4.7(e), the selection and hiring of the Authorized Personnel is the responsibility of the Manager and all such Authorized Personnel shall be employed by Sierra as employees of Sierra. Moreover, the hiring, direction, employment, supervision, promotion and dismissal of all Authorized Personnel and the setting of the terms employment of all Authorized Personnel with Sierra, including Compensation, shall be at the sole discretion of the Manager.

- (b) The Manager may delegate to other Authorized Personnel, the hiring, direction, employment, supervision, promotion and dismissal of all Authorized Personnel. The decision in regard to any such hiring, direction, employment, supervision, promotion and dismissal, whether made directly by the Manager or indirectly through other Authorized Personnel to which such authority was delegated by the Manager, shall be at the sole discretion of the Manager.
- (c) Sierra shall not interfere with the management and supervision of Authorized Personnel by the Manager and shall coordinate any complaints and/or objections through the Manager.
- (d) Sierra agrees that all costs and expenses incurred by the Manager in connection with the employment of the Authorized Personnel (including, without limitation, any Compensation, any hiring and relocation costs and expenses, withholding amounts and termination costs payable, including costs of terminating any and all Authorized Personnel for any reason, and any tax costs in relation to any of the foregoing) shall be for the account of Sierra as an Operating Expense and shall be funded and paid out of the Operating Account.
- (e) Notwithstanding anything to the contrary herein, any alteration to the terms of employment of any key senior Authorized Personnel, as identified in writing by EMS to the Manager from time to time, shall be subject to the consent of EMS, such consent to not be unreasonably withheld, conditioned or delayed.

#### 4.8 Tax

- (a) EMS shall be responsible for the payment of all federal, provincial and local taxes, charges, rates, levies, penalties, fines and interest in connection with the Managed Property and the Cold Storage Business.
- (b) The Manager shall, on behalf of Sierra, if required under any Applicable Law, collect and remit to the applicable Governmental Authority any sales tax and other tax, other than income tax, and make any necessary filings and reports in respect thereof. Such taxes shall be funded and paid out of the Operating Account.
- (c) EMS shall, on behalf of Sierra, if required under any Applicable Law, collect and remit to the applicable Governmental Authority any income tax and make any necessary filings and reports in respect thereof. Such taxes shall be funded and paid out of the Parent Account. To the extent the funds available in the Parent Account at any given time are insufficient to pay Sierra's income taxes, including any penalties, fines and interest in connection therewith, EMS shall pay such shortfall.
- (d) On an annual basis, within 30 days following the completion of each Audit, the Manager shall transfer an amount from the Operating Account to the Parent Account equal to the sum of: (i) the Income Tax Expense for such Fiscal Year (without regard to actual tax payable by Sierra in respect of the Cold Storage Business), less any monthly or quarterly income tax remittances paid from the

Operating Account pursuant to Section 4.8(b); plus (ii) \$30,000, in respect of Sierra's portion of the costs of the Audit incurred by EMS.

- (e) The Manager may withhold from any payments to EMS or Authorized Personnel and remit to any other Governmental Authority any amounts required to be withheld or remitted in respect of any withholding or other tax obligations.

## **ARTICLE 5 MANAGER'S AUTHORITY**

### **5.1           Manager's Authority**

Subject to the provisions of this Agreement, including, without limitation, Section 4.1:

- (a) the Manager shall have the authority on behalf of and in the name of Sierra to do such things as are, in the opinion of the Manager, necessary or desirable in connection with the management of the Managed Property and the Cold Storage Business, the provision of the Management Services and the performance of its other duties under this Agreement;
- (b) the Manager shall be solely authorized to manage the day-to-day operations of the Managed Property and the Cold Storage Business, to determine rates, charges to customers for other services and other operational matters at the Managed Property, as set forth herein; and
- (c) the Manager shall have the right to determine operating policy, standards of operation, quality of service and any other matters affecting customer relations or efficient management and operation of the Managed Property and Cold Storage Business, under the terms of this Agreement.

Without limiting the generality of the foregoing but subject to the limitations set forth in Section 4.2, the Manager shall have the authority to make, enter into and perform, in the name of, for the account of, on behalf of and at the expense of Sierra, any contracts and agreements which are reasonably necessary and appropriate to carry out or place in effect the terms and conditions of this Agreement.

### **5.2           Furnish Information**

The Manager shall make available to Sierra and any auditor or legal counsel of Sierra or EMS or its lenders or to any appraiser of the Managed Property appointed by Sierra or EMS or its lenders such information, documentation and material relating to the Managed Property and the Cold Storage Business as and when the same may be reasonably requested in writing and otherwise give such co-operation as may be necessary for the auditor, legal counsel or appraisers to carry on their duties on behalf of Sierra or EMS. In the event that any such information, documentation or material is not customarily maintained by cold storage managers in the cold storage industry in Canada, such information, documentation and material shall be compiled or prepared at additional cost to EMS which shall be agreed between EMS and the Manager in writing

before the Manager undertakes any work for which it proposes to seek reimbursement from EMS under this Section.

5.3 Co-operation with the Manager

Sierra, EMS and its Affiliates shall permit all Authorized Personnel and such other persons as may be duly authorized by the Manager in writing to enter the Managed Property at all necessary times for any purposes connected with the management, operation of all or any part of the Managed Property or the provision of any Management Services pursuant to the terms of this Agreement.

5.4 Rights of Inspection

EMS and its authorized representatives shall have the right to inspect the Managed Property and, on reasonable prior notice, to review and audit all books, records and information relating to the Managed Property and the Cold Storage Business, provided that EMS and EMS's representatives shall exercise such rights so as to minimize to the maximum extent reasonably practicable any interference with the operation of the Cold Storage Business.

**ARTICLE 6**  
**FEES**

6.1 Fees Payable to the Manager

The following fees shall be payable to the Manager by Sierra in respect of the Management Services:

- (a) a fee of [REDACTED], plus applicable sales tax, for each Fiscal Year during the Term (the “**Management Fee**”), provided that, for Fiscal Year 2022, the Management Fee shall be [REDACTED]; and
- (b) a fee for each Fiscal Year during the Term (the “**Performance Fee**”) in an amount equal to: (i) 80%; multiplied by (ii) the Distributable Cash of the Cold Storage Business for such Fiscal Year minus the Distributable Cash Target for such Fiscal Year; divided by (iii) 0.735, plus applicable sales tax, provided that: (A) for Fiscal Year 2022, the Performance Fee shall be an amount equal to: (x) 50%; multiplied by (y) the Distributable Cash of the Cold Storage Business for such Fiscal Year minus [REDACTED]; divided by (z) 0.735, plus applicable sales tax; and (B) if the Performance Fee for any Fiscal Year yields a negative number, the Performance Fee for such Fiscal Year shall be deemed to be equal to zero (\$0.00).

6.2 Payment of Management Fee and Performance Fee

- (a) The Management Fee for a given Fiscal Year shall be payable by Sierra to the Manager, in advance, in equal monthly instalments on the first Business Day of each calendar month of the Term. The Management Fee shall be an Operating Expense and shall be funded and paid out of the Operating Account.

- (b) The Performance Fee for a given Fiscal Year shall be payable to the Manager in accordance with Section 11.2(b)(ii)(A).

## ARTICLE 7

### FINANCIAL PROJECTIONS AND GUARANTEED DISTRIBUTABLE CASH

#### 7.1 Adjustments to the Financial Projections

- (a) The parties have settled on and set out in Schedule A the initial Financial Projections, including the Baseline EBITDA, Distributable Cash Target and Guaranteed Distributable Cash, and their basis for calculation, for each Fiscal Year during the Term.
- (b) The parties shall revise the Financial Projections, and make corresponding adjustments to the Baseline EBITDA, Distributable Cash Targets and Guaranteed Distributable Cash included in the Financial Projections, as follows:
  - (i) “Rent” shall be adjusted once determined with the Landlord and the Financial Projections for Fiscal Years 2023 and 2024 shall be revised based on the actual “Rent”;
  - (ii) “Lease Payments” shall be adjusted once determined following the completion of the Project and the Financial Projections for Fiscal Years 2023 to 2033 shall be revised based on the actual “Lease Payments” and their respective terms;
  - (iii) “Labour” and “Hydro” for Fiscal Years 2023 and 2024 shall be adjusted, on a monthly basis, as follows:
    - (A) for each month prior to the Cold Storage Business achieving 80% Utilization, based on the actual costs for “Labour” and “Hydro” for such period(s); and
    - (B) for the month in which the Cold Storage Business achieves 80% Utilization and each month thereafter, based on the average monthly cost incurred by Sierra for Labour and Hydro (the “**Adjusted Labour and Hydro Costs**”) during the first three months, consecutive or non-consecutive, the Cold Storage Business achieves 80% pallet utilization (excluding the QFM facility) (“**80% Utilization**”),and the Financial Projections for Fiscal Years 2023 and 2024 shall be revised based on such amounts.

For greater certainty: (i) there shall be no adjustments to the Financial Projections, including the Baseline EBITDA, Distributable Cash Targets and Guaranteed Distributable Cash, for Fiscal Year 2022; and (ii) for Fiscal Years 2023 and 2024, the only adjustments to the Financial Projections under Section 7.1(b)(iii),

including the Baseline EBITDA, Distributable Cash Targets and Guaranteed Distributable Cash, will be the application of the actual costs for “Labour” and “Hydro” prior to 80% Utilization and thereafter the application of the Adjusted Labour and Hydro Costs.

- (c) In connection with the adjustments to the Financial Projections pursuant to Section 7.1(b), the parties hereby agree that the adjustments to the Baseline EBITDA, Distributable Cash Targets and Guaranteed Distributable Cash for Fiscal Year 2025 and each Fiscal Year thereafter during the Initial Term shall be adjusted based on the following assumptions:
  - (i) the Baseline EBITDA for Fiscal Year 2025 and each Fiscal Year thereafter during the Initial Term shall be increased by 2.5% from the Baseline EBITDA for the prior Fiscal Year;
  - (ii) the adjustment for “Lease Payments” pursuant to Section 7.1(b)(ii); and
  - (iii) the Guaranteed Distributable Cash for Fiscal Year 2024 and each Fiscal Year thereafter during the Initial Term shall represent 80% of the adjusted Distributable Cash Targets during such period.
- (d) In the event of any Material Damage to the Managed Property or any Taking of the Managed Property during any Fiscal Year, the Guaranteed Distributable Cash for such Fiscal Year shall be decreased to an amount equal to the product of: (i) the Guaranteed Distributable Cash for such Fiscal Year; multiplied by (ii) a fraction, the numerator of which is the average number of pallet positions available at the Managed Property to be managed by the Manager in such Fiscal Year, calculated on a daily basis, and the denominator of which is 48,835, provided, however, that if, as a result of Material Damage to the Managed Property or any Taking of the Managed Property, the average number of pallet positions available at the Managed Property to be managed by the Manager in any Fiscal Year is less than 36,000 pallet positions, the guarantee set forth in Section 7.2 shall cease to apply in its entirety for such Fiscal Year and EMS and the Manager will negotiate in good faith adjustments to the Distributable Cash Targets, Guaranteed Distributable Cash and Baseline EBITDA for the balance of the Initial Term based on mutually agreed revised projections.

## 7.2 Guaranteed Distributable Cash

Subject to the terms and conditions of this Agreement, the Manager hereby guarantees the Guaranteed Distributable Cash for Fiscal Years 2023 to 2033 as set forth in the Financial Projections, as adjusted pursuant to Section 7.1. In the event there is a Distributable Cash Shortfall for any Fiscal Year during the Initial Term, other than Fiscal Year 2022, the Manager shall deposit into the Parent Account, from the Manager’s funds and not from the Operating Account, an amount equal to the Distributable Cash Shortfall for such Fiscal Year.



**ARTICLE 8**  
**REPRESENTATIONS, WARRANTIES AND COVENANTS**

8.1           Covenants

All of the terms and provisions of this Agreement shall be deemed and construed to be covenants to be performed by the respective parties as though words specifically expressing or importing covenants and conditions were used in each separate term and provision hereof.

8.2           Representations, Warranties and Covenants of the Manager

The Manager represents and warrants, as of the date hereof:

- (a) it is a corporation, duly formed and existing under the laws of Canada;
- (b) it has full corporate power, authority and right to operate the Cold Storage Business and to perform and observe the provisions of this Agreement; and
- (c) this Agreement constitutes a binding obligation of the Manager enforceable in accordance with its terms.

8.3           Representations, Warranties and Covenants of PBHC

PBHC represents and warrants, as of the date hereof:

- (a) it is a corporation, duly formed and existing under the laws of Canada;
- (b) it has full corporate power, authority and right to perform and observe the provisions of this Agreement; and
- (c) this Agreement constitutes a binding obligation of PBHC enforceable in accordance with its terms.

8.4           Representations, Warranties and Covenants of Sierra

Sierra represents and warrants, as of the date hereof:

- (a) it is a corporation, duly formed and existing under the laws of the Province of Ontario;
- (b) it has full corporate power, authority and right to engage the Manager in accordance with the provisions of this Agreement and to perform and observe the provisions of this Agreement; and
- (c) this Agreement constitutes a binding obligation of Sierra enforceable in accordance with its terms.

8.5 Representations, Warranties and Covenants of EMS

EMS represents and warrants, as of the date hereof:

- (a) it is a corporation, duly formed and existing under the laws of the Province of Ontario;
- (b) it has full corporate power, authority and right to perform and observe the provisions of this Agreement; and
- (c) this Agreement constitutes a binding obligation of EMS enforceable in accordance with its terms.

8.6 Negative Covenants of Sierra and EMS

Except as expressly permitted under this Agreement, Sierra covenants and agrees that it shall not, and EMS covenants and agrees it shall not permit Sierra to, without the prior written consent of the Manager, which consent may be withheld in the sole discretion of the Manager:

- (a) create, incur, allow to exist or assume any Liabilities, other than in connection with the Existing Credit Facilities and Security;
- (b) grant or suffer to exist any lien, mortgage, pledge, security interest or any other encumbrance in respect of any of Sierra's property, other than in connection with the Existing Credit Facilities and Security;
- (c) directly or indirectly, sell or otherwise dispose of any of the Cold Storage Assets;
- (d) assume, guarantee, endorse or otherwise become liable for any obligation of any other Person, including any contingent liability under any letter of credit or similar document or instrument, other than in connection with the Existing Credit Facilities and Security;
- (e) change its Fiscal Year;
- (f) enter into, terminate or amend any Cold Storage Contract or Cold Storage Permit;
- (g) carry on or be engaged in the operation of any business, other than the Cold Storage Business at the Managed Property; or
- (h) take any action, or fail to take any action, except as expressly permitted under this Agreement, that interferes with the Manager's ability to satisfy its obligations under this Agreement.

For greater certainty, neither Sierra nor EMS shall be liable for any breach of this Section 8.6 to the extent caused by any act or omission of the Manager.

8.7 Positive Covenants of Sierra and EMS

Each of Sierra and EMS covenant agree that it shall:

- (a) maintain its corporate existence in good standing and all qualifications to carry on business in each jurisdiction in which such qualifications are required under Applicable Law;
- (b) comply with all Applicable Laws, in all material respects;
- (c) pay when due all taxes, rates, levies and assessments and governmental charges, fees and dues levied, assessed or imposed in respect of its property and business; and
- (d) maintain all Cold Storage Contracts, including the Lease and the Occupancy Agreement, and all Cold Storage Permits in good standing.

For greater certainty, neither Sierra nor EMS shall be liable for any breach of this Section 8.7 to the extent caused by any failure of the Manager to satisfy its obligations under this Agreement.

**ARTICLE 9  
ASSIGNMENT OR CHANGE OF CONTROL**

9.1 Assignment by the Manager or PBHC

- (a) Neither the Manager nor PBHC shall, without the prior written consent of Sierra, which consent may be refused in Sierra's sole and unfettered discretion, assign, directly or indirectly, all or any of its rights or obligations under this Agreement without the prior written consent of EMS, other than to an Affiliate of the Manager or PBHC.
- (b) Any assignment by the Manager or PBHC of any of its rights or obligations under this Agreement pursuant to Section 9.2(a) shall not release the Manager or PBHC from any of its obligations hereunder. Any assignment permitted hereunder shall not be effective unless and until the assignee executes an agreement pursuant to which the assignee agrees to assume the Manager's or PBHC's obligations under this Agreement and to be bound by all of the provisions hereof.

9.2 Assignment or Change of Control by Sierra

- (a) Neither Sierra nor EMS shall, without the prior written consent of the Manager, which consent may be refused in the Manager's sole and unfettered discretion, assign, directly or indirectly, all or any of its rights or obligations under this Agreement, the Lease or the Occupancy Agreement.

- (b) Subject to Section 9.2(d), Sierra shall not, without the prior written consent of the Manager, which consent may be refused in the Manager's sole and unfettered discretion, undergo a Sierra Change of Control.
- (c) EMS shall not, without the prior written consent of the Manager, which consent may be refused in the Manager's sole and unfettered discretion, undergo an EMS Change of Control.
- (d) Notwithstanding Section 9.2(b), if, during the Initial Term:
  - (i) Sierra wishes to sell the Cold Storage Business at any time following the death or severe incapacity of Robert Vanden Broek (an "**Estate Sale**"); or
  - (ii) Sierra wishes to sell all or any portion of the Cold Storage Business to any Person that is not, directly or indirectly a competitor of the Manager, including in connection with a Change of Control (a "**Strategic Investor Sale**"),

Sierra shall provide written notice to the Manager of such intention (the "**Option Notice**") and the Manager shall have the option (the "**Option**"), for a period of six months following receipt of such Option Notice (the "**Option Period**"), to purchase the Cold Storage Business from EMS at a price (the "**Option Price**") equal to: (A) the present value of the Guaranteed Distributable Cash for the balance of the Initial Term; plus (B) the present value of 80% of the Distributable Cash Targets for the 10-year period following the Initial Term, based on an annual increase to the Distributable Cash Targets for such 10-year period equal to the average annual increase to the Consumer Price Index for the five year period immediately preceding the Option Notice (the "**Annual CPI Increase**"). The discount rate to be applied in respect of the foregoing present value calculations shall be an amount equal to the Annual CPI Increase, less 0.5%. For greater certainty, the Option Price is on a cash-free, debt free basis and the Option Price shall be adjusted to the extent cash or non-trade related debt, including, but not limited to, revolving debt, term debt, shareholder debt and capital leases, is not excluded from the transaction giving rise to the calculation of the Option Price.

In the event the Manager does not exercise the Option during the Option Period and: (i) such Option Period was triggered by an Estate Sale, EMS and/or Sierra shall provide the Manager with a right of first refusal to match any offer received by EMS or Sierra for the purchase of the Cold Storage Business; or (ii) such Option Period was triggered by a Strategic Investor Sale, EMS and/or Sierra shall provide the Manager with a right of first refusal to match any offer received by EMS or Sierra for the purchase of the Cold Storage Business from any Person that is not, directly or indirectly, a competitor of the Manager. For greater certainty, other than in connection with an Estate Sale, in no event will Sierra or EMS have the right to sell the Cold Storage Business during the Initial Term to any Person that is, directly or indirectly, a competitor of the Manager.

9.3 Purchase Option

Sierra hereby grants to the Manager an option to purchase a controlling block of its shares during the Initial Term at a price and on terms to be agreed upon by the parties at the time of an exercise of such option, such price to be based on the fair value at that time, established by valuation principles used to determine fair market value.

**ARTICLE 10**  
**ANNUAL BUDGET**

10.1 Annual Budget

- (a) Not later than 60 days prior to the commencement of each Fiscal Year during the Term (other than Fiscal Year 2022), the Manager shall deliver to EMS a proposed annual budget (which shall include, *inter alia*, the projected EBITDA, Distributable Cash, Operating Expenses and Capital Expenditures of the Cold Storage Business) for such Fiscal Year in respect of the Cold Storage Business (together, the “**Annual Budget**”). The Annual Budget shall be prepared in accordance with generally accepted accounting principles and shall include information and supporting schedules relating to the operation, maintenance and other capital requirements of the Managed Property and Cold Storage Business.
- (b) It is understood and agreed by the parties hereto that: (i) the Annual Budget is intended to set forth attainable objectives and goals for the relevant Fiscal Year based on the Manager’s judgment, acting as a realistic, prudent and professional cold storage manager, of the circumstances known by it at the time of preparation (including in particular the operational performance of the Cold Storage Business in the current and preceding Fiscal Years, the competitive position of the Cold Storage Business, prevailing economic and business conditions and the physical condition of the Managed Property), and (ii) proposals by the Manager and EMS in relation to the Annual Budget shall not be made on the basis of objectives that are believed by the Manager to be unrealistic for the relevant Fiscal Year based on then-applicable economic, business and other conditions.
- (c) The Annual Budget shall be subject to the written approval of EMS, not later than 30 days after receipt by EMS, such approval to not be unreasonably withheld, conditioned or delayed. If EMS disapproves a proposed Annual Budget or any material element thereof, EMS and the Manager shall cooperate in good faith in developing such modifications as may be acceptable to the parties. If the parties fail to agree on an Annual Budget or any element thereof for any Fiscal Year, the matter shall be submitted for dispute resolution in accordance with Article 14. The Annual Budget shall become effective for the applicable Fiscal Year upon the earlier to occur of: (i) approval by EMS in writing; (ii) EMS failing to provide notice of any objections to the Annual Budget within 30 days after receipt thereof; or (iii) final determination of any dispute relating thereto pursuant to Article 14.

- (d) Subject to the variances and revisions permitted under this Article 8, the Manager shall not incur any Operating Expenses in respect of the management of the Cold Storage Business or the provision of the Management Services in excess of or in addition to the budgeted amount for such Operating Expenses, in the aggregate, set forth in the then-current Annual Budget, except to the extent:
  - (i) the increased or additional Operating Expenses, in the aggregate, do not exceed the greater of: (A) 4% of the actual revenue to date of the Cold Storage Business for such Fiscal Year; and (B) 4% of the budgeted annual revenue set forth in the then-current Annual Budget for such Fiscal Year;
  - (ii) the increased or additional Operating Expenses relate to Exceptional Expenses; or
  - (iii) the Manager has otherwise received the prior written approval of EMS, such approval to not be unreasonably withheld, conditioned or delayed.
- (e) The Manager may propose revisions to the Annual Budget as often as it deems appropriate and, in particular, may do so following any material change in the prevailing economic and business conditions and the competitive position and physical condition of the Cold Storage Business.
- (f) The Manager shall not be deemed to have made any guarantee or warranty in connection with the results or performance contemplated by any Annual Budget prepared or contemplated under this Agreement and, for the avoidance of doubt, no variation in the results of EMS or Sierra relative to the Annual Budget shall constitute a breach or an event of default by the Manager under this Agreement.

## 10.2 Exceptional Expenses

If any work or action is urgently required and failure to do any work or take any action might expose Sierra or the Manager, in its capacity as administrator and supervisor, to penalties or other liability, or result in property damage, physical injury or death, notwithstanding anything to the contrary in this Agreement, the Manager shall proceed with such steps and fund and pay such expenses (the “**Exceptional Expenses**”) out of the Operating Account as it deems urgently necessary for the protection and preservation of the Managed Property or to protect Sierra or the Manager from exposure to a penalty or other liability. Upon the happening of any such event, the Manager shall as soon as reasonably possible, give written notice thereof to EMS and of the actions taken and Exceptional Expenses incurred by the Manager for the protection and preservation of the Managed Property or to protect Sierra or the Manager from exposure to a penalty or other liability.

## 10.3 Bank Accounts

- (a) All funds received by the Manager in the operation of the Managed Property and the Cold Storage Business, including the Working Capital Loan, shall be deposited in an account or accounts with Bank of Montreal or such other financial institution selected by the Manager and approved by EMS (each such account, an “**Operating**

**Account**”). The Manager shall notify EMS of the details of each such Operating Account.

- (b) The Operating Account shall be in the name of Sierra and shall be under the control of the Manager. Any payments of Fees to the Manager shall be made to an account specified by the Manager.
- (c) Cheques and other documents of withdrawal shall be disbursed in accordance with this Agreement, and signed only by persons authorized by the Manager. The Manager is hereby authorized to pay all Operating Expenses, Capital Expenditures, lease payments and all amounts payable to the Manager under this Agreement from funds in the Operating Account.
- (d) The Manager, acting reasonably, shall reserve funds in the Operating Account each month during the Term, to the extent available, for any of the Operating Expenses not paid on a monthly basis (e.g., real estate taxes and insurance premiums) and to the extent reasonably necessary to pay anticipated Operating Expenses as they fall due and to otherwise operate the Managed Property and the Cold Storage Business in accordance with the Annual Budget and prevalent cash management practices.
- (e) EMS shall open an account with the same financial institution as the Operating Account (the “**Parent Account**”). The Parent Account shall be in the name of Sierra and shall be under the control of EMS.
- (f) On the Commencement Date, Sierra shall have a minimum net working capital of [REDACTED] and, to the extent Sierra does not have net working capital of at least [REDACTED] on the Commencement Date, EMS shall fund and pay for such shortfall out of the Parent Account by depositing an amount equal to such shortfall into the Operating Account.

#### 10.4 Shortfalls

- (a) The Manager, in performing its duties under this Agreement shall not have any obligation to expend its own funds to pay any Operating Expenses or any other expenditures necessary for the proper operation and maintenance of the Managed Property or the Cold Storage Business or to meet any financial obligations of Sierra with respect to the Managed Property or the Cold Storage Business.
- (b) In the event that the funds in the Operating Account are not sufficient at any time to pay the Operating Expenses or any other expenditures necessary for the proper operation of the Cold Storage Business and maintenance of the Managed Property, the Manager shall advise EMS as to the reasons for the shortfall and the parties shall act in good faith to resolve such shortfall. If EMS or the Manager (an “**Interim Lender**”) employs its own funds to fund such shortfall, the Manager shall reimburse the Interim Lender from future amounts held in the Operating Account if and when, in the Manager’s sole discretion, the Operating Account has sufficient funds to pay all other anticipated Operating Expenses and any other expenditures necessary for the proper operation of the Cold Storage Business and maintenance

of the Managed Property. Interest on such amounts expended by the Interim Lender shall accrue and be payable to the Interim Lender at the rate of 11% per annum from the date that the Interim Lender pays such expenditures until the date such reimbursement is made.

- (c) The Manager shall use reasonable efforts to give EMS as much advance notice as is reasonably practicable if it anticipates that there shall be insufficient funds in the Operating Account to pay the Operating Expenses or any other expenditures necessary for the proper operation of the Cold Storage Business and maintenance of the Managed Property.

## **ARTICLE 11**

### **RECEIPT AND DISBURSEMENT OF FUNDS**

#### **11.1      Funding of Cold Storage Business**

Sierra and the Manager acknowledge and agree that it is their mutual intention that all Operating Expenses and Capital Expenditures incurred in connection with the operation, repair and maintenance of the Managed Property and the provision of the Management Services hereunder shall be funded and paid out of the Operating Account.

#### **11.2      Distributions and Priority of Payments**

- (a) Subject to Section 11.2(c), on or before the fifth Business Day of each calendar month during the Term, the Manager shall distribute 100% of the Distributable Cash to a maximum amount equal to 5% of the Guaranteed Distributable Cash for such Fiscal Year (the “**Monthly Distribution**”). The Monthly Distribution shall be funded and paid out of the Operating Account and shall be deposited into the Parent Account. The balance of the Distributable Cash shall be retained in the Operating Account until the completion of the Audit, unless otherwise agreed between the Manager and EMS.
- (b) Subject to Section 11.2(c), the Manager will distribute, following each Fiscal Year within 30 days following the completion of the Audit for such Fiscal Year, 100% of the Distributable Cash for the most recently completed Fiscal Year as follows (collectively, the “**Annual Distributions**”):
  - (i) first, to the Parent Account 100% of such Distributable Cash to a maximum amount equal to the Distributable Cash Target for such Fiscal Year, less any Monthly Distributions deposited into the Parent Account during such Fiscal Year; and
  - (ii) as to the balance:
    - (A) to the Manager 80% of such Distributable Cash to a maximum amount equal to the Performance Fee; and
    - (B) to the Parent Account the balance of the Distributable Cash.



The Annual Distributions shall be funded and paid out of the Operating Account.

- (c) No Monthly Distributions shall be deposited into the Parent Account during Fiscal Year 2022. The Manager will distribute, following such Fiscal Year within 30 days following the completion of the Audit for such Fiscal Year, 100% of the Distributable Cash for such Fiscal Year as follows:
  - (i) first, to the Parent Account 100% of such Distributable Cash to a maximum amount of [REDACTED]; and
  - (ii) as to the balance:
    - (A) to the Manager 50% of such Distributable Cash to a maximum amount equal to the Performance Fee; and
    - (B) to the Parent Account the balance of the Distributable Cash.

## **ARTICLE 12**

### **DEFAULT AND REMEDIES**

#### **12.1      Manager Events of Default**

The following shall constitute events of default on the part of the Manager:

- (a) the filing of a voluntary petition in bankruptcy or insolvency or a petition for reorganization under any bankruptcy law by the Manager or PBHC;
- (b) the consent to an involuntary petition in bankruptcy or the failure to vacate within 60 days from the date of entry thereof any order approving an involuntary petition by the Manager or PBHC;
- (c) the entering of an order, judgment or decree by any court of competent jurisdiction on the application of a creditor, adjudicating the Manager or PBHC a bankrupt or insolvent or approving a petition seeking reorganization or appointing a receiver, trustee or liquidator of all of or a substantial part of the Manager's or PBHC's assets, and such order, judgment or decree shall continue unstayed and in effect for a period of 120 consecutive days;
- (d) a determination by a competent court that the Manager has acted fraudulently in the performance of its duties under this Agreement; and
- (e) the failure in any material respect of the Manager or PBHC to perform, keep or fulfil any of its material covenants, undertakings, obligations or conditions set forth in this Agreement, including, without limitation, any Manager Breach, where such failure has not been cured by the Manager or PBHC pursuant to Section 12.2.

## 12.2 Remedies for Sierra

Upon the occurrence of an event of default pursuant to Section 12.1, Sierra may give notice to the Manager of its intention to terminate the appointment of the Manager under this Agreement after the expiration of a period of 120 days from the date of such notice. Notwithstanding the foregoing, with respect to the events of default referred to in Section 12.1(e), if upon receipt of such notice, the Manager or PBHC promptly proceeds to cure the default referred to in Section 12.1(e) within such period or, if such default is not, in the determination of the Manager, reasonably capable of being cured within a 120-day period, the Manager or PBHC takes all necessary steps to cure such default and the same is cured within 180 days from the date of the notice, the notice shall be deemed to be of no effect. In the event that the Manager does not agree that Sierra's notice describes an event of default hereunder, the Manager may elect to proceed under Article 14, and from the date of delivery of an Appointment Notice thereunder, the cure periods set forth in this Section 12.2 shall be deemed to be stayed pending a final determination of such proceeding.

## 12.3 Sierra Events of Default

The following shall constitute events of default on the part of Sierra:

- (a) the filing of a voluntary petition in bankruptcy or insolvency or a petition for reorganization under any bankruptcy law by Sierra or EMS;
- (b) the consent to an involuntary petition in bankruptcy or the failure to vacate within 60 days from the date of entry thereof any order approving an involuntary petition by Sierra or EMS;
- (c) the entering of an order, judgment or decree by any court of competent jurisdiction on the application of a creditor, adjudicating Sierra or EMS a bankrupt or insolvent or approving a petition seeking reorganization or appointing a receiver, trustee or liquidator of all of or a substantial part of Sierra's or EMS's assets, and such order, judgment or decree shall continue unstayed and in effect for a period of 120 consecutive days; and
- (d) the failure in any material respect of Sierra or EMS to perform, keep or fulfil any of its material covenants, undertakings, obligations or conditions set forth in this Agreement, where such failure has not been cured by Sierra or EMS pursuant to Section 12.4.

## 12.4 Remedies for the Manager

Upon the occurrence of an event of default pursuant to Section 12.3, the Manager may give notice to Sierra of its intention to terminate this Agreement after the expiration of a period of 120 days from the date of such notice. Notwithstanding the foregoing, with respect to the events of default referred to in Section 12.3(d), if upon receipt of such notice, Sierra or EMS promptly proceeds to cure the default referred to in Section 12.3(d) within such period or, if such default is not, in the determination of Sierra, reasonably capable of being cured within a 120-day period, Sierra or EMS takes all necessary steps to cure such default and the same is cured within

180 days from the date of the notice, the notice shall be deemed to be of no effect. In the event that Sierra does not agree that the Manager's notice describes an event of default hereunder, Sierra may elect to proceed under Article 14, and from the date of delivery of an Appointment Notice thereunder, the cure periods set forth in this Section 12.4 shall be deemed to be stayed pending a final determination of such proceeding.

### **ARTICLE 13 TERM AND TERMINATION**

#### **13.1        Term**

- (a) The initial term of this Agreement shall be the period commencing on January 1, 2022 and ending on September 30, 2033 (the “**Initial Term**”).
- (b) Upon the expiry of the Initial Term, this Agreement shall be automatically extended, without any further act of the parties, for a further period of ten years (the “**Renewal Term**”), on terms to be mutually agreed between Sierra and the Manager, commencing immediately upon the expiration of the Initial Term, unless Sierra or the Manager provides written notice of its intention to not renew this Agreement no less than 12 months prior to the expiry of the Initial Term.

#### **13.2        Termination by Sierra**

This Agreement may only be terminated by Sierra pursuant to: (a) Section 12.2 hereof following an event of a default by the Manager, subject to the rights of the Manager to cure such event of default as set forth in Section 12.2; or (b) Section 13.1(b).

#### **13.3        Termination by the Manager**

This Agreement may only be terminated by the Manager:

- (a) pursuant to Section 12.4 hereof following an event of a default by Sierra, subject to the rights of Sierra to cure such event of default as set forth in Section 12.4;
- (b) pursuant to Section 13.1(b); or
- (c) in the event of non-payment of Fees due to a suspension, subordination or limitation of payments to the Manager in connection with any loan arrangements entered into by Sierra, EMS or any Affiliate thereof, upon not less than five days' notice by the Manager.

#### **13.4        Termination by the Manager or Sierra**

This Agreement may be terminated by the Manager or Sierra if the Commencement Date has not occurred by June 1, 2023.

13.5 Effect of Termination

- (a) If this Agreement is terminated by the Manager pursuant to Section 12.4 or Section 13.3(c) prior to the expiry of the Initial Term, Sierra shall either, at the sole option of the Manager:
  - (i) forthwith pay (the “**Sierra Termination Payment**”), following each Fiscal Year then remaining in the Initial Term, an amount equal to the sum of: (A) 10% of the Inducement Fee; plus (B) the Management Fee payable for such Fiscal Year; or
  - (ii) sell the Cold Storage Business to the Manager at a price equal to the Option Price.
- (b) If this Agreement is terminated by Sierra pursuant to Section 12.2 prior to the expiry of the Initial Term, the Manager shall forthwith pay (the “**Manager Termination Payment**”), following each Fiscal Year then remaining in the Initial Term, an amount equal to the amount, if any, by which the Guaranteed Distributable Cash for such Fiscal Year exceeds the amount of Distributable Cash generated by the Cold Storage Business for such Fiscal Year (the “**Distributable Cash Shortfall**”).
- (c) If this Agreement is terminated by Sierra or the Manager pursuant to Section 13.4, Sierra and EMS shall, within thirty days following such termination, repay: (i) the Inducement Fee, to the extent paid by the Manager to Sierra prior to such termination; and (ii) the Security Deposit Loan and all accrued and unpaid interest thereon up to the date of termination.
- (d) In addition to the foregoing, upon termination or expiration of this Agreement for any reason, all Fees payable to the Manager accrued up to the date of termination or expiration, as the case may be, shall be paid by Sierra to the Manager on the effective date of any such termination or expiration.

**ARTICLE 14**  
**DISPUTE RESOLUTION**

In the event that the Manager and Sierra or EMS are not able to agree on an Annual Budget for any Fiscal Year or in the event of any other dispute between the Manager or PBHC, on one hand, and Sierra or EMS, on the other hand, with respect to any provision of this Agreement or any matter arising hereunder (the “**Issue**”), then either the Manager or Sierra can give written notice (the “**Appointment Notice**”) to the other party seeking the appointment of Ernst & Young LLP (Canada) (the “**Expert**”) to address the Issue. Each of the parties shall make its submissions with its final proposed resolution to the Expert within 20 calendar days of the appointment of the Expert and the Expert shall issue a decision within 15 calendar days of the receipt of submissions from both parties. The Expert’s decision shall be to select the final proposed resolution of one of the parties and the Expert may not make any determination other than one in accordance with the final proposed resolution of one or the other of the parties, and no issues shall be eligible for determination by such Expert other than in relation to the Issue. The Expert appointed hereunder shall act as an expert and not as an arbitrator and shall govern its own proceedings. Any

proceedings convened in person shall be held in Toronto, Ontario, unless otherwise agreed to by both parties. The decision of the Expert as to the resolution of the Issue shall be conclusive and binding on the parties. Any fees and disbursements of the Experts shall be borne 50% by the Manager and 50% by EMS.

## **ARTICLE 15 INDEMNIFICATION**

### **15.1           Indemnification of the Manager by Sierra**

Sierra shall indemnify and hold harmless the Manager and its officers, directors, employees, shareholders and agents (collectively, the “**Manager Indemnitees**”) from and against any and all Losses arising or resulting from or connected with:

- (a) any breach or non-performance by Sierra of any of its material obligations hereunder;
- (b) the lawful performance by the Manager of its obligations under this Agreement, including, without limitation, the provision of the Management Services, or pursuant to written instructions of Sierra;
- (c) any injury to any employee or other person or damage to personal property in or about the Managed Property by reason of any cause whatsoever; and
- (d) the operation or use of the Managed Property including the Cold Storage Business,

in each case except to the extent such Losses are caused by any of the following (each, a “**Manager Breach**”) (i) any fraudulent, negligent or unlawful act on the part of any Manager Indemnitee; (ii) any action taken by the Manager or its officers, directors, employees or agents outside the scope of the Manager’s authority pursuant to this Agreement; (iii) any breach or non-performance by the Manager or PBHC of any of its material obligations hereunder; or (iv) any inaccuracy of any representation or warranty of the Manager or PBHC contained in this Agreement. The Manager accepts the foregoing indemnity as agent and trustee for each Manager Indemnitee and Sierra agrees that the Manager may enforce the foregoing indemnity on behalf of the Manager Indemnites. The provisions of this Section 15.1 shall survive the termination of this Agreement.

### **15.2           Indemnification of Sierra by the Manager**

The Manager shall indemnify and hold harmless Sierra and its officers, directors, employees, shareholders and agents (collectively, the “**Sierra Indemnites**”) from and against any and all Losses arising or resulting from or connected with any Manager Breach, except to the extent such Losses are caused by (i) any fraudulent, negligent or unlawful act on the part of any Sierra Indemnitee; (ii) any breach or non-performance by Sierra or EMS of any of its material obligations hereunder; or (iii) any inaccuracy of any representation or warranty of Sierra or EMS contained in this Agreement. Sierra accepts the foregoing indemnity as agent and trustee for each Sierra Indemnitee and the Manager agrees that Sierra may enforce the foregoing indemnity on behalf of the Sierra Indemnites. The provisions of this Section 15.2 shall survive the termination of this Agreement.

### 15.3 Notice of Claim

In the event that a party (the “**Indemnified Party**”) shall become aware of any Claim in respect of which another party (each an “**Indemnifying Party**”) has agreed to indemnify the Indemnified Party pursuant to this Agreement, the Indemnified Party shall promptly give written notice thereof to the Indemnifying Party. Such notice shall specify whether the Claim arises as a result of a Claim by a person against the Indemnified Party (a “**Third Party Claim**”) or whether the Claim does not so arise (a “**Direct Claim**”), and shall also specify with reasonable particularity (to the extent that the information is available) the factual basis for the Claim and the amount of the Claim, if known.

### 15.4 Direct Claim

With respect to any Direct Claim, following receipt of notice from the Indemnified Party of the Claim, the Indemnifying Party shall have 60 days to make such investigation of the Claim as it considers necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Claim, together with all other information as the Indemnifying Party may reasonably request. If both parties agree at or prior to the expiration of such 60-day period (or any mutually agreed upon extension thereof) to the validity and amount of such Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed upon amount of the Claim, failing which the matter shall be submitted for dispute resolution in accordance with Article 14.

### 15.5 Third Party Claims

With respect to any Third Party Claim, the Indemnifying Party shall have the right, at its expense, to participate in or assume (to the extent permitted by Applicable Laws) control of the negotiation, settlement or defence of the Claim and, in such event, the Indemnifying Party shall reimburse the Indemnified Party for all the Indemnified Party’s out-of-pocket expenses as a result of such participation or assumption. If the Indemnifying Party elects to assume such control, the Indemnified Party shall have the right to participate in the negotiation, settlement or defence of such Third Party Claim and to retain counsel to act on its behalf, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party unless the Indemnifying Party consents to the retention of such counsel or unless the named parties to any action or proceeding include both the Indemnifying Party and the Indemnified Party and the representation of both the Indemnifying Party and the Indemnified Party by the same counsel would be inappropriate due to the actual or potential differing interests between them (such as the availability of different defences). If the Indemnifying Party, having elected to assume control of the proceedings, thereafter fails to defend the Third Party Claim within a reasonable time, the Indemnified Party shall be entitled to assume such control, and the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to such Third Party Claim. If any Third Party Claim is of a nature such that (a) it would give rise to a statutory penalty or obligation to pay statutory interest or (b) the Indemnified Party is required by any Applicable Laws or the order of any court, tribunal or regulatory body having jurisdiction to make a payment to any person other than a party hereto with respect to the Third Party Claim, before the completion of settlement negotiations or related legal proceedings, as the case may be, the Indemnified Party

may make such payment and the Indemnifying Party shall, forthwith after demand by the Indemnified Party, reimburse the Indemnified Party for such payment. If the amount of any liability of the Indemnified Party under the Third Party Claim in respect of which such payment was made, as finally determined, is less than the amount which was paid by the Indemnifying Party to the Indemnified Party, the Indemnified Party shall, forthwith after receipt of the difference from such person other than a party hereto, pay the amount of such difference to the Indemnifying Party. If such payment, by resulting in settlement of the Third Party Claim, precludes a final determination of the merits of the Third Party Claim and the Indemnified Party and the Indemnifying Party are unable to agree whether such payment was reasonable in the circumstances having regard to the amount and merits of the Third Party Claim, such dispute shall be submitted for dispute resolution in accordance with Article 14.

15.6           Settlement of Third Party Claims

If the Indemnifying Party fails to assume control of the defence of any Third Party Claim, the Indemnified Party shall have the exclusive right to contest, settle or pay the amount claimed. Whether or not the Indemnifying Party assumes control of the negotiation, settlement or defence of any Third Party Claim, the Indemnifying Party shall not settle any Third Party Claim without the written consent of the Indemnified Party, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that the liability of the Indemnifying Party shall be limited to the proposed settlement amount if any such consent is not obtained for any reason.

15.7           Co-operation

The Indemnified Party and the Indemnifying Party shall co-operate fully with each other with respect to Third Party Claims, and shall keep each other fully advised with respect thereto (including supplying copies of all relevant documentation promptly as it becomes available).

15.8           Compensation of Manager

In the event of any damage to or destruction of the Managed Property during the Term in respect of which neither Sierra nor the Manager elects to terminate this Agreement or in respect of which neither Sierra nor the Manager has a right to terminate this Agreement, Sierra shall include, in its claim under the business interruption insurance (or other similar insurance) maintained with respect to the Cold Storage Business, an amount to recover the fair value of the Manager's expected compensation under this Agreement in the absence of such damage and destruction during the period that the Managed Property was undergoing repairs and reconstruction and to recover any expenses directly incurred by the Manager as a result of such damage and destruction. Sierra agrees to co-operate with the Manager to the extent reasonably necessary (without the expenditure of funds) to facilitate the claim being made by the Manager through Sierra.

## **ARTICLE 16 MISCELLANEOUS**

### **16.1        Parental Guarantees**

- (a) PBHC hereby guarantees, jointly and severally with the Manager, the performance of all of the debts, liabilities, covenants and obligations, present or future, absolute or contingent, matured or not, at any time owing by the Manager to Sierra or EMS arising under this Agreement, including, without limitation, the payment of the Guaranteed Distributable Cash.
- (b) EMS hereby guarantees, jointly and severally with Sierra, the payment of the Sierra Termination Payment, if and to the extent such payment is required by Sierra under this Agreement.

### **16.2        Excluded Matters**

The following items shall be excluded from the terms of this Agreement for the purposes of calculating the Financial Projections and performance goals relating to the Cold Storage Business, including, without limitation, the Management Fee and the calculation of the Performance Fee, Distributable Cash Targets, Guaranteed Distributable Cash and Baseline EBITDA:

- (a) the Manager shall not be obligated to provide any Management Services to, or utilize any portion of, the Processing Facility;
- (b) 400 pallet positions shall be reserved for the Processing Facility, at no charge, and the Manager shall provide reasonable assistance moving products of the Processing Facility in and out of such pallet positions; and
- (c) any amounts payable or paid to Sierra in connection with the IESO incentive, Electra refund, Hydro refund and Sierra's taxes shall be excluded from this Agreement and shall, when paid, be deposited into the Parent Account.

### **16.3        Subcontracting**

Subject to the prior written approval of Sierra, such approval not to be unreasonably withheld, conditioned or delayed, the Manager shall be permitted to subcontract out, in whole or in part, its obligations under this Agreement; provided, however, that the Manager shall not subcontract all of its duties, in whole, for more than one year. No subcontracting action shall relieve the Manager of responsibility for the subcontracted matters pursuant to this Agreement. Any direct additional costs attributable to subcontracting shall be for the account of the Manager.

### **16.4        Further Assurances**

Sierra and the Manager shall use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate the commercial arrangements described in this Agreement.



16.5 Notice of Claims or Damage

The Manager shall notify Sierra of all material incidents, accidents, Claims or potential Claims for damages relating to the operation or maintenance of the Cold Storage Business, and any damage or destruction to the Managed Property as soon as practicable after the Manager receives notice of such Claims and, if requested by Sierra, the Manager shall investigate and submit an investigative report with respect to any such Claim as soon as reasonably possible after receiving a request to do so. The Manager shall prepare any and all reports reasonably required by Sierra, EMS or their insurers in connection therewith. No insurance Claims in excess of \$100,000 shall be settled without obtaining the prior written approval of Sierra, such approval to not be unreasonably withheld, conditioned or delayed.

16.6 Governing Law

This Agreement shall be governed by and construed and enforced in accordance with the laws of the Province of Ontario, which shall be deemed to be the proper law hereof, and the courts of Ontario shall have exclusive jurisdiction in connection with all matters under this Agreement and the interpretation and enforceability hereof.

16.7 No Waiver of Breach

No failure by the Manager or Sierra to insist upon the strict performance of any covenant, agreement, term or condition of this Agreement, or to exercise any right or remedy consequent upon a breach, shall constitute a waiver of any such breach or any subsequent breach of such covenant, agreement, term or condition. No waiver of any breach shall affect or alter this Agreement but each and every covenant, agreement and condition of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach.

16.8 Severability of Provisions

If any provision of this Agreement or the application thereof to any person or circumstance is or will be, to any extent, invalid or unenforceable, the remainder of this Agreement and the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, as the case may be, shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

16.9 No Fiduciary or Advisory Responsibility

The parties hereto acknowledge and agree that: (a) this Agreement is an arm's length commercial transaction between Sierra and the Manager; and (b) in connection with all matters under this Agreement, the Manager is acting solely as a principal and not as an agent, advisor or fiduciary of Sierra. The Manager shall only provide Management Services, as set forth in this Agreement, in connection with the operation of the Managed Property and the Cold Storage Business, and nothing in this Agreement shall be construed as requiring or permitting the Manager to provide any service that is in the nature of an advisory service, including but not limited to overall asset management services, due diligence services, portfolio or investment advisory services, or any similar advisory service.

16.10      Notices

All notices, requests, approvals, demands and other communications required or permitted to be given under this Agreement shall be in writing and addressed to the parties as follows (subject to any updates, in writing):


- (a)      if to Sierra or EMS:

c/o Eastern Meat Solutions Inc.  
5090 Explorer Drive  
Suite 203  
Mississauga, Ontario L4W 4X6

Attention: Vice-President, Operations  
Facsimile: (416) 252-2544

With a copy to:

Hirshlaw  


Attention: Daniel Hirsh  
Email: 

- (b)      if to the Manager or PBHC:

c/o Premium Brands Holdings Corporation  
100 – 10991 Shellbridge Way  
Richmond, British Columbia V6X 3C6

Attention: Director, Legal  
Facsimile: (604) 656-3170

or, to such other address as the party to whom the notice is sent shall have designated to the other party in accordance with the provision of this Section 16.10. All notices shall be delivered personally, transmitted by fax or mailed by postage, prepaid mail (provided that in the event of a disruption in mail services, all notices shall be delivered personally or transmitted by fax). Notices shall be deemed to be received:

- (c)      on the date of delivery or transmittal thereof if delivered personally or sent by fax;  
or
- (d)      on the fifth Business Day after the mailing thereof, if sent by mail.

16.11        Successors and Assigns

Subject to Article 9, this Agreement shall enure to the benefit of and shall be binding upon successors and permitted assigns of the parties.

16.12        Counterparts

This Agreement may be executed in several counterparts, including electronically transmitted counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

16.13        Waiver

No provision of this Agreement may be changed orally, but only by an instrument in writing, signed by the party against which the enforcement of the change is sought.

16.14        No Partnership or Joint Venture

Nothing contained in this Agreement shall constitute or be deemed to create a partnership, joint venture or similar relationship between the Manager, on one hand, and EMS and Sierra, on the other hand.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above.

**EASTERN MEAT SOLUTIONS INC.**

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

Name: Robert Vanden Broek  
Title: President and CEO

**SIERRA SUPPLY CHAIN SERVICES INC.**

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

Name: Robert Vanden Broek  
Title: President and CEO

**CONFEDERATION FREEZERS INC.**

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

Name:  
Title:

**PREMIUM BRANDS HOLDINGS CORPORATION**

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

Name:  
Title:

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above.

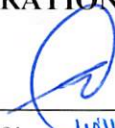
**EASTERN MEAT SOLUTIONS INC.**

Per: \_\_\_\_\_  
Name: Robert Vanden Broek  
Title: President and CEO

**SIERRA SUPPLY CHAIN SERVICES INC.**

Per: \_\_\_\_\_  
Name: Robert Vanden Broek  
Title: President and CEO

**CONFEDERATION FREEZERS INC.**

Per:  \_\_\_\_\_  
Name: William Kalutycz  
Title: Director

**PREMIUM BRANDS HOLDINGS CORPORATION**

Per:  \_\_\_\_\_  
Name: William Kalutycz  
Title: Chief Financial Officer

**SCHEDULE A**  
**FINANCIAL PROJECTIONS**

**[see attached]**

***Redacted for Commercially Sensitive Information***

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**SCHEDULE B  
PROCESSING FACILITY**

**[see attached]**

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**SCHEDULE C**  
**FORM OF SECURITY DEPOSIT LOAN NOTE**

**[see attached]**

## PROMISSORY NOTE

ISSUE DATE: [●], 2022

PRINCIPAL AMOUNT: [REDACTED]

FOR VALUE RECEIVED, **EASTERN MEAT SOLUTIONS INC.**, a corporation governed by the *Business Corporations Act* (Ontario) (the “**Maker**”), hereby promises to pay to or to the order of **CONFEDERATION FREEZERS INC.**, a corporation governed by the *Canada Business Corporations Act* (the “**Holder**”), at Toronto, Ontario, or at such other place as Holder may from time to time direct in writing, the principal sum of CDN [REDACTED] or such other amount as may be outstanding (the “**Principal Amount**”) in lawful currency of Canada together with interest accrued thereon, upon and subject to the terms and conditions set forth in this Promissory Note (the “**Note**”).

This Note is issued pursuant to Section 3.2 of, and subject to the terms of, the cold storage management agreement dated December 17, 2021 (as amended, modified or replaced from time to time, the “**Management Agreement**”) entered into among the Maker, Sierra Supply Chain Services Inc., Holder and Premium Brands Holdings Corporation in respect of the Security Deposit Loan. All terms not defined herein shall have the same meaning as set forth in the Management Agreement. In the event of a conflict between the terms of this Note and the Management Agreement, the terms of the Management Agreement shall prevail.

The Principal Amount and interest accrued thereon shall be due and payable in its entirety on February 29, 2024 (the “**Maturity Date**”). Any Principal Amount or interest payable hereunder which is not paid on the Maturity Date shall bear interest after default at the lesser rate of twelve percent (12%) per annum, compounded daily, and the highest rate permitted by applicable law. Notwithstanding the foregoing, Maker may pay all or any portion of the Principal Amount outstanding hereunder, plus all accrued but unpaid interest on such Principal Amount, at any time and from time to time without notice, and without being required to pay any bonus, penalty, break fee or other additional amount.

Maker shall pay interest on the Principal Amount outstanding hereunder from time to time in the amount of 6.25% per annum. All interest accrued on the Principal Amount shall be paid quarterly on the first business day of each of the months of January, April, July and October. Interest payable hereunder shall be calculated and compounded quarterly on the first business day of each of the months of January, April, July and October.

Maker shall be responsible for payment of all reasonable costs, charges and expenses of Holder incurred in the collection of the amounts owed under this Note (including, without limitation, reasonable legal fees on a solicitor-client basis and disbursements). All such costs, charges and expenses shall be due and payable by Maker upon the demand of Holder.

Maker hereby waives diligence, presentment for payment, notice of nonpayment or dishonor, protest and notice of protest of this Note, and all other notices in connection with the delivery, acceptance, performance, default, or enforcement of the payment of this Note, and agrees that Maker’s liability hereunder shall not be affected in any manner by any indulgence, extension of time, renewal, waiver or modification granted or consented to by Holder.

Holder shall apply each payment received from Maker hereunder first to reduce any unpaid costs, charges and expenses for which Maker is responsible, second to reduce accrued interest owing and then, if any part of the payment remains, to reduce the outstanding Principal Amount hereof. No such payment shall effect a redemption, cancellation or disposition of any portion of the Note.

Maker shall not be entitled to assign its rights or obligations hereunder without the prior written consent of Holder, such consent not to be unreasonably withheld or delayed. Upon completion of any assignment by Maker, each of the assignee and assignor shall be considered to be a Maker for purposes of this Note.

Default under this Note shall constitute a default under the Management Agreement and *vice versa* (each, an “**Event of Default**”).

Upon the occurrence of an Event of Default, and after any applicable notice period, the Holder may, at its option, exercisable by the delivery of written notice thereof to the Maker, declare the entire Principal Amount remaining hereunder outstanding, together with all accrued interest thereon which remains unpaid, and any other amounts payable by Maker to the Holder under this Note, to immediately become due and payable.

The Holder shall not be permitted to assign this Note or any rights and benefits of the Holder hereunder except with the prior written consent of the Maker (which shall not be unreasonably withheld or delayed), provided that the consent of the Maker shall not be required in connection with any such assignment if an Event of Default has occurred and is continuing and the Holder has declared the entire Principal Amount hereunder, together with all accrued and unpaid interest and other amounts outstanding hereunder to be immediately due and payable in accordance with the above paragraph.

Any notice required to be provided to Maker pursuant to the terms of this Note shall be provided to Maker at 5090 Explorer Drive, Suite 203, Mississauga, Ontario, L4W 4X6 or such other place as Maker may direct, unless otherwise provided for herein.

This Note may only be modified, amended, changed or terminated by an agreement in writing signed by Holder and Maker.

This Note shall be construed in accordance with and governed by the laws of the Province of Ontario and any federal laws of Canada applicable therein.

DATED at Toronto, Ontario by Maker with effect as of [●], 2022 notwithstanding its actual date of execution.

**EASTERN MEAT SOLUTIONS INC.**

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

Name:

Title:

## **SCHEDULE D MANDATE**

The purpose of these guidelines is to establish some principles in the decision-making process of the Manager that will aid in the preservation and visibility of the name and reputation of EMS and Sierra.

### **REPUTATION**

1. The Manager should consider in its efforts to operate the Managed Facility, the continuation and maintenance of Sierra's excellent reputation, the business relationships existing prior to the beginning of the management agreement and relating to the businesses operated by Sierra, including relationships with regulators, licensors, customers, suppliers, and others.
2. The Manager should not manage in any way or take any action that would be reasonably likely to materially diminish the value of the goodwill, name, or reputation of Sierra.

### **OPERATION**

1. The Manager should operate the Managed Facility as a modern, premium, and primary facility.
2. The Manager should operate, manage, and render its day-to-day services with regard to the highest standards of freezer operation.
3. The maintenance, upkeep, and efficiency of all areas of the Managed Facility should be reviewed routinely to preserve the reputation of Sierra as a premium freezer operator.
4. The Manager should routinely perform preventative maintenance to lessen the likelihood of any parts of the Managed Facility failing.

### **CLIENT RELATIONS**

1. The Manager should continue and maintain existing agreements with clients in such a manner that maintains the visibility of Sierra and positively impacts its reputation.
2. The Manager should treat new clients in such a manner that increases the visibility of Sierra and positively impacts its reputation.
3. Positive client service should be a prime directive of the Manager, which should aim to provide the highest quality customer services to ensure client satisfaction.
4. Pallet positions should be allocated in a commercially reasonable manner.
5. The Manager should not extend more than 10,000 pallet positions to 4PL clients.

## **EMPLOYEES**

1. All employees of Sierra shall be treated fairly and with respect.
2. The Manager should work to develop a functional and motivating work environment for the employees at the facility.
3. The safety of all employees is a top priority.
4. Employees have the right to a workplace free from harassment, intimidation, or other threatening behaviour.
5. If the Manager is not satisfied with the performance of an employee, the employee should have the basis for their performance reviewed. At all times, they should be treated with dignity and respect.

## **MAXIMIZING REVENUE**

1. The Manager should identify the most effective and efficient processes within the Managed Facility with aim to maximize revenues.
2. Processes should be reviewed frequently and updated as needed.
3. Preventative maintenance should be prioritized.
4. The Manager should have an excellent grasp of the costs associated with running the Managed Facility (such as maintenance history, asset performance, costs over time, etc.) and these costs should be reviewed regularly.

This is Exhibit "B" referred to in the Affidavit of ROBERT VANDEDN BROEK sworn by Robert Vanden Broek in the City of Etobicoke, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 21st day of May, 2025 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely*.



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A Commissioner for taking affidavits

**SHURABI SRIKARUNA**  
**(LSO# 90908K)**



October 31, 2024

**VIA EMAIL AND COURIER**

Premium Brands Holdings Corporation  
100 – 10991 Shellbridge Way  
Richmond, British Columbia  
V6X 3C6

GoCold Solutions Inc.  
250 Summerlea Road,  
Brampton, ON  
L6T 3V6

Attention: Matt Smith

Attention: Chad Harper

**Re: In the Matter of the CCAA Proceeding of Eastern Meat Solutions Inc. et al  
Court File No. CV-24-00720622-00CL (the “CCAA Proceeding”)**

We are counsel for the Applicants in the above-noted proceeding. All capitalized terms not defined herein have the meanings set forth in the Agreement (as defined below).

On May 21, 2024, Eastern Meat Solutions Inc., Sierra Custom Foods Inc. (“**Sierra Custom**”), Sierra Supply Chain Services Inc. (the “**Company**”), Sierra Realty Corporation, RVB Holdings Inc., Vanden Broek Holdings (2008) Inc., Sierra Realty Calgary Corporation, and Eastern Meat Solutions (USA) Corp. (collectively, the “**Applicants**”) sought and obtained protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the “**CCAA**”) pursuant to the initial order (as amended and restated, the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). Pursuant to the Initial Order, Deloitte Restructuring Inc. was appointed by the Court as the Monitor in the CCAA Proceeding (“**Monitor**”).

We refer to the Cold Storage Management Agreement between the Company and Confederation Freezers Inc. (the “**Manager**”) dated December 17, 2021 (the “**Agreement**”). On behalf of the Company, we hereby notify you of various breaches under the Agreement, including the following:

- 1. Failure to Make Required Payments for Guaranteed Distributable Cash (Sept 2023):**  
Pursuant to Section 7.2 of the Agreement, the Manager was and remains obligated to remit payments related to the Guaranteed Distributable Cash for the Fiscal Year 2023. The aggregate amount of Guaranteed Distributable Cash owing to the Company for the Fiscal Year 2023 is \$280,000. The Manager has failed and/or neglected to make such payments contrary to the requirements under the Agreement.

2. **Ongoing Failure for Guaranteed Distributable Cash (FY 2023-2024):** Pursuant to Section 7.2 of the Agreement, the Manager is required to make payments related to Guaranteed Distributable Cash for the Fiscal Year 2024. The aggregate amount of Guaranteed Distributable Cash owing to the Company for the Fiscal Year 2024 is \$2,285,800. The Manager has failed and/or neglected to make such payments contrary to the requirements under the Agreement.
3. **Failure to Remit Realty Taxes for 2023:** Pursuant to Section 4.8 of the Agreement, Eastern Meat Solutions Inc. (“EMS”) is responsible for the payment of all realty taxes in respect of the Managed Property and is required to remit such amounts to the Manager. The Manager, in turn, is required to collect and remit such amounts to the applicable Governmental Authority. EMS has paid the Manager \$444,245.93 for realty taxes in 2023 pursuant to Section 4.8 (the “**2023 Realty Taxes**”). As of the date of this letter, the Manager has failed and/or neglected to remit the 2023 Realty Taxes to the applicable Governmental Authority contrary to the requirements under the Agreement.
4. **Failure to Prepare and Finalize Budgets (FY 2024 and FY 2025):** Pursuant to Section 10.1 of the Agreement, the Manager was and remains required to prepare and submit for approval the annual budgets for Fiscal Years 2024 and 2025. The Manager has failed and/or neglected to perform this administrative obligation pursuant to the Agreement.
5. **Exceeding Pallet Capacity (Schedule D):** Pursuant to Section 4.1 of the Agreement, the Manager must manage the Cold Storage Business in accordance with the Mandate in Schedule D to the Agreement. The Mandate requires that the Manager not extend more than 10,000 pallet positions to 4PL clients. The current inventory managed by the Manager stands between 18,000 - 25,000 pallets, which significantly exceeds the limit set out in the Agreement. The Manager has failed and/or neglected to manage the Cold Storage Business in accordance with the Mandate in Schedule D of the Agreement.
6. **Revenue Shortfalls and Delayed Rent Payments:** Pursuant to Section 4.1 of the Agreement, the Manager must manage the Cold Storage Business in accordance with the Mandate in Schedule D to the Agreement. The Manager is required to operate the Managed Facility in a manner that preserves and enhances the Company’s reputation, as well as the existing business relationships established prior to the commencement of the Agreement. Furthermore, the Manager is prohibited from taking any action that could reasonably be expected to materially diminish the value of the Company’s goodwill, name, or reputation. The Manager must also identify effective and efficient processes within the Managed Facility with the aim to maximize revenues. The Manager’s inability to meet its financial responsibilities has undermined these duties, weakening the Company’s position with the Landlord, and directly affecting the Company’s financial standing. The Manager has failed and/or neglected to manage the Cold Storage Business in accordance with the Mandate in Schedule D of the Agreement.

Each of these breaches represents a material failure by the Manager to meet its obligations under the Agreement and therefore constitutes an event of default pursuant to Section 12.1(e) of the Agreement. As such, on behalf of the Company, we hereby demand payment from the Manager in the amount of \$3,010,045.93 to cure the monetary breaches described above. Our client reserves the right to pursue all remedies available under the Agreement and at law, to address the breaches as set forth above and any other breaches that may arise. Please provide payment of the above sum in respect of the monetary breaches and your written response with respect to non-monetary defaults within ten (10) days, in the latter case, outlining how you will address and rectify these breaches. Once we have your position on the defaults described herein, it may be appropriate to schedule a call to discuss.

Yours truly,

**Thornton Grout Finnigan LLP**



Rebecca L. Kennedy

cc. Virginie Gauthier, *Gowling WLG (Canada) LLP*  
D.J. Miller, Adam Driedger and Shurabi Srikaruna, *Thornton Grout Finnigan LLP*  
Jordan Sleeth and Todd Ambachtscheer, *Deloitte Restructuring Inc.*  
Robert Kennedy and Valerie Cross, *Dentons Canada LLP*, counsel to the Monitor  
Robert Vanden Broek and Ramesh Nedadur, *Eastern Meat Solutions Inc.*  
Daniel Hirsh, *HirshLaw.ca*

This is Exhibit "C" referred to in the Affidavit of ROBERT VANDEDN BROEK sworn by Robert Vanden Broek in the City of Etobicoke, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 21st day of May, 2025 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely*.



---

A Commissioner for taking affidavits

**SHURABI SRIKARUNA**  
**(LSO# 90908K)**

December 30, 2024

**VIA EMAIL**

Gowling WLG (Canada) LLP  
Suite 1600, 1 First Canadian Place  
100 King Street West  
Toronto, ON M5X 1G5

Attention: Virginie Gauthier

**Re: In the Matter of the CCAA Proceeding of Eastern Meat Solutions Inc. et al  
Court File No. CV-24-00720622-00CL (the “CCAA Proceeding”)**

As you are aware, we are counsel for the Applicants in the above-noted proceeding. All capitalized terms not defined herein have the meanings set forth in the Agreement (as defined below).

We refer to our letter dated October 31, 2024 (the “**October Demand**”). All capitalized terms not defined herein have meaning set out in such letter.

In response to our October Demand, you advised that the Manager would attempt to resolve the outstanding issues through direct business discussions. To date, these discussions have borne no fruit and, as a result, we are reissuing the demands previously made and those set forth herein.

Your client is in material breach of the Agreement.

Pursuant to Section 4.5(b) of the Agreement, the Manager is obligated to deliver, within 20 days following each calendar month end, Monthly Statements including profit and loss statements, and a condensed statement showing Distributable Cash, Operating Expenses, Capital Expenditures, Fees and Monthly Distributions. Pursuant to Section 4.5 (d) of the Agreement, the Manager is obligated to deliver, within 45 days following the end of each Fiscal Year, Annual Statements including a profit and loss statement for such Fiscal Year, a statement detailing Operating Expenses, Capital Expenditures, Fees, Distributable Cash and any Distributable Cash Shortfall, and a comparison to the Financial Projections. Accordingly, the Annual Statements for the Fiscal Year ending September 30, 2024 (“**Fiscal Year 2024**”) were due by November 14, 2024. The Annual Statements are critical for the Company to assess the amount of Distributable Cash to which the Company is entitled under the Agreement. The Company has not received all the required Monthly Statements or the Annual Statements for Fiscal year 2024. The Company did prepare and provide the Manager with a draft of the profit and loss statement for the Fiscal Year 2024. The Manager has neither confirmed such draft statement nor provided the calculation of

Distributable Cash, any Distributable Cash Shortfall, and a comparison to the Financial Projections. The Manager has failed and/or neglected to perform these administrative obligations pursuant to the Agreement.

Pursuant to Section 7.2 of the Agreement, the Manager is obligated to ensure payment of the Guaranteed Distributable Cash (“**GDC**”) for each Fiscal Year. Furthermore, the Manager is required to cover any Distributable Cash Shortfall (“**DCS**”) by depositing the deficit amount into the Parent Account. This payment is to be made from the Manager’s own funds and not from the Operating Account. Pursuant to Section 4.8 of the Agreement, the Manager is to remit an amount equal to the Income Tax Expense and an amount on account for the cost of the Audit incurred by EMS. Pursuant to section 16.1 of the Agreement, the corporate parent of the Manager, PBHC, guaranteed, *inter alia*, the payment by the Manager to the Company of its portion of the Distributable Cash, the GDC and any Distributable Cash Shortfall. The Manager and PBHC have failed and/or neglected to make the following payments in breach of their respective requirements under the Agreement:

- Based on the draft annual statements prepared by the Company and provided to the Manager, there is no dispute between the parties that the actual amount of the portion of Distributable Cash payable by the Manager to the Company for Fiscal Year 2024 is less than the GDC. The GDC owing by the Manager and PBHC to the Company for this period is \$2,682,000.
- On account of the Income Tax Expense for Fiscal Year 2024 in the amount of \$1,022,000.

**On behalf of the Company, we hereby demand payment by the Manager and PBHC of the sum of \$3,704,000 (together with accrued interest) forthwith and in any event by January 10, 2025.**

Pursuant to Section 10.1 of the Agreement, the Manager is required to prepare and submit for approval the annual budgets for each Fiscal Years. The Manager has failed and/or neglected to perform this administrative obligation for Fiscal Years 2024 and 2025 pursuant to the Agreement.

Pursuant to Section 4.1 of the Agreement, the Manager is obligated to manage the Cold Storage Business in accordance with the Mandate in Schedule D of the Agreement. The Mandate requires that the Manager not extend more than 10,000 pallet positions to its 4PL clients. The current inventory managed by the Manager for its 4PL clients stands between 18,000 - 25,000 pallets, which significantly exceeds the limit set out in the Agreement. This excess position existed through most of Fiscal Year 2024. The Manager has failed and/or neglected to manage the Cold Storage Business in accordance with the Mandate in Schedule D of the Agreement. The Manager has also failed and/or neglected to sufficiently operate the Cold Storage Business pursuant to the Agreement in good faith and with due diligence.

Each of these breaches represents a material failure by the Manager to meet its obligations under the Agreement and therefore constitutes an event of default pursuant to Section 12.1(e) of the Agreement. This letter shall serve as notice pursuant to section 12.2 of the Agreement. If each

such events of default by the Manager and PBHC are not cured in accordance with the terms of the Agreement, the Manager Termination Payment shall be due and payable by the Manager following each Fiscal Year remaining in the Initial Term and no further Fees or other amounts under the Agreement shall be payable to the Manager.

Even if these breaches are rectified and cured within the prescribed time frames, as part of any resolution of an on-going relationship, the parties will still need to address the clearly intentional mismanagement of the Cold Storage Business by the Manager and the extent to which such breaches resulted in substantial consequential damages to the Parent and the business and viability of its various corporate subsidiaries. It is clear to the Company that the Manager has failed to operate the Cold Storage Business in conformity to the spirit and extent of the parties, to maximize profit and return for the Managed Business.

Our client reserves the right to pursue all remedies available under the Agreement and at law, to address the breaches as set forth above and any other breaches that may arise. The amounts demanded herein constitute post-filing amounts due and payable to the Company. The continued non-payment of these amounts to the Company is affecting its restructuring efforts. Pursuant to the Initial Order, set-off is not permitted without the express consent of the Monitor. We are advised that the Monitor supports the position of the Company and will be supportive of the Company should it need to seek relief from the Court with respect to the demands contained herein.

Yours truly,

**Thornton Grout Finnigan LLP**



Rebecca L. Kennedy

cc. D.J. Miller, Adam Driedger and Shurabi Srikaruna, *Thornton Grout Finnigan LLP*  
Jorden Sleeth and Todd Ambachtsheer, *Deloitte Restructuring Inc.*  
Robert Kennedy and Valerie Cross, *Dentons Canada LLP*, counsel to the Monitor  
Robert Vanden Broek and Ramesh Nedadur, *Eastern Meat Solutions Inc.*  
Daniel Hirsh, *Hirshlaw.ca*

This is Exhibit “D” referred to in the Affidavit of ROBERT VANDEDN BROEK sworn by Robert Vanden Broek in the City of Etobicoke, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 21st day of May, 2025 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely*.

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A Commissioner for taking affidavits

**SHURABI SRIKARUNA**  
**(LSO# 90908K)**



February 27, 2025

**VIA EMAIL**

Gowling WLG (Canada) LLP  
Suite 1600, 1 First Canadian Place  
100 King Street West  
Toronto, ON M5X 1G5

Attention: Virginie Gauthier

**Re: In the Matter of the CCAA Proceeding of Eastern Meat Solutions Inc. et al  
Court File No. CV-24-00720622-00CL (the “CCAA Proceeding”)**

As you are aware, we are counsel for the Applicants in the above-noted proceeding. All capitalized terms not defined herein have the meanings set forth in the Agreement (as defined below).

We refer to our letters dated October 31, 2024 (the “**October Demand**”) and December 30, 2024 (the “**December Demand**”). All capitalized terms not defined herein have the meanings set out in such letter.

We acknowledge receipt of your letter dated January 13, 2025 (the “**Letter**”) concerning the claims and demands made against Sierra Supply Chain Services Inc. and Eastern Meat Solutions Inc. under the cold storage management agreement dated December 17, 2021 (the “**Agreement**”). We respond as follows.

GoCold Solutions Inc.’s (formerly Confederation Freezers Inc. “**GoCold**”) obligation to provide Monthly and Annual Statements is clearly set out in Sections 4.5(b) and 4.5(d) of the Agreement. The fact that Sierra periodically assisted with these statements does not relieve GoCold of its contractual duties. The Annual Statements for Fiscal Year 2024 were due by November 14, 2024, yet GoCold has neither provided the required statements nor confirmed the draft profit and loss statement prepared by Sierra. GoCold’s failure to comply with these fundamental reporting requirements materially impacts Sierra’s ability to assess and receive Distributable Cash as contemplated under the Agreement.

GoCold’s failure to submit an Annual Budget for 2025 is a clear default under the Agreement. GoCold cannot unilaterally decide not to fulfill its obligations due to alleged financial projection issues. Sierra reserves the right to seek remedies for this failure.

GoCold exceeded the contractual limit of permitted 4PL customers under the Agreement. Pursuant to Section 4.1 and the Mandate in Schedule D, the Manager is required to limit 4PL customers to 10,000 pallet positions. However, GoCold has managed inventory between 18,000 and 25,000 pallets for its 4PL clients, significantly exceeding this contractual limitation for most of Fiscal Year 2024. This constitutes a clear breach of the Agreement, demonstrating GoCold’s failure to operate the Cold Storage Business in good faith and with due diligence. At GoCold’s request, Sierra had agreed that it could exceed the prescribed

limit only during the initial ramp-up period. Clearly this temporary accommodation was contingent upon GoCold and Premium Brands Holdings Corporation nevertheless fully meeting their respective obligations under the Agreement, including the minimum guarantee. The continued excess, coupled with GoCold's failure to honour the terms of the Agreement, resulted in significant financial deficiencies by GoCold under the Agreement. As the parties are aware, and specifically addressed in the Agreement's mandate, the effect of GoCold' storing its 4PL business in the Hamilton facility is to unfairly divert revenue from that which should be shared and accounted for as between the parties to that which is solely retained by GoCold.

GoCold's assertion regarding discrepancies in pallet position sizing lacks merit. The Agreement and its schedules, which GoCold agreed to, specify the dimensions of the Managed Property. At no point during negotiations did GoCold raise concerns regarding the size of pallet openings. GoCold's senior management and other personnel inspected and were on-site throughout the construction process and at no time did they question or object to these dimensions. Furthermore, shortly after GoCold's CEO first raised this issue in March, 2024, he attended at the Hamilton facility and, for the first time, physically measured the size of the assembled rack openings. Once he had the actual physical measurements, the GoCold CEO confirmed several times to the Sierra general manger that Sierra had, in fact, delivered on the 55" openings and that he may owe his "bosses an apology". Their failure to raise this issue contemporaneously undermines any claim that the current configuration is inconsistent with contractual obligations. Sierra rejects GoCold's attempt to retroactively dispute agreed-upon terms.

The amounts set out in the December Demand remain outstanding and must be paid without further delay. These amounts constitute post-filing obligations due and payable to Sierra. The continued non-payment of these amounts is materially impacting Sierra's restructuring efforts. Pursuant to the Initial Order, set-off is not permitted without the express consent of the Monitor. We are advised that the Monitor supports Sierra's position and will support the Company should it need to seek relief from the Court regarding these outstanding obligations.

Yours truly,

**Thornton Grout Finnigan LLP**



Rebecca L. Kennedy

cc. D.J. Miller, Adam Driedger and Shurabi Srikaruna, *Thornton Grout Finnigan LLP*  
Jorden Sleeth and Todd Ambachtsheer, *Deloitte Restructuring Inc.*  
Robert Kennedy and Valerie Cross, *Dentons Canada LLP*, counsel to the Monitor  
Robert Vanden Broek and Ramesh Nedadur, *Eastern Meat Solutions Inc.*  
Daniel Hirsh, *Hirshlaw.ca*

This is Exhibit “E” referred to in the Affidavit of ROBERT VANDEDN BROEK sworn by Robert Vanden Broek in the City of Etobicoke, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 21st day of May, 2025 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely*.



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A Commissioner for taking affidavits

**SHURABI SRIKARUNA**  
**(LSO# 90908K)**

May 21, 2025

**VIA EMAIL**

Gowling WLG (Canada) LLP  
Suite 1600, 1 First Canadian Place  
100 King Street West  
Toronto, ON M5X 1G5

Attention : Virginie Gauthier

**Re: CCAA Proceeding of Eastern Meat Solutions Inc. et al**  
**Court File No. CV-24-00720622-00CL (the “CCAA Proceeding”)**

As you are aware, we are counsel for the Applicants in the above-noted proceeding. All capitalized terms not defined herein have the meanings set forth in the Agreement (as defined below).

We are writing further to our correspondence dated February 27, 2025 (the “**February Letter**”), and prior letters dated October 31, 2024 (the “**October Demand**”) and December 30, 2024 (the “**December Demand**”), concerning the Cold Storage Management Agreement dated December 17, 2021 (the “**Agreement**”), among Eastern Meat Solutions Inc. (“**EMS**”), Coldterra Supply Chain Ltd. (formerly Sierra Supply Chain Services Inc., “**Coldterra Services**”), GoCold Solutions Inc. (formerly Confederation Freezers Inc., “**GoCold**”), and Premium Brands Holdings Corporation (“**PBHC**”).

In the October Demand and December Demand, we set out numerous defaults by GoCold pursuant to the Agreement. In the December Demand, Coldterra Services delivered formal written notice of default by GoCold and PBHC pursuant to section 12.2 of the Agreement.

Since the December Demand, Coldterra Services has made repeated efforts to reach consensual terms arising from the various defaults under the Agreement. Despite multiple exchanges of correspondence, data, and discussions between counsel and the business parties, that has not been achieved and the Applicants’ demands remain outstanding and in full force and effect. It is now clear that there is a fundamental and irreconcilable breakdown in the commercial relationship between the parties. The working relationship between Coldterra Services and GoCold is at an end.

It has now been more than 120 days since that notice of default was provided, and the defaults identified therein remain uncured. As a result, and in accordance with its terms, the Agreement,

and the appointment of GoCold as Manager under the Agreement, is terminated as of today's date, May 21, 2025. All rights and entitlements of GoCold and PBHC under the Agreement are terminated as of the effective date of termination, save and except those obligations that survive such termination.

As reviewed by the Monitor in the CCAA proceedings, the aggregate amounts owing *by* the Manager (GoCold) and PBHC *to* Coldterra Services exceed any amounts otherwise payable *to* the Manager. Accordingly, no sums are payable by Coldterra Services to GoCold or PBHC on the effective date of termination pursuant to Section 13.5(d) of the Agreement.

Coldterra Services will immediately be assuming all operational responsibilities of the Manager under the Agreement. Coldterra Services and EMS would prefer that all transitional matters proceed in an orderly manner and for there to be a smooth transition that maintains the reputation of all parties in the market. In this regard, Coldterra Services will not be requiring GoCold to immediately remove goods for which it has arranged storage for its customers. Coldterra Services will permit GoCold to continue to use the facility on an interim basis for the next 60 days on the same rate structure and with the same invoicing entitlements for its 4PL customers as is currently in place. This transition period is intended to provide the parties time to orderly wind down or mutually agree to the terms of any future alternative arrangement.

In addition, the parties need to resolve the final outstanding amounts owing to Coldterra Services and EMS by GoCold and PBHC. As such, and with a view to the on-going CCAA Proceeding, the Applicants and the Monitor will advise the Court in written materials for the next attendance that the Agreement is terminated and that all claims relating to the Agreement will be addressed through the CCAA Proceeding. In that regard, this letter will be included in the Applicants' court materials.

Any steps taken by GoCold or PBHC that have the effect of harming EMS' or Coldterra Service's business or its restructuring efforts in any manner, will be brought to the immediate attention of the Court supervising the CCAA proceeding and dealt with accordingly.

Yours truly,

**Thornton Grout Finnigan LLP**



Rebecca L. Kennedy

cc. D.J. Miller and Shurabi Srikaruna, *Thornton Grout Finnigan LLP*  
Jorden Sleeth and Todd Ambachtsheer, *Deloitte Restructuring Inc.*  
Robert Kennedy and Valerie Cross, *Dentons Canada LLP*, counsel to the Monitor  
Robert Vanden Broek and Ramesh Nedadur, *Eastern Meat Solutions Inc.*  
Daniel Hirsh, *Hirshlaw.ca*

This is Exhibit “F” referred to in the Affidavit of ROBERT VANDEDN BROEK sworn by Robert Vanden Broek in the City of Etobicoke, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 21st day of May, 2025 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely*.



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A Commissioner for taking affidavits

**SHURABI SRIKARUNA**  
**(LSO# 90908K)**

**THIRD AMENDING AGREEMENT TO DIP FACILITY LOAN AGREEMENT  
DATED AS OF MAY 21, 2025**

This Third Amending Agreement to the DIP Facility Loan Agreement (the “**Third Amending Agreement**”) is made as of May 21, 2025, among the Obligor and the DIP Lender.

WHEREAS:

- A. Pursuant to the DIP Facility Loan Agreement among the Obligor and the DIP Lender dated May 28, 2024 (the “**Original DIP Facility Loan Agreement**”), the DIP Lender agreed to make available the DIP Facility to the Obligor in accordance with the terms and conditions of the DIP Facility Loan Agreement.
- B. Pursuant to amending agreements dated September 20, 2024, (the “**First Amending Agreement**”) and January 16, 2025 (the “**Second Amending Agreement**”) the Obligor and the DIP Lender agreed to amend the Original DIP Facility Loan Agreement in accordance with the terms and conditions of the First Amending Agreement and Second Amending Agreement (as so amended, the “**DIP Facility Loan Agreement**”).
- C. The Obligor and the DIP Lender have agreed to amend the DIP Facility Loan Agreement in accordance with the terms and conditions of this Third Amending Agreement.

NOW THEREFORE in consideration of the foregoing and their respective covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

- 1. **Defined Terms:** Capitalized terms that are not expressly defined in this Third Amending Agreement have the meanings ascribed to them in the DIP Facility Loan Agreement.
- 2. **Amendments to DIP Facility Loan Agreement:** The Obligor and the DIP Lender acknowledge and agree that the terms and conditions of the DIP Facility Loan Agreement, as amended by the First Amending Agreement and the Second Amending Agreement shall remain in full force and effect and shall remain unamended save and except as expressly amended by the terms of this Third Amending Agreement. The Obligor and the DIP Lender agree that the DIP Facility Loan Agreement is hereby amended as follows:
  - (a) The text of subsection 19(a) of the DIP Facility Loan Agreement is hereby deleted and replaced with the following text: “August 29, 2025, or such later date determined by the DIP Lender, in its sole discretion”.
  - (b) The existing DIP Budget for the period from May 5, 2025, to June 29, 2025, is replaced by the DIP Budget for the period from May 5, 2025, to August 31, 2025 attached as Schedule A hereto. The DIP Budget for the period from January 6, 2025, to May 4, 2025, remains unchanged.

3. **Representations and Warranties:** Each Obligor represents and warrants to the DIP Lender, upon which the DIP Lender relies in entering into this Third Amending Agreement, that:
  - (a) all representations and warranties contained in the DIP Facility Loan Agreement, and the other DIP Loan Documents are true and correct in all material respects on the date hereof with the same effect as if made on and as of such date, except to the extent that such representations and warranties relate specifically to an earlier date;
  - (b) no Default or Event of Default has occurred and is continuing; and
  - (c) no Material Adverse Effect has occurred and is continuing.
4. **Conditions Precedent:** This Third Amending Agreement shall become effective on the date upon which the following conditions are satisfied:
  - (a) a counterpart of this Third Amending Agreement is executed by each party hereto; and
  - (b) the Court shall have issued an order, in a form acceptable to the DIP Lender and the Obligors, approving this Third Amending Agreement.
5. **Counterparts:** This Third Amending Agreement may be executed in any number of counterparts and delivered by e-mail, including in PDF format, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together, shall constitute one and the same instrument.
6. **Enurement:** This Third Amending Agreement shall be binding upon and enure to the benefit of the Obligors and the DIP Lender and their respective successors and permitted assigns.
7. **Governing Law and Jurisdiction:** This Third Amending 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. The parties hereby attorn and submit to the non-exclusive jurisdiction of the Court.

*[remainder of page left intentionally blank; signature pages follow]*



**IN WITNESS WHEREOF**, the parties have executed this Third Amending Agreement as of the date first written above.

**BANK OF MONTREAL, as DIP Lender**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**EASTERN MEAT SOLUTIONS INC., as a  
Borrower**

By:

---

Name: Robert Vanden Broek  
Title: President

**2298442 ONTARIO LIMITED  
(previously, SIERRA CUSTOM  
FOODS INC.), as a Borrower**

By:

---

Name: Robert Vanden Broek  
Title: President

**COLDTERRA SUPPLY CHAIN LTD.  
(previously, SIERRA SUPPLY CHAIN  
SERVICES INC.), as a Borrower**

By:

---

Name: Robert Vanden Broek  
Title: President

**COLDTERRA REALTY CORPORATION  
(previously, SIERRA REALTY  
CORPORATION), as a Guarantor**

By:

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Name: Robert Vanden Broek  
Title: President

**RVB HOLDINGS INC., as a Guarantor**

By:

---

Name: Robert Vanden Broek  
Title: President

**VANDEN BROEK HOLDINGS (2008) INC.,  
as a Guarantor**

By:

---

Name: Robert Vanden Broek  
Title: President

**COLDTERRA REALTY CALGARY  
CORPORATION (previously, SIERRA  
REALTY CALGARY CORPORATION), as a  
Guarantor**

By:

---

Name: Robert Vanden Broek  
Title: President

**EASTERN MEAT SOLUTIONS (USA)  
CORP., as a Guarantor**

By:

---

Name: Robert Vanden Broek  
Title: President

**SCHEDULE A**

**DIP BUDGET**

See attached.

Eastern Meats Solutions Inc. and certain of its affiliates

16-Week Cash Flow Forecast (in CAD)  
For the period May 5, 2025 to August 31, 2025

	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	5-May-25	12-May-25	19-May-25	26-May-25	2-Jun-25	9-Jun-25	16-Jun-25	23-Jun-25
	11-May-25	18-May-25	25-May-25	1-Jun-25	8-Jun-25	15-Jun-25	22-Jun-25	29-Jun-25
RECEIPTS								
Customer receipts	511,872	115,449	287,662	236,423	511,872	115,449	287,662	236,423
HST refund	-	-	-	-	-	-	-	273,656
Other receipts	-	-	-	77,827	-	-	-	-
DIP draws	-	600,000	-	-	108,503	414,535	-	-
Total receipts	511,872	715,449	287,662	314,250	620,375	529,984	287,662	510,079
DISBURSEMENTS								
Direct costs	(134,430)	(9,627)	(15,154)	(20,420)	(114,866)	(9,627)	(15,154)	(20,420)
HST payment	-	-	-	(63,509)	-	-	-	-
Salaries and benefits	(2,390)	(203,134)	-	(203,134)	(10,000)	(203,134)	-	(203,134)
Rent and leases	(10,928)	(60,140)	(11,153)	(118,704)	(832,885)	(55,224)	-	(29,618)
Utilities	(130,085)	-	-	-	(130,085)	-	-	-
Selling, general & administrative	(27,165)	(6,864)	(37,687)	(36,164)	(27,165)	(6,864)	(37,687)	(36,164)
Interest	(15,614)	-	-	-	(53,079)	-	-	-
Professional fees	-	(411,453)	-	-	-	(255,135)	-	(18,750)
Total disbursements	(320,612)	(691,217)	(63,994)	(441,931)	(1,168,082)	(529,984)	(52,841)	(308,085)
Net inflow/ (outflow)	191,259	24,232	223,668	(127,682)	(547,706)	-	234,821	201,994
Opening balance	636,229	827,488	851,720	1,075,388	947,706	400,000	400,000	634,821
Closing balance	827,488	851,720	1,075,388	947,706	400,000	400,000	634,821	836,815
DIP opening balance	800,000	800,000	1,400,000	1,400,000	1,400,000	1,508,503	1,923,038	1,923,038
DIP draw	-	600,000	-	-	108,503	414,535	-	-
DIP repayment	-	-	-	-	-	-	-	-
DIP closing balance	800,000	1,400,000	1,400,000	1,400,000	1,508,503	1,923,038	1,923,038	1,923,038
BMO pre-filing credit facility	(6,937,303)	(6,937,303)	(6,937,303)	(6,937,303)	(6,648,302)	(6,648,302)	(6,648,302)	(8,143,302)
DIP closing balance	(800,000)	(1,400,000)	(1,400,000)	(1,400,000)	(1,508,503)	(1,923,038)	(1,923,038)	(1,923,038)
Ending Cash	833,726	851,720	1,075,388	947,706	400,000	400,000	634,821	836,815
Excess (Deficiency)	(6,903,578)	(7,485,583)	(7,261,915)	(7,389,597)	(7,756,806)	(8,171,341)	(7,936,519)	(9,229,526)

Eastern Meats Solutions Inc. and certain of its affiliates

16-Week Cash Flow Forecast (in CAD)  
For the period May 5, 2025 to August 31, 2025

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	30-Jun-25	7-Jul-25	14-Jul-25	21-Jul-25	28-Jul-25	4-Aug-25	11-Aug-25
	6-Jul-25	13-Jul-25	20-Jul-25	27-Jul-25	3-Aug-25	10-Aug-25	17-Aug-25
RECEIPTS							
Customer receipts	511,872	115,449	287,662	236,423	511,872	115,449	287,662
HST refund	-	-	-	-	150,000	-	-
Other receipts	77,827	-	-	-	77,827	-	-
DIP draws	307,037	199,317	-	-	688,770	-	-
Total receipts	896,736	314,766	287,662	236,423	1,428,469	115,449	287,662
DISBURSEMENTS							
Direct costs	(114,866)	(9,627)	(15,154)	(20,420)	(114,866)	(9,627)	(15,154)
HST payment	(63,509)	-	-	-	(63,509)	-	-
Salaries and benefits	(10,000)	(203,134)	-	(203,134)	(213,134)	-	-
Rent and leases	(904,855)	(51,391)	-	(30,358)	(904,855)	(51,391)	-
Utilities	(130,085)	-	-	-	(130,085)	-	-
Selling, general & administrative	(27,165)	(6,864)	(37,687)	(36,164)	(27,165)	(6,864)	(37,687)
Interest	(83,069)	-	-	-	(87,272)	-	-
Professional fees	-	(43,750)	-	(68,750)	-	-	-
Total disbursements	(1,333,551)	(314,766)	(52,841)	(358,825)	(1,540,888)	(67,882)	(52,841)
Net inflow/ (outflow)	(436,815)	-	234,821	(122,403)	(112,419)	47,567	234,821
Opening balance	836,815	400,000	400,000	634,821	512,419	400,000	447,567
Closing balance	400,000	400,000	634,821	512,419	400,000	447,567	682,388
DIP opening balance	1,923,038	2,230,076	2,429,393	2,429,393	2,429,393	3,118,163	3,118,163
DIP draw	307,037	199,317	-	-	688,770	-	-
DIP repayment	-	-	-	-	-	-	-
DIP closing balance	2,230,076	2,429,393	2,429,393	2,429,393	3,118,163	3,118,163	3,118,163
BMO pre-filing credit facility	(8,143,302)	(8,143,302)	(8,143,302)	(8,143,302)	(8,143,302)	(8,143,302)	(8,143,302)
DIP closing balance	(2,230,076)	(2,429,393)	(2,429,393)	(2,429,393)	(3,118,163)	(3,118,163)	(3,118,163)
Ending Cash	400,000	400,000	634,821	512,419	400,000	447,567	682,388
Excess (Deficiency)	(9,973,378)	(10,172,695)	(9,937,874)	(10,060,276)	(10,861,465)	(10,813,898)	(10,579,077)

Eastern Meats Solutions Inc. and certain of its affiliates					
16-Week Cash Flow Forecast (in CAD)					
For the period May 5, 2025 to August 31, 2025					
		Forecast	Forecast	Total	Notes
		18-Aug-25	25-Aug-25		
		24-Aug-25	31-Aug-25		
<b>RECEIPTS</b>					
Customer receipts		236,423	511,872	5,117,496	1
HST refund		-	-	423,656	2
Other receipts		-	77,827	311,307	3
DIP draws		-	-	2,318,163	4
<b>Total receipts</b>		<b>236,423</b>	<b>589,698</b>	<b>8,170,621</b>	
<b>DISBURSEMENTS</b>					
Direct costs		(20,420)	(114,866)	(774,698)	5
HST payment		-	-	(190,528)	6
Salaries and benefits		(203,134)	-	(1,657,461)	7
Rent and leases		(15,555)	(77,827)	(3,154,885)	8
Utilities		-	(130,085)	(650,426)	9
Selling, general & administrative		(36,164)	(27,165)	(458,687)	10
Interest		-	-	(239,034)	11
Professional fees		(93,750)	-	(891,588)	12
<b>Total disbursements</b>		<b>(369,023)</b>	<b>(349,944)</b>	<b>(8,017,307)</b>	
<b>Net inflow/ (outflow)</b>		<b>(132,600)</b>	<b>239,755</b>	<b>153,314</b>	
Opening balance		682,388	549,788	636,229	
<b>Closing balance</b>		<b>549,788</b>	<b>789,543</b>	<b>789,543</b>	
DIP opening balance		3,118,163	3,118,163		
DIP draw		-	-		
DIP repayment		-	-		
<b>DIP closing balance</b>		<b>3,118,163</b>	<b>3,118,163</b>		
BMO pre-filing credit facility		(8,143,302)	(8,143,302)		
DIP closing balance		(3,118,163)	(3,118,163)		
Ending Cash		549,788	789,543		
<b>Excess (Deficiency)</b>		<b>(10,711,677)</b>	<b>(10,471,922)</b>		

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 EASTERN MEAT SOLUTIONS INC., 2298442 ONTARIO LIMITED, COLDTERRA SUPPLY CHAIN LTD., COLDTERRA REALTY CORPORATION, RVB HOLDINGS INC., VANDEN BROEK HOLDINGS (2008) INC., COLDTERRA REALTY CALGARY CORPORATION AND EASTERN MEAT SOLUTIONS (USA) CORP.

Court File No.: CV-24-00720622-00CL

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

Proceedings commenced at Toronto, Ontario

**AFFIDAVIT OF ROBERT VANDEN BROEK  
(Sworn May 21, 2025)**

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Lawyers for the Applicants



# TAB 3

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

THE HONOURABLE	)	WEDNESDAY, THE 28 <sup>TH</sup>
	)	
JUSTICE KIMMEL	)	DAY OF MAY, 2025

**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 EASTERN MEAT SOLUTIONS INC.,  
2298442 ONTARIO LIMITED, COLDTERRA SUPPLY  
CHAIN LTD., COLDTERRA REALTY CORPORATION,  
RVB HOLDINGS INC., VANDEN BROEK HOLDINGS  
(2008) INC., COLDTERRA REALTY CALGARY  
CORPORATION AND EASTERN MEAT SOLUTIONS  
(USA) CORP.**

Applicants

**ORDER  
(Re: Stay Extension and PMSI Distribution)**

**THIS MOTION** made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") for an order, among other things: (i) extending the Stay Period up to and including August 29, 2025; (ii) approving the Monitor's Fourth Report, (each as defined herein), and the Monitor's activities set out therein; (iii) approving the fees and disbursements of the Monitor and its legal counsel; (iv) authorizing and approving the Third DIP Amendment; (vii) authorizing the Monitor and 2298442 Ontario Limited to make distributions to certain holders of valid purchase money security interests as described in the Fourth Report (as defined below); and (v) granting certain ancillary relief, was heard this day by videoconference in Toronto, Ontario, in accordance with the *Guidelines to Determine Mode of Proceeding in Civil Proceedings*, effective February 1, 2024.

**ON READING** the Affidavit of Robert Vanden Broek sworn May 21, 2025 (the “**Vanden Broek Affidavit**”), the Fourth Report of Deloitte Restructuring Inc., solely in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the “**Monitor**”) (the “**Fourth Report**”), to be filed, the Fee Affidavit of Jordan Sleeth of the Monitor sworn May 21, 2025 (the “**Sleeth Affidavit**”), and the Fee Affidavit of Robert Kennedy of the Monitor’s counsel sworn May 21, 2025 (the “**Kennedy Affidavit**”) and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, and such other counsel that were present, no one else appearing for any other parties, although duly served as it appears from the Affidavit of Service of Shurabi Srikaruna sworn May 21, 2025, filed,

### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Vanden Broek Affidavit and the motion record of the Applicants is hereby validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

### **DEFINED TERMS**

2. **THIS COURT ORDERS** that all capitalized terms not expressly defined herein are defined, and have the meanings set forth, in the Amended and Restated Initial Order of the Honourable Justice Penny dated May 31, 2024 (the “**Initial Order**”), the Stay Extension, DIP Amendment and KERP Order dated September 25, 2024 and the Stay Extension, Change of Corporate Name and Title of Proceeding Order dated January 24, 2025 (the “**January Stay Extension Order**”).

### **STAY EXTENSION**

3. **THIS COURT ORDERS** that the Stay Period, as ordered in paragraph 3 of the January Stay Extension Order, is hereby extended from May 31, 2025, until and including August 29, 2025.

### **DIP AMENDMENT**

4. **THIS COURT ORDERS** that: (i) the execution by the Applicants of the Third DIP Amendment (as defined in the Vanden Broek Affidavit) substantially in the form attached as

**Exhibit “F”** to the Vanden Broek Affidavit is hereby authorized and approved; and (ii) all references to “DIP Credit Agreement” and “DIP Documents” in the Initial Order shall be deemed to include the DIP Credit Agreement, as amended by the Third DIP Amendment.

## **PMSI DISTRIBUTIONS**

5. **THIS COURT ORDERS** that the Monitor and 2298442 Ontario Limited, with the consent of the Monitor, are hereby authorized and directed, without further Order of the Court, to make distributions from the proceeds of 2298442 Ontario Limited’s Property, including, without limitation, the proceeds of the transaction contemplated under the APA (as defined in the Vanden Broek Affidavit) in repayment, whether in whole or in part, of the obligations owing to the holders of certain valid purchase money security interests as determined by the Monitor, in each case, up to the total amount of the obligations owing by 2298442 Ontario Limited to each such holder of a purchase money security interest (collectively, the “**PMSI Distributions**”), all as set out in the Fourth Report.

6. **THIS COURT ORDERS** that the Monitor, and 2298442 Ontario Limited with the consent of the Monitor, are hereby authorized and directed to take all necessary steps and actions to make the PMSI Distributions in accordance with the provisions of this Order, and neither 2298442 Ontario Limited nor the Monitor shall incur any liability as a result of the PMSI Distributions.

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

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of 2298442 Ontario Limited and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the 2298442 Ontario Limited;

the PMSI Distributions shall be made free and clear of all Encumbrances (including the Charges and any other charges granted pursuant to an Order of the Court in these proceedings) and shall be binding on any trustee in bankruptcy that may be appointed in respect of 2298442 Ontario

Limited and shall not be void or voidable by creditors of 2298442 Ontario Limited, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

#### **APPROVAL OF ACTIVITIES & FEES OF MONITOR**

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

9. **THIS COURT ORDERS** that the fees and disbursements of the Monitor for the period from January 4, 2025, to May 3, 2025, in the amount of \$235,835 plus disbursements of \$36, administrative expenses of \$7,075, and HST of \$31,583 for a total of \$274,529, as set out in the Sleeth Fee Affidavit, are hereby approved.

10. **THIS COURT ORDERS** that the fees and disbursements of Dentons Canada LLP for the period from January 1, 2025, to April 30, 2025, in the amount of \$262,039.50 plus disbursements in the amount of \$102.30 and HST of \$34,078.44 for a total of \$296,220.24, as set out in the Kennedy Fee Affidavit, are hereby approved.

#### **GENERAL**

11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or outside of Canada to give effect to this Order and to assist the Applicants and the Monitor and their 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 Applicants and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and the Monitor and their agents in carrying out the terms of this Order.

12. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Applicants and the Monitor are 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.

13. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. on the date of this Order and is enforceable without the need for entry or filing on the date hereof.

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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 EASTERN MEAT SOLUTIONS INC., 2298442  
ONTARIO LIMITED, COLDTERRA SUPPLY CHAIN LTD., COLDTERRA REALTY CORPORATION, RVB HOLDINGS INC.,  
VANDEN BROEK HOLDINGS (2008) INC., COLDTERRA REALTY CALGARY CORPORATION AND EASTERN MEAT  
SOLUTIONS (USA) CORP.**

Court File No. CV-24-00720622-00CL

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

Proceedings commenced at Toronto, Ontario

**ORDER**  
**(Re: Stay Extension and PSMI Distribution)**

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Lawyers for the Applicants

**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 EASTERN MEAT SOLUTIONS INC., 2298442 ONTARIO LIMITED, COLDTERRA SUPPLY CHAIN LTD., COLDTERRA REALTY CORPORATION, RVB HOLDINGS INC., VANDEN BROEK HOLDINGS (2008) INC., COLDTERRA REALTY CALGARY CORPORATION AND EASTERN MEAT SOLUTIONS (USA) CORP.**

Court File No.: CV-24-00720622-00CL

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

Proceedings commenced at Toronto, Ontario

**MOTIO RECORD**  
**(Re: Stay Extension and PSMI Distribution)**  
**Returnable May 28, 2025)**

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