

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF EASTERN MEAT SOLUTIONS INC.,
SIERRA CUSTOM FOODS INC., SIERRA SUPPLY CHAIN
SERVICES INC., SIERRA REALTY CORPORATION,
RVB HOLDINGS INC., VANDEN BROEK HOLDINGS (2008)
INC., SIERRA REALTY CALGARY CORPORATION AND
EASTERN MEAT SOLUTIONS (USA) CORP.**

Applicants

**MOTION RECORD
(Returnable May 31, 2024 at 10:00 a.m.)**

May 28, 2024

THORNTON GROUT FINNIGAN LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7

Rebecca L. Kennedy (LSO# 61146S)
Email: rkennedy@tgf.ca

D.J. Miller (LSO#34393P)
Email: djmillier@tgf.ca

Adam Driedger (LSO #77296F)
Email: adriedger@tgf.ca

Tel: (416) 304-1616
Fax: (416) 304-1313

Lawyers for the Applicants

TO: THIS HONOURABLE COURT
AND TO: THE SERVICE LIST

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF EASTERN MEAT SOLUTIONS INC.,
SIERRA CUSTOM FOODS INC., SIERRA SUPPLY CHAIN
SERVICES INC., SIERRA REALTY CORPORATION,
RVB HOLDINGS INC., VANDEN BROEK HOLDINGS (2008)
INC., SIERRA REALTY CALGARY CORPORATION AND
EASTERN MEAT SOLUTIONS (USA) CORP.**

Applicants

**MOTION RECORD
(Returnable May 31, 2024 at 10:00 a.m.)**

May 28, 2024

THORNTON GROUT FINNIGAN LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7

Rebecca L. Kennedy (LSO# 61146S)
Email: rkennedy@tgf.ca

D.J. Miller (LSO#34393P)
Email: djmillier@tgf.ca

Adam Driedger (LSO #77296F)
Email: adriedger@tgf.ca

Tel: (416) 304-1616
Fax: (416) 304-1313

Lawyers for the Applicants

TO: THIS HONOURABLE COURT
AND TO: THE SERVICE LIST

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF EASTERN MEAT SOLUTIONS INC.,
SIERRA CUSTOM FOODS INC., SIERRA SUPPLY CHAIN
SERVICES INC., SIERRA REALTY CORPORATION,
RVB HOLDINGS INC., VANDEN BROEK HOLDINGS (2008)
INC., SIERRA REALTY CALGARY CORPORATION AND
EASTERN MEAT SOLUTIONS (USA) CORP.**

Applicants

INDEX

Tab	Description
1	Notice of Motion returnable on May 31, 2024
2	Affidavit of Robert Vanden Broek sworn May 28, 2024
Exhibit "A"	Initial Affidavit of Robert Vanden Broek sworn May 21, 2024 (without exhibits)
Exhibit "B"	Initial Order of the Honourable Justice Penny dated May 21, 2024
Exhibit "C"	A copy of the DIP Facility Loan Agreement
3	Draft Amended and Restated Initial Order
4	Blackline of Amended and Restated Initial Order to Model Order
5	Blackline of Amended and Restated Initial Order to Initial Order
6	Draft SISP Order

Tab 1

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF EASTERN MEAT SOLUTIONS INC.,
SIERRA CUSTOM FOODS INC., SIERRA SUPPLY CHAIN
SERVICES INC., SIERRA REALTY CORPORATION,
RVB HOLDINGS INC., VANDEN BROEK HOLDINGS (2008)
INC., SIERRA REALTY CALGARY CORPORATION AND
EASTERN MEAT SOLUTIONS (USA) CORP.**

Applicants

**NOTICE OF MOTION
(Comeback Hearing)**

The Applicants will make a motion before the Honourable Justice Penny of the Ontario Superior Court of Justice (Commercial List) on May 31, 2024, at 10 a.m. (ET), or as soon after that time as the motion may be heard by judicial videoconference via Zoom at Toronto, Ontario. The videoconference details will be circulated when 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 Amended and Restated Initial Order substantially in the form included at Tab 3 of the Motion Record (the “**ARIO**”):
 - (a) if necessary, abridging the time for service of this Notice of Motion and Motion Record and dispensing with service on any person other than those served;
 - (b) extending the Stay Period until and including September 30, 2024;
 - (c) approving the execution by the Applicants of a DIP Facility Loan Agreement dated as of May 28, 2024 (the “**DIP Credit Agreement**”), with the Bank of Montreal (the “**DIP Lender**”), pursuant to which the DIP Lender has agreed to make available to the Applicants a revolving debtor-in-possession credit facility in principal amount (excluding accrued interest and fees that are added to principal) up to \$3,350,000 (the “**DIP Facility**”) and granting a super-priority charge (the “**DIP Lender’s Charge**”) in favour of the DIP Lender to secure all outstanding amounts under the DIP Facility, including advances made under the BMO Credit Agreement from and including the date of the Initial Order to and including the date the Court approves the ARIO;
 - (d) increasing the Administration Charge from \$500,000 to \$750,000; and
 - (e) increasing the Directors’ Charge from \$600,000 to \$750,000;

2. An Order (the “**SISP Order**”) substantially in the form attached at Tab 6 of this Motion Record approving a sale and investor solicitation process (the “**SISP**”) in respect of the Processing Business and/or assets of Sierra Custom Foods Inc.
3. Such further and other relief as this Honourable Court may deem just and equitable.

THE GROUNDS FOR THE MOTION ARE:

Background

4. The Applicants are a group of privately held companies that are 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.
5. The Applicants have three distinct business lines, each of which is carried out by a separate entity within the corporate group: (i) a meat trading and market services business, which is conducted by Eastern Meat Solutions Inc. (the “**Trading Business**”); (ii) a food processing business (the “**Processing Business**”), which is conducted by Sierra Custom Foods Inc. (the “**Sierra Foods**”); and (iii) a cold storage and transportation business, which is conducted by Sierra Supply Chain Services Inc. (the “**Cold Storage Business**”).
6. Notwithstanding the success and growth achieved by the Applicants over many years, the Applicants are currently facing significant liquidity issues.
7. As a result of these severe liquidity issues and an inability to meet their obligations as they became due, the Applicants determined that it was in their best interest and the best interests of their stakeholders to commence these CCAA proceedings. Accordingly, on May 21,

2024, the Applicants sought and obtained relief under the CCAA pursuant to the Initial Order.

8. The Initial Order, among other things:

- (a) appointed Deloitte Restructuring Inc. (“**Deloitte**”) as Monitor of the Applicants;
- (b) granted a stay of all proceedings taken, or that might be taken in respect of the Applicants, its directors or officers, the Monitor, their respective employees and representatives until and including May 31, 2024;
- (c) granted the following priority charges over the Property (as defined in the Initial Order), listed in descending order of priority:
 - (a) a charge as security for the respective fees and disbursements of the Monitor, its counsel, and counsel to the Applicants, in the maximum amount of \$500,000;
 - (b) a charge in favour of the directors and officers of the Applicants in the maximum amount of \$600,000; and
 - (c) an Intercompany Charge to secure any intercompany advances made by, and to, other Applicants during the CCAA proceeding, in accordance with the Initial Order.
- (d) authorized but did not require the Applicants to pay certain pre-filing amounts with the consent of the Monitor to critical suppliers and other key parties with whom the Applicants transact; and
- (e) restricted the exercise of certain rights of set-off by suppliers and/or customers of the Applicants without the consent of the Monitor.

DIP Credit Agreement and the DIP Lender's Charge

9. On May 28, 2024, the Applicants entered into a DIP Credit Agreement with the DIP Lender, who agreed to make available to the Applicants a revolving DIP Facility according to the Applicants' cash flow forecast, developed with the Monitor's help. The approval of this DIP Facility will ensure the Applicants have enough liquidity to maintain operations and cover restructuring costs while pursuing a sales process to optimize stakeholder value.
10. The DIP Facility requires Court approval and the granting of a priority DIP Charge by court Order.
11. The Monitor supports both the approval of the DIP Facility and the granting of the DIP Charge.

Stay Extension

12. The Applicants request an extension of the Stay Period up to and including September 30, 2024. The extension of the Stay Period is necessary to maintain stability while the Applicants attempt to carry out the SISP for the Processing Business and pursue a restructuring of the Cold Storage Business.
13. The Applicants have acted, and continue to act, in good faith and with due diligence during the course of the CCAA proceedings. The Applicants' activities since the granting of the Initial Order have all been made with a view to maximizing the value of the Applicants' business, for the benefit of their stakeholders.
14. The Applicants seek to increase the Administration Charge up to a maximum amount of \$750,000 to protect the fees and disbursements of restructuring professionals, who have

played and will continue to play a critical role in the sale and restructuring efforts of the Applicants.

15. The Applicants seek to increase the Directors' Charge up to a maximum amount of \$750,000. The proposed Directors' Charge will be subordinate to both the Administration Charge and the DIP Charge.
16. The Monitor is supportive of the proposed extension of the Stay Period and the increases to the Administration Charge and the Directors' Charge.

The SISP

17. The proposed SISP will enable the Applicants to market and sell the Processing Business and/or assets of Sierra Foods. In collaboration with the Monitor, the Applicants have designed a two-phase bidding process over a 10-week period. The timelines were strategically determined to strike an appropriate balance between efficiency and maximizing the amount of competitive tension amongst prospective bidders.
18. The proposed SISP will be initiated by the distribution of a teaser document to potentially interested parties, to outline the opportunity and invite them to explore a transaction with the Applicants.
19. The SISP is designed to be flexible and allows interested parties to submit binding offers for any or all of Sierra Foods' assets, invest in Sierra Foods, or acquire the Processing Business as a going concern. It also grants Sierra Foods and the proposed Monitor the authority to extend or amend the SISP to enhance the sales process, in consultation with the DIP Lender, and with the approval of the Court required for any changes.

Other Grounds

20. 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.
21. 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.
22. 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:

23. The Initial Affidavit of Robert Vanden Broek sworn May 21, 2024;
24. The Second Affidavit of Robert Vanden Broek sworn May 28, 2024, and the Exhibits thereto;
25. The Pre-Filing Report of the Monitor dated May 21, 2024 and the First Report of the Monitor, to be filed, 2024; and
26. Such further and other evidence as counsel may advise and this Honourable Court may permit.

May 28, 2024

Thornton Grout Finnigan LLP
3200-100 Wellington Street West
P.O. Box 329, West Tower, T-D Centre
Toronto, ON M5K 1K7

Rebecca L. Kennedy (LSO# 61146S)

Email: rkennedy@tgf.ca

D.J. Miller (LSO#34393P)

Email: djmiller@tgf.ca

Adam Driedger (LSO #77296F)

Email: adriedger@tgf.ca

Tel: (416) 304-1616

Fax: (416) 304-1313

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., SIERRA CUSTOM FOODS INC., SIERRA SUPPLY CHAIN SERVICES INC., SIERRA REALTY CORPORATION, RVB HOLDINGS INC., VANDEN BROEK HOLDINGS (2008) INC., SIERRA 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
(Comeback Hearing)**

Thornton Grout Finnigan LLP
3200 – 100 Wellington Street West
TD West Tower, Toronto-Dominion Centre
Toronto, ON M5K 1K7

Rebecca L. Kennedy (LSO# 61146S)
Email: rkennedy@tgf.ca

D.J. Miller (LSO# 34393P)
Email: djmiller@tgf.ca

Adam Driedger (LSO# 77296F)
Email: adriedger@tgf.ca

Tel: (416) 304-1616
Fax: (416) 304-1313

Lawyers for the Applicants

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF EASTERN MEAT SOLUTIONS INC.,
SIERRA CUSTOM FOODS INC., SIERRA SUPPLY CHAIN
SERVICES INC., SIERRA REALTY CORPORATION, RVB
HOLDINGS INC., VANDEN BROEK HOLDINGS (2008) INC.,
SIERRA REALTY CALGARY CORPORATION AND EASTERN
MEAT SOLUTIONS (USA) CORP.**

Applicants

**Service List
(as at May 28, 2024)**

TO:	<p>THORNTON GROUT FINNIGAN LLP TD West Tower, Toronto-Dominion Centre 100 Wellington Street West, Suite 3200 Toronto, ON M5K 1K7 Fax: (416) 304-1313</p> <p>Rebecca L. Kennedy Tel: (416) 304-0603 Email: rkennedy@tgf.ca</p> <p>D.J. Miller Tel: (416) 304-0559 Email: djmiller@tgf.ca</p> <p>Adam Driedger Tel: (416) 304-1152 Email: adriedger@tgf.ca</p> <p>Shurabi Srikaruna Email: ssrikaruna@tgf.ca</p> <p>Lawyers for the Applicants</p>
------------	--

AND TO:	<p>DELOITTE RESTRUCTURING INC. 8 Adelaide Street West, Suite 200 Toronto, ON M5H 0A9</p> <p>Jorden Sleeth Tel: (416) 775-8858 Email: jsleeth@deloitte.ca</p> <p>Todd Ambachtsheer Tel: (416) 607-0781 Email: tambachtsheer@deloitte.ca</p> <p>Court-appointed Monitor</p>
AND TO:	<p>DENTONS CANADA LLP 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON M5K 0A1</p> <p>Robert Kennedy Tel: (416) 367-6756 Email: robert.kennedy@dentons.com</p> <p>Michael Schafner Tel: (416) 863-4457 Email: michael.schafner@dentons.com</p> <p>Valerie Cross Tel: 1 (604) 648-654 Email: valerie.cross@dentons.com</p> <p>Lawyers for the Court-appointed Monitor</p>

AND TO:	<p>BORDEN LADNER GERVAIS LLP Bay Adelaide Centre, East Tower 22 Adelaide Str. West, Suite 3400 Toronto, ON M5H 4E3</p> <p>Alex MacFarlane Tel: (416) 367-6305 Email: AMacFarlane@blg.com</p> <p>Layers for Bank of Montreal</p>
AND TO:	<p>CWB NATIONAL LEASING INC. 1525 Buffalo Place Winnipeg, MB R3T 1L9</p> <p>Emmanuel Tiku <i>Contract Administration Specialist</i> Tel: 1 (877) 211-4061 Fax: 1 (866) 689-8250 Email: debtenforcement@cwbnationalleasing.com</p> <p>PPSA registrant with respect to Eastern Meat Solutions Inc., Sierra Supply Chain Services Inc. and Sierra Custom Foods Inc.</p>
AND TO:	<p>GM FINANCIAL CANADA LEASING LTD. 2001 Sheppard Ave., Suite 600 Toronto, ON M2J 4Z8</p> <p>Email: cservice@gmfinancial.com CommercialLending@gmfinancial.com</p> <p>PPSA registrant with respect to Eastern Meat Solutions Inc.</p>
AND TO:	<p>CROWN CREDIT (CANADA) CORPORATION 210 Annagem Blvd. Mississauga, ON L5T 2V5</p> <p>Dan Fatigati <i>Director</i> Fax: (905) 795-9311 Email: dan.fatigati@crown.com</p> <p>PPSA registrant with respect to Eastern Meat Solutions Inc.</p>

AND TO:	<p>PNC VENDOR FINANCE CORPORATION CANADA 2-4145 North Service Road Burlington, ON L7L 6A3</p> <p>Steve Adatia <i>SVP Equipment Finance, Canada Branch</i> Email: steve.adatia@pnc.com</p> <p>Nicola Luskey <i>Territory Manager</i> Email: nluskey@leaserv.com</p> <p>PPSA registrant with respect to Sierra Custom Foods Inc. and Sierra Supply Chain Services Inc.</p>
AND TO:	<p>DE LAGE LANDEN FINANCIAL SERVICES CANADA INC. 5046 Mainway, Unit 1 Burlington, ON L7L 5Z1</p> <p>3450 Superior Court, Unit 1 Oakville, ON L6L 0C4</p> <p>Maria M. Zawidzki <i>Senior Legal Counsel</i> Tel: (905) 901-6377 Fax: 1 (877) 500 5356 Email: mzawidzki@leasedirect.com</p> <p>PPSA registrant with respect to Sierra Custom Foods Inc. and Sierra Supply Chain Services Inc.</p>

AND TO:	<p>LINDE CANADA INC. 1 City Centre Drive Mississauga, ON L5B 1M2</p> <p>500-5015 Spectrum Way Mississauga, ON L4W 0W4</p> <p>Sophie Traub <i>Associate Director - Legal</i> Tel: (905) 803 1715 Fax: (905) 803 1716 Email: sophie.traub@linde.com</p> <p>PPSA registrant with respect to Sierra Custom Foods Inc.</p>
AND TO:	<p>TIP FLEET SERVICES CANADA LTD. 1880 Britannia Road East Mississauga, ON L4W 1J3</p> <p>Accounts Receivable Tel: (905) 670-7077 Email: ca-ar@tip-group.com</p> <p>PPSA registrant with respect to Sierra Custom Foods Inc.</p>
AND TO:	<p>YALE INDUSTRIAL TRUCKS INC. 340 Hanlan Road Woodbridge, ON L4L 3P6</p> <p>Tel: (905) 851-6620 Fax: (905) 851-6866 Email: info@yaleforklifts.com</p> <p>PPSA registrant with respect to Sierra Custom Foods Inc.</p>

AND TO:	<p>RCAP LEASING INC. 5575 North Service Rd., Suite 300 Burlington, ON L7L 6M1</p> <p>Email: rcap.collections@rcapleasing.com csc@rcapleasing.com</p> <p>Fax: (905) 639-1363</p> <p>PPSA registrant with respect to Sierra Supply Chain Services Inc.</p>
AND TO:	<p>FOOD BANKS CANADA 22 High Street Hamilton, ON L8T 3Z3</p> <p>2680 Matheson Blvd. East Suite 102 Mississauga, ON L4W 0A5</p> <p>Fax: (905) 602-5614 Email: info@foodbankscanada.ca</p> <p>PPSA registrant with respect to Sierra Supply Chain Services Inc.</p>
AND TO:	<p>MINISTER OF FINANCE INSOLVENCY UNIT 6th Floor, 33 King Street West Oshawa, ON L1H 8H5</p> <p>Insolvency Unit Email: insolvency.unit@ontario.ca</p>

AND TO:	DEPARTMENT OF JUSTICE Ontario Regional Office 120 Adelaide Street West, Suite 400 Toronto, ON M5H 1T1 Tel.: 613-795-9021 Fozia Chaudary Email: Fozia.Chaudary@justice.gc.ca Edward Park Email: Edward.Park@justice.gc.ca Meggie Johnson Email: Meggie.Johnson@justice.gc.ca Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca
AND TO:	CANADA REVENUE AGENCY 1 Front Street West Toronto, ON M5J 2X6 Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca

Email Service List

rkennedy@tgf.ca; djmiller@tgf.ca; adriedger@tgf.ca; ssrikaruna@tgf.ca; jsleeth@deloitte.ca;
tambachtsheer@deloitte.ca; robert.kennedy@dentons.com; michael.schafler@dentons.com;
valerie.cross@dentons.com; AMacFarlane@blg.com; debt enforcement@cwbnationalleasing.com;
cservice@gmfinancial.com; dan.fatigati@crown.com; CommercialLending@gmfinancial.com;
steve.adata@pnc.com; nluskey@leaserv.com; mzawidzki@leasedirect.com; sophie.traub@linde.com;
ca-ar@tip-group.com; info@yaleforklifts.com; rcap.collections@rcapleasing.com;
csc@rcapleasing.com; info@foodbankscanada.ca; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca;
insolvency.unit@ontario.ca; Fozia.Chaudary@justice.gc.ca; Edward.Park@justice.gc.ca;
Meggie.Johnson@justice.gc.ca

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
ARRANGEMENT OF EASTERN MEAT SOLUTIONS INC.,
SIERRA CUSTOM FOODS INC., SIERRA SUPPLY CHAIN
SERVICES INC., SIERRA REALTY CORPORATION,
RVB HOLDINGS INC., VANDEN BROEK HOLDINGS (2008)
INC., SIERRA REALTY CALGARY CORPORATION AND
EASTERN MEAT SOLUTIONS (USA) CORP.**

Applicants

AFFIDAVIT OF ROBERT VANDEN BROEK

Table of Contents

A. The Initial Order & Activities Since the Initial Order	4
B. Approval of DIP Credit Agreement and DIP Lender's Charge	6
C. Stay Extension & Other Relief	8
D. SISP Approval	9
F. Conclusion	15

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

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF EASTERN MEAT SOLUTIONS INC.,
SIERRA CUSTOM FOODS INC., SIERRA SUPPLY CHAIN
SERVICES INC., SIERRA REALTY CORPORATION,
RVB HOLDINGS INC., VANDEN BROEK HOLDINGS (2008)
INC., SIERRA REALTY CALGARY CORPORATION AND
EASTERN MEAT SOLUTIONS (USA) CORP.**

Applicants

**AFFIDAVIT OF ROBERT VANDEN BROEK
(sworn May 28, 2024)**

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**"), Sierra Custom Foods Inc. ("**Sierra Foods**"), Sierra Supply Chain Services Inc. ("**Sierra Services**"), Sierra Realty Corporation ("**Sierra Realty**"), RVB Holdings Inc. ("**RVB Holdings**"), Vanden Broek Holdings (2008) Inc. ("**VBH**"), Sierra Realty Calgary Corporation ("**Sierra Calgary**"), and Eastern Meat Solutions (USA) Corp. ("**EMS US**" 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 each of the Applicants' business. 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 second 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 support of the application for the Initial Order. A copy of the Initial Affidavit, without exhibits, is attached hereto as **Exhibit “A”**. All references to monetary amounts in this affidavit are in Canadian dollars unless otherwise stated.
4. This affidavit is sworn (in addition to the Initial Affidavit) in support of a motion returnable before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on May 31, 2024 for the following orders:
 - (a) an Amended and Restated Initial Order (the “**ARIO**”), among other things:
 - (i) extending the Stay Period until and including September 30, 2024;
 - (ii) approving the execution by the Applicants of a DIP Facility Loan Agreement dated as of May 28, 2024 (the “**DIP Credit Agreement**”), with the Bank of Montreal (the “**DIP Lender**”), pursuant to which the DIP Lender has agreed to make available to the Applicants a revolving credit facility in the principal amount (excluding accrued interest and fees that are

added to principal) up to \$3,350,000 (the “**DIP Facility**”) and granting a super-priority charge (the “**DIP Lender’s Charge**”) in favour of the DIP Lender to secure all outstanding amounts under the DIP Facility, together with all indebtedness, liabilities, and obligations incurred by the Applicants under or in connection with the BMO Credit Agreement from and including the date of the Initial Order to the date the Court approves the ARIO;

(iii) increasing the Administration Charge from \$500,000 to \$750,000; and

(iv) increasing the Directors’ Charge from \$600,000 to \$750,000;

(b) an order (the “**SISP Order**”) approving the proposed sale and investment solicitation process (the “**SISP**”) in respect of the Processing Business of Sierra Foods.

A. The Initial Order & Activities Since the Initial Order

5. In the Initial Affidavit, I described, among other things, the events leading up to the Applicants’ CCAA filing and the need for relief under the CCAA.
6. On May 21, 2024, the Applicants were granted protection under the CCAA pursuant to the Initial Order of the Honourable Justice Penny. Attached hereto as **Exhibit “B”** is a copy of the Initial Order of the Honourable Justice Penny, which the Applicants seek to have amended and restated through this motion.
7. Since the granting of the Initial Order, the Applicants, with the assistance of the Monitor, have been working in good faith and with due diligence to maintain their businesses and operations in the ordinary course, while also undergoing extensive communications with suppliers, customers and other stakeholders as to the commencement of this proceeding.

8. As part of that effort, the Applicants have been in communication with their employees, key suppliers, and key customers to update these stakeholders on the CCAA proceeding. These communications have included an explanation of, among other things, the nature of the Initial Order and the CCAA proceeding, the role of the Monitor, as well as the immediate implications of the filing.
9. To date, there has been limited disruption to the Applicants' operations and the Applicants continue to operate in the ordinary course of business.
10. In addition to the above, since the date of filing, the Applicants have worked diligently with their legal counsel and the Monitor to, among other things:
 - (a) negotiate the DIP Credit Agreement with the DIP Lender;
 - (b) develop the SISP for the Processing Business; and
 - (c) establish protocols with the Monitor for reporting and monitoring purposes.
11. I am informed by the Monitor that, in accordance with the Initial Order, the Monitor has:
 - (a) established a website at <https://www.insolvencies.deloitte.ca/easternmeat> (the “**Monitor’s Website**”) on which substantially all Court materials filed in the CCAA proceeding and updates on the CCAA proceeding will be posted;
 - (b) established a dedicated email address (easternmeatsolutions@deloitte.ca) and a telephone hotline (416-601-6048) to allow stakeholders to communicate directly with the Monitor to address any questions or concerns they may have regarding the CCAA proceeding;

- (c) delivered the Pre-Filing of the Monitor to all creditors listed on the service list, which included information regarding the CCAA proceeding, the Monitor's toll-free telephone number, and the Monitor's email address. A copy of the Pre-Filing Report was also posted on the Monitor's Website;
- (d) on May 24, 2024, sent the required notice of these CCAA proceedings to creditors by email (where possible) or regular mail; and
- (e) arranged for notice of this CCAA proceeding to be published in *The Globe and Mail* (National Edition) on May 29, 2024 and June 5, 2024.

B. Approval of DIP Credit Agreement and DIP Lender's Charge

- 12. As set out in my Initial Affidavit and the Cash Flow Forecast, the Applicants require DIP financing in order to continue operations in the manner contemplated by the Cash Flow Forecast and carry out a successful restructuring. Accordingly, the Applicants seek Court approval of the DIP Credit Agreement and the DIP Lender's Charge.
- 13. Pursuant to the DIP Credit Agreement dated as of May 28, 2024, the DIP Lender has agreed to make available to the Applicants a revolving DIP in the principal amount (excluding accrued interest and fees that are added to principal) up to \$3,350,000, subject to the terms and conditions set out in the DIP Credit Agreement. A copy of the DIP Credit Agreement is attached hereto as **Exhibit "C"**.
- 14. The DIP Facility and the DIP Credit Agreement are conditional upon, among other things, the granting of a DIP Lender's Charge that ranks in priority to all other security interests and charges, save and except for the Administration Charge.

15. The key terms and conditions of the DIP Credit Agreement are summarized in the table below:

Summary of Certain Key Terms of the DIP Financing	
Maximum Principal Amount	\$3,350,000, excluding accrued interest and fees that are added to principal (with minimum advances of \$200,000)
Interest	12% per annum
DIP Lender Fees	2% commitment fee (PIK) 2% standby fee (PIK) The Applicants shall pay the DIP Lender's reasonable fees and expenses arising in connection with the DIP Credit Agreement and the DIP Facility, and the expenses of the financial advisor appointed by the DIP Lender, up to an agreed cap of \$75,000.
Use of Funds	The proceeds of the DIP Facility shall be used by the Applicants solely in accordance with the applicable DIP Budget and any orders of the Court, to fund the ordinary course working capital and other general corporate purposes of the Applicants, including the reasonable fees and expenses of counsel to the Applicants, the Monitor and counsel to the Monitor incurred in connection with the CCAA proceeding.
Maturity Date	September 30, 2024, subject to certain other triggers for an earlier Maturity Date upon the happening of certain events.
Key Condition Precedent	The issuance of an order granting the DIP Lender's Charge in form and substance satisfactory to the DIP Lender (subordinate only to the Administration Charge).
Certain Key Events of Default	Failure to pay when due any interest or principal amount owing under the DIP Facility and the failure to otherwise comply with the terms and conditions of the DIP Credit Agreement, subject to applicable grace periods.
Security and DIP Lender's Charge	Super-priority DIP Lender's Charge over all of the Property of the applicable Applicants (subject only to the Administration Charge)

16. I am advised by Adam Driedger, an associate with Thornton Grout Finnigan LLP, counsel to the Applicants in this proceeding, as well as Jordan Sleeth of the Monitor, that the terms

and conditions of the proposed DIP Facility are reasonable and competitive having regard to the terms and conditions of DIP financing approved in other recent CCAA proceedings.

17. I am advised by the Monitor that it supports the approval of the DIP Credit Agreement and the DIP Lender's Charge. The DIP Credit Agreement and the DIP Lender's Charge are reasonably required in the circumstances, will increase the likelihood of a successful restructuring, and are therefore in the best interests of the Applicants and their stakeholders generally.

C. Stay Extension & Other Relief

18. The ARIO contemplates an extension of the Stay Period up to and including September 30, 2024. The stay extension is necessary and appropriate in the circumstances to allow for the continued operation of the Applicants' business and enable the Applicants and the Monitor to carry out the SISP (as described below) and pursue a restructuring of the Cold Storage Business.
19. The Applicants have acted, and continue to act, in good faith and with due diligence during this proceeding. The Cash Flow Forecast demonstrates that, subject to the approval of the DIP Credit Agreement and the DIP Lender's Charge, 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.
20. The factual foundation for the additional relief sought pursuant to the ARIO (including the increases to the Administration Charge and the Directors' Charge) is set out in detail in the Initial Affidavit. The additional relief sought pursuant to the ARIO is required and

reasonably justified in the circumstances for all the reasons set out in the Initial Affidavit.

I am advised that the Monitor supports the additional relief sought under the ARIO (including the increases to the Administration Charge and the Directors' Charge) and will recommend Court approval of same.

D. SISP Approval

21. The proposed SISP includes a comprehensive process to market and sell the Processing Business and/or assets of Sierra Foods. Attached as Schedule A to the SISP Approval Order is a copy of the proposed SISP. The following is a summary of the key terms contemplated in the SISP. All capitalized terms used in this section have the meanings ascribed to them in the SISP.
22. The proposed SISP contemplates a two-phase bidding process over a 10-week period. The Applicants have worked with the Monitor to develop the SISP timelines. The timelines were strategically determined to strike an appropriate balance between efficiency and maximizing the amount of competitive tension amongst prospective bidders. It was particularly important for the Applicants to launch the SISP and bring the Sierra Foods' business and assets to market as soon as possible in June to avoid any slowdown in business activity in the market during the peak summer months.
23. During the SISP, the Applicants and the Monitor intend to identify as many strategic and financial parties to adequately canvass the market for possible bids. The first phase will consist of attracting non-binding letters of intent while the second phase will require a binding offer and cash deposit. The following table provides an overview of the key terms of the proposed SISP:

Stage	Description	Proposed Timing
Preparation	a) Assemble due diligence information; b) Set-up of virtual due diligence data-room (the “ Data Room ”); c) Identify Known Potential Bidders; d) Prepare a non-confidential teaser letter (the “ Teaser ”) and template non-disclosure agreement (“ NDA ”).	In advance of Court approval.
Participation Requirements	a) Submit a letter to the Monitor with required information; b) provide a signed NDA; c) A Potential Bidder becomes a Phase 1 Qualified Bidder after submitting the required documents and NDA. Phase 1 Qualified Bidders must be deemed capable of completing a transaction based on funding and experience prior to moving forward in the SISP.	
Phase 1	a) Phase 1 Qualified Bidders provided access to Data Room; b) Non-binding LOIs from Phase 1 Qualified Bidders due by Phase 1 Bid Deadline; c) LOI to indicate if it is a Sale Proposal, Investment Proposal or Hybrid Proposal and shall include the required information specified in the SISP; d) the Monitor and Applicants, in consultation with the DIP Lender, will assess LOIs using the criteria outline in the SISP to determine if a LOI is a Qualified LOI; and e) Phase 1 Qualified Bidders designated by the Monitor and Applicants, in consultation with the	The first Business Day after issuance of SISP Order (“ Commencement Date ”). Phase 1 Bid Deadline: 5:00PM Eastern Standard Time on the date that is four weeks from the Commencement Date (the “ Phase 1 Bid Deadline ”).

Stage	Description	Proposed Timing
	DIP Lender, as Phase 2 Qualified Bidders invited to participate in Phase 2 if Monitor and Applicants proceed to Phase 2.	
Phase 2 (if applicable)	<p>a) Bid Process Letter delivered to all Phase 2 Qualified Bidders;</p> <p>b) Template APA posted in the Data Room;</p> <p>c) Further and more detailed access to information and due diligence materials granted to Phase 2 Qualified Bidders as the Monitor and Applicants considers appropriate to allow for more detailed due diligence;</p> <p>d) Final Bids due by the Phase 2 Bid Deadline;</p> <p>e) Final Bid to indicate if it is a Sale Proposal, Investment Proposal or Hybrid Proposal and shall include the required information and terms specified in the SISP;</p> <p>f) Monitor and the Applicants, in consultation with the DIP Lender, will assess Final Bids using the criteria outlined in the SISP to determine if a Final Bid is a Qualified Bid;</p> <p>g) The Monitor and the Applicants may decide to hold an auction if at least two Qualified Bids are received.</p> <p>h) Monitor and the Applicants, in consultation with the DIP Lender, will select the Successful Bid(s) and the parties settle definitive documentation;</p> <p>i) Applicants’ motion for Court approval of the Successful Bid(s) (the “Approval Motion”) to be held by September 30, 2024; and</p> <p>j) Closing of Successful Bid(s) approved by the Court.</p>	<p>Phase 2 Bid Deadline: To be specified in the Phase 2 Bid Process letter; anticipated to be approximately six weeks after the Phase 1 Bid Deadline (“Phase 2 Bid Deadline”)</p> <p>Approval Motion Date: To be specified in the Phase 2 Bid Process letter but no later than September 30, 2024</p> <p>Closing Date: To be specified in the Phase 2 Bid Process Letter (“Closing Date”)</p>

24. The proposed SISP will be initiated by distribution of a teaser letter (the “**Teaser Letter**”) to potentially interested parties that describes the opportunity and invites those parties to consider a transaction with respect to the Processing Business of Sierra Foods by gaining access to a confidential data room upon execution of a confidentiality agreement.
25. The Teaser Letter will be distributed to known potential bidders, including: (a) parties that have approached Sierra Foods or the Monitor indicating an interest in the opportunity; (b) strategic parties whom Sierra Foods or the Monitor believe may be interested in purchasing all or part of the Processing Business and Assets, or investing in Sierra Foods, pursuant to the SISP; and (c) any party suggested by a stakeholder of the Applicants that the Monitor or the Applicants reasonably determine may be interested in the opportunity.
26. Phase 1 of the SISP calls for non-binding letters of intent. Phase 1 Qualified Bidders who have signed an NDA will get access to an electronic data room containing due diligence information.
27. The Monitor and the Applicants will evaluate Qualified LOIs based on factors such as the form and amount of consideration, financial capability, transaction conditions, completion time, and stakeholder recoveries.
28. If Qualified LOIs suggest a reasonable prospect of resulting in a Qualified Bid, the process may continue to Phase 2. Only those Phase 1 Qualified Bidders that meet the financial and capability criteria may be invited to Phase 2, and the number of bidders may be limited based on discretion.

29. If no Qualified LOI is submitted, the Applicants may, with the approval of the Monitor and the DIP Lender, terminate the SISP. The Monitor and the Applicants reserve the right to proceed directly to executing a Definitive Transaction Agreement without continuing to Phase 2 if a suitable LOI is received before the deadlines in the SISP.
30. If the process moves to Phase 2, the Monitor will send a Bid Process Letter to each Phase 2 Qualified Bidder outlining the procedures and deadlines.
31. Phase 2 Qualified Bidders must submit a Final Bid by the Phase 2 Bid Deadline, or another date specified by the Monitor.
32. The proposed SISP contemplates that when evaluating Final Bids, the Monitor and the Applicants will consider whether the Final Bid complies with, among other things, the following requirements:
 - (a) meets all requirements of Qualified LOIs and those specified in the Bid Process Letter;
 - (b) includes a proposed Definitive Transaction Agreement with key economic terms and a comparison to the provided templates.
 - (c) contains a letter stating the offer is irrevocable for up to 45 days following the Phase 2 Bid Deadline or until a Successful Bid is approved by the Court;
 - (d) provides evidence of firm, irrevocable funding commitments or financial ability to complete the Transaction;
 - (e) describes the included and excluded Assets and any liabilities to be assumed;
 - (f) details the number and terms of employment for continuing employees;

- (g) is not conditional on unperformed due diligence or obtaining funding;
 - (h) discloses the identity of all entities involved in the Transaction and their participation;
 - (i) outlines required regulatory approvals and anticipated timelines;
 - (j) identifies contracts to be assumed or rejected and provides proposals for related cure costs;
 - (k) provides a timeline for closing with critical milestones.
 - (l) includes a commitment to provide a non-refundable deposit of at least 10% of the purchase price or investment amount within five business days if selected as the Successful Bidder;
 - (m) acknowledges and represents that the bid is on an “as is, where is” basis and that due diligence was conducted independently; and
 - (n) any additional information that may be reasonably requested by the Applicants or the Monitor.
33. If the Monitor and the Applicants, in consultation with the DIP Lender, receive at least two Qualified Bids and decide that an auction would help maximize value, they may conduct an auction as part of the SISP. The auction will be scheduled as soon as possible after the Phase 2 Bid Deadline. Only those bidders who have submitted Qualified Bids will be allowed to participate in the auction.
34. Additionally, during either Phase 1 or Phase 2 of the SISP, the Monitor and the Applicants, in consultation with the DIP Lender, may enter into a stalking horse agreement, which

involves a pre-arranged bid for the Assets or Processing Business, subject to Court approval. This agreement can be with a party identified through the SISP, or otherwise. Similarly, they can enter into a Definitive Transaction Agreement with any party and suspend or terminate the SISP, subject to Court approval.

35. The SISP is designed to be flexible and allows interested parties to submit a binding offer for some or all of Sierra Foods' assets, to make an investment in Sierra Foods, or acquire the Processing Business as a going concern. The SISP also gives Applicants and the Monitor the right to extend or amend the SISP to better promote a robust sale process, subject to the Court's approval.
36. The SISP provides for a flexible, fair and appropriate process for canvassing the market for potential buyers and will further optimize the Applicants' ability to evaluate options to maximize value for all stakeholders.
37. I am advised that the Monitor supports the SISP and will recommend Court approval of same.

F. Conclusion

38. This affidavit is sworn in support of Applicants' motion for the ARIO and the SISP Order and for no other or improper purpose.

SWORN before me, by **ROBERT VANDEN BROEK**, in the City of Etobicoke, in the Province of Ontario this 28th day of May, 2024 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely*.

A handwritten signature in black ink, appearing to read 'AD', is positioned above a horizontal line.

ADAM DRIEDGER

A large, stylized handwritten signature in blue ink is positioned above a horizontal line.

ROBERT VANDEN BROEK

This is Exhibit "A" referred to in the
Affidavit of ROBERT VANDEN BROEK sworn by
ROBERT VANDEN BROEK of the City of Etobicoke, in the
Province of Ontario, before me at the City of Toronto, in the
Province of Ontario, this 28th day of May, 2024 in
accordance with *O. Reg. 431/20, Administering Oath or
Declaration Remotely*.



A Commissioner for taking affidavits

ADAM DRIEDGER

LSO# 77296F

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF EASTERN MEAT SOLUTIONS INC.,
SIERRA CUSTOM FOODS INC., SIERRA SUPPLY CHAIN
SERVICES INC., SIERRA REALTY CORPORATION,
RVB HOLDINGS INC., VANDEN BROEK HOLDINGS
(2008) INC., SIERRA REALTY CALGARY CORPORATION
AND EASTERN MEAT SOLUTIONS (USA) CORP.**

Applicants

AFFIDAVIT OF ROBERT VANDEN BROEK

TABLE OF CONTENTS

I. OVERVIEW	4
II. THE BUSINESS & CORPORATE STRUCTURE.....	8
A. Eastern Meat – The Trading Business	9
B. Sierra Foods –The Processing Business	11
C. Sierra Services – The Cold Storage Business	12
D. Sierra Realty.....	15
E. RVB Holdings.....	15
F. Vanden Broek Holdings.....	16
G. Sierra Calgary	16
H. EMS US	17
I. Banking and Cash Management	18
J. Licenses for the Business.....	19
III. FINANCIAL SITUATION AND CASH FLOW FORECAST	20
A. Financial Statements	21
(i) Assets	22
(ii) Liabilities.....	22

B.	Senior Secured Creditor - BMO	23
C.	Secured Creditors – Equipment Lessors	26
D.	Security Registrations	26
E.	Real Property Leases.....	27
F.	Unsecured Debt.....	28
G.	HST Liability	28
IV.	URGENT NEED FOR RELIEF	29
V.	CCAA PROCEEDINGS AND RELIEF SOUGHT	30
A.	Stay of Proceedings.....	30
B.	DIP Financing	30
C.	Appointment of Proposed Monitor	31
D.	Administration Charge.....	31
E.	Directors’ and Officers’ Charge.....	32
F.	Intercompany Lending	33
G.	Supporting Cash Flow Forecast	34
H.	Permitted Payments & Set-Off	35
I.	Goods in Transit.....	37
VI.	CONCLUSION.....	37

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF EASTERN MEAT SOLUTIONS INC.,
SIERRA CUSTOM FOODS INC., SIERRA SUPPLY CHAIN
SERVICES INC., SIERRA REALTY CORPORATION,
RVB HOLDINGS INC., VANDEN BROEK HOLDINGS
(2008) INC., SIERRA REALTY CALGARY CORPORATION
AND EASTERN MEAT SOLUTIONS (USA) CORP.**

Applicants

**AFFIDAVIT OF ROBERT VANDEN BROEK
(sworn May 20, 2024)**

I, Robert Vanden Broek, of the City of Etobicoke, in the Province of Ontario, **MAKE
OATH AND SAY AS FOLLOWS:**

1. This affidavit is made in support of an application by Eastern Meat Solutions Inc. ("**Eastern Meat**"), Sierra Custom Foods Inc. ("**Sierra Foods**"), Sierra Supply Chain Services Inc. ("**Sierra Services**"), Sierra Realty Corporation ("**Sierra Realty**"), RVB Holdings Inc. ("**RVB Holdings**"), Vanden Broek Holdings (2008) Inc. ("**VBH**"), Sierra Realty Calgary Corporation ("**Sierra Calgary**"), and Eastern Meat Solutions (USA) Corp. ("**EMS US**" and collectively, the "**Applicants**") for an initial order (the "**Initial Order**") and related relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**"). This affidavit is also made in support of an amended and restated initial order (the "**Amended and Restated Initial Order**") that will be sought by the Applicants

at the comeback hearing that will be scheduled within 10 days of the granting of an Initial Order (the “**Comeback Hearing**”).

2. I am a director of each of the Applicants and hold the title of Chief Executive Officer or President for each entity. I am actively involved in the day-to-day management and supervision of each of the Applicants’ business. 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. All references to monetary amounts in this affidavit are in Canadian dollars unless expressly indicated otherwise.

I. OVERVIEW

4. The Applicants are seeking, among other things, the following relief as part of the Initial Order: (i) a stay of proceedings against the Applicants, the proposed Monitor (hereafter referred to as the Monitor), and their respective employees, directors, advisors, officers, and representatives acting in such capacities for an initial period of ten (10) calendar days (the “**Stay Period**”); (ii) authorization (but not the requirement) to pay certain pre-filing amounts with the consent of the Monitor to critical suppliers and other key parties with whom the Applicants transact; (iii) a restriction on the exercise of certain rights of set-off by suppliers and/or customers of the Applicants without the consent of the Monitor; and

(iv) the granting of an Administration Charge in the amount of \$500,000, a Directors' Charge in the amount of \$600,000, and an Intercompany Charge to secure any intercompany advances made during the CCAA proceeding in accordance with the Initial Order.

5. If the Initial Order is granted, subject to any discussions with key stakeholders and the Monitor, the Applicants intend to seek, among other things, the following additional relief as part of the Amended and Restated Initial Order: (i) an increase to the Administration Charge to be in the total amount of \$750,000; (ii) approval of DIP financing and a DIP Lender's Charge in an amount to be determined prior to the Comeback Hearing; (iii) an increase to the Directors' Charge to be in the total amount of \$750,000; and (iv) an extension of the Stay Period until a date to be determined prior to the Comeback Hearing.
6. The Applicants are a group of privately held companies that are 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. This is a highly regulated industry that requires careful handling, storage, processing, and distribution of critical food supplies to ensure the highest standards of health and safety. Although the Applicants have various customers and suppliers in multiple jurisdictions across Canada and the United States, substantially all of the Applicants' operations are carried out in Ontario.
7. On a consolidated basis, the Applicants had revenues in the amount of approximately \$281 million for the fiscal year (year ended September 30, 2023) and currently have approximately \$65.1 million in outstanding debt. The Applicants currently employ 177

employees on a full-time basis, of which 173 are located in Ontario and four are located across the United States.

8. Notwithstanding the significant growth and success achieved by the Applicants since 1967, the Applicants are currently facing significant liquidity issues and have not achieved intended performance metrics over the past several years. The Applicants are insolvent. The reasons for this include: (i) difficulties in onboarding and managing growth capacity at the Hamilton Facility and the Brampton Facility (each as defined below); (ii) increasing capital costs, which have had the effect of eroding margins (which are already slim in this industry); (iii) inflationary pressures (including as it relates to administrative and labour costs); (iv) escalating supply costs due to global supply chain and other issues; (v) cyclical meat prices requiring longer than anticipated storage time to maximize spot value; (vi) supply and demand pressures on the meat industry, which have indirectly impacted the value of the applicable quotas under the *Export and Import Permits Act*, R.S.C., 1985, c. E-19 and the corresponding regulations (“**EIPA**”); and (vii) increased competition in the market.
9. At my direction, the Applicants have recently undertaken significant efficiency and cost-cutting measures to address the issues described above, including salary reductions, employee terminations, and a strategic review of all operating and administrative costs. These efforts have resulted in improvements to the operations and financial position of the Applicants. However, despite these efforts, together with the recent cash injections that I have provided, and additional funding made available by the Applicants’ senior secured lender, the Bank of Montreal (“**BMO**”), the Applicants continue to forecast losses over the next two years and are facing a severe liquidity crisis. It is anticipated that, in the absence

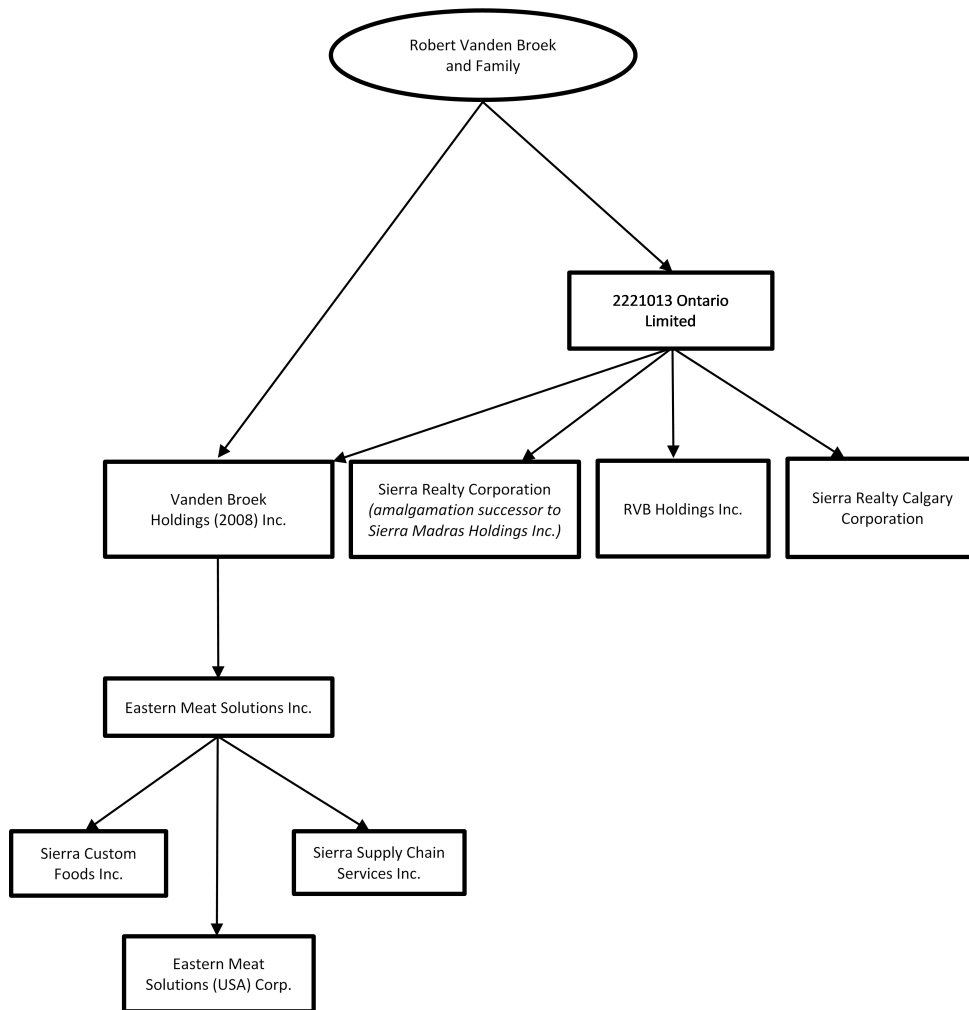
of the DIP Loan (defined below) being made available by BMO, the Applicants will require additional cash to fund operations including payroll beyond May 31, 2024.

10. The Applicants have defaulted on certain debt service covenants under the credit agreement with BMO. As a result, the Applicants' accounts with BMO were recently transferred to the Special Accounts Management Unit. No additional amounts are available to the Applicants under the terms of the existing BMO Credit Facilities (as defined below) beyond the existing limits. BMO has indicated that it supports the Applicants in their ongoing restructuring efforts, and will make a DIP Facility available to the Applicants for funding in accordance with the cash flow forecast.
11. After conducting an exhaustive review and considering all reasonable alternatives in the circumstances, the Applicants have determined that it is in the best interests of the Applicants and their stakeholders to seek protection under the CCAA. The Applicants require immediate CCAA protection in order to continue operating as a going concern.
12. If the Initial Order is granted, the Applicants intend to take steps to wind down the Trading Business, market and sell the Processing Business on a going concern basis through a formal competitive process, and focus on restructuring and continuing to operate the Cold Storage Business (each as defined below). The Applicants intend to return to Court as soon as possible to seek approval of a sale process and will continue to operate the Processing Business and the Cold Storage Business in the ordinary course in the interim. The restructuring objective is to develop a self-sustaining and profitable Cold Storage Business and to ultimately emerge from CCAA protection with a healthier capital structure for the benefit of all stakeholders, as an ongoing participant in the sector within which the

Applicants currently operate. The protections under the CCAA will provide the Applicants with the flexibility and breathing room required to carry out this objective under the supervision of the Court and with the assistance of the Monitor.

II. THE BUSINESS & CORPORATE STRUCTURE

13. The Applicants are in the business of supplying meat products and related services such as supply chain management, logistics, processing, and cold storage. The Applicants have three distinct business lines, each of which is conducted by a separate entity within the corporate group: (i) a meat trading and market services business, which is conducted by Eastern Meat (the “**Trading Business**”); (ii) a food processing business, which is conducted by Sierra Foods (the “**Processing Business**”); and (iii) a cold storage and transportation business, which is conducted by Sierra Services (the “**Cold Storage Business**”). These are highly-regulated industries by the Canadian Food Inspection Agency (“**CFIA**”) that require careful handling, storage, processing, and distribution of critical food supplies to ensure the highest standards of health and safety.
14. A corporate organizational chart outlining the corporate structure of the Applicants is attached hereto as **Exhibit “A”** and a simplified version is included below for reference:



15. Each Applicant and its respective business are summarized below.

A. Eastern Meat – The Trading Business

16. Eastern Meat is a privately-held corporation incorporated under the laws of Ontario. It was formed pursuant to an amalgamation on October 1, 2008. Eastern Meat’s registered head office is a leased premises located at 5090 Explorer Drive, Suite 203, Mississauga, Ontario L4W 4T9 (the “**Head Office**”). Attached as **Exhibit “B”** is a copy of Eastern Meat’s corporate profile report.

17. Eastern Meat is the parent company of Sierra Foods, Sierra Services, and EMS US. All of the issued and outstanding shares of Eastern Meat are held by VBH, a privately held corporation controlled by myself and, indirectly, my family.
18. As described above, Eastern Meat is in the meat trading and market services business. This is a traditional trading business in which Eastern Meat acquires meat products from third-party producers or other traders and then sells the meat products on both a spot and option traded basis to a variety of distributors, wholesalers, or other traders. Eastern Meat's transactions focus on the North American market, with the majority of trades occurring in Canada or the United States. Eastern Meat conducts its operations from the Head Office and is generally responsible for all administrative functions and costs of the Applicants. All trading activities of Eastern Meat are subject to the prevailing commodity markets and price sensitivities.
19. Eastern Meat primarily sells meat products to third-party processors or distributors, with certain products occasionally sold to related companies. Eastern Meat leverages the cold storage services provided by Sierra Services to time market price fluctuations and capitalize on arbitrage opportunities.
20. Eastern Meat currently has 43 full-time employees, one of whom is currently inactive. All of Eastern Meat's employees are salaried and paid biweekly in arrears through a third-party payroll service provider. Eastern Meat does not have any unionized employees, nor does it manage or sponsor any pension plans. Other than in respect of the two-week amount that is paid in arrears, all source deductions are current with respect to all employees.

B. Sierra Foods –The Processing Business

21. Sierra Foods is a privately-held corporation incorporated under the laws of Ontario. Sierra Foods is a wholly-owned subsidiary of Eastern Meat. The registered head office of Sierra Foods is located at the Head Office in Mississauga, Ontario. Substantially all of the business of Sierra Foods is carried out at a 45,000 square foot leased facility located at 275 Walker Drive, Brampton, Ontario (the “**Brampton Facility**”) as well as a 25,000 square foot portion of the leased facility located at 90 Glover Road, Hamilton, Ontario (the “**Hamilton Facility**”). Attached hereto as **Exhibit “C”** is a copy of Sierra Foods’ corporate profile report.
22. Sierra Foods is in the business of providing value-add and co-manufacturing food processing services for third-party suppliers. Those services include tray packing, meat grinding, automated and manual deboning, slicing and sizing, tempering, marinating, individual quick freeze services, and other customer-specific food processing. Sierra Foods’ customers are third-party food processors, distributors, and retailers, including major supermarket chains.
23. Sierra Foods currently has 76 full-time employees, with two currently inactive. Among the active employees, 47 are paid on an hourly basis, while the remaining 29 are salaried. Employees are paid bi-weekly in arrears through a third-party payroll service provider. Sierra Foods does not have any unionized employees, nor does it manage or sponsor any pension plans. Other than in respect of the two-week amount that is paid in arrears, all source deductions are current with respect to all employees.

C. Sierra Services – The Cold Storage Business

24. Sierra Services is a privately-held corporation incorporated under the federal laws of Canada, with its registered office in Ontario. Sierra Services is a wholly owned subsidiary of Eastern Meat. The registered head office of Sierra Services is located at the Head Office in Mississauga, Ontario. Substantially all of the business of Sierra Services is carried out at a 250,000 square foot portion of the Hamilton Facility. Attached hereto as **Exhibit “D”** is a copy of Sierra Services’ corporate profile report.
25. Sierra Services is in the business of providing fully-digitized cold storage services for food products, including real-time inventory tracking and automated temperature monitoring. The ancillary services provided by Sierra Services include bonded warehousing, product picking, tempering, cross-border import and export services, and co-packing.
26. Sierra Services currently has 78 full-time employees, one of which is currently inactive. Sixty-seven of the employees are paid on an hourly basis, while the remaining 11 are salaried. Employees are paid bi-weekly in arrears through a third-party payroll service provider. Other than in respect of the two-week amount that is paid in arrears, all source deductions are current with respect to all employees.
27. Fifty-six (56) of the Sierra Services employees are unionized under Unifor Local 504 pursuant to the *Labour Relations Act, 1995*. This does not include the 22 office and clerical employees, senior shift leads, and employees above the rank of senior shift lead, who are not unionized. A collective bargaining agreement is being negotiated but is not yet finalized or signed. On May 2, 2024, a Conciliation Officer was appointed by the Ontario Ministry of Labour, Immigration, Training and Skills Development to confer with the

applicable parties and endeavour to effect a collective agreement between them. Sierra Services does not manage or sponsor any pension plans. It is the intention of the Applicants to continue negotiating the collective bargaining agreement in good faith and with due diligence during the post-filing period, subject to the oversight of the Monitor and the supervision of this Court.

28. 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, Sierra Services, Confederation Freezers Inc. (“**Confederation**”), and Premium Brands Holdings Corporation (“**Premium Brands**”).
29. Confederation and Premium Brands are both corporations incorporated under the laws of Canada. Premium Brands is a publicly traded company that is listed on the Toronto Stock Exchange under the symbol “PBH”. Premium Brands owns a broad range of specialty food manufacturing and distribution companies across North America. Confederation is a wholly-owned subsidiary of Premium Brands and is a market leader in the cold storage and transportation business across Canada.
30. Pursuant to the Cold Storage Agreement, Sierra Services engaged Confederation to manage all aspects of the Cold Storage Business at the Hamilton Facility, including warehousing and storage services, food storage services, freight transportation services, and supply chain management services.
31. As manager of the cold storage business under the Cold Storage Agreement, Confederation is responsible for substantially all aspects of operations, invoicing, budgeting, accounting and reporting, personnel, purchases of supplies, repairs and alterations, and cash

management (including full authority to enter into contracts related to the cold storage business and to exercise control over the applicable operating accounts with BMO). Although Confederation manages the cold storage business and the employees, all employees remain employed by Sierra Services and are not employees of Confederation.

32. As part of the Cold Storage Agreement, among other things: (i) Confederation agreed to pay Sierra Services an inducement fee in the aggregate amount of \$5 million; (ii) Confederation agreed to provide Sierra 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 Hamilton Facility; (iii) Confederation is entitled to an annual fixed management fee of \$1 million per year as well as an annual performance fee generated by the Cold Storage Business which is based on the distributable cash determined by a formula; and (iv) Sierra 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 adjustment set out in the Cold Storage Agreement (which was approximately \$1.2 million in 2023 net of applicable corporate taxes).
33. The initial term of the Cold Storage Agreement is from January 1, 2022 until September 30, 2033 and will be automatically extended for an additional 10 years unless either party provides written notice of its intention not to renew no less than 12 months prior to the expiry of the initial term. The Cold Storage Agreement may be terminated by either party upon an event of default by the other party subject to the applicable cure periods. Absent the stay of proceedings sought herein, the commencement of an insolvency proceeding by the Applicants would constitute an event of default giving rise to a right of termination under the Cold Storage Agreement.

34. Due to the financial challenges faced by the Cold Storage Business, Sierra Services and Confederation are currently in the process of discussing certain commercial terms of the Cold Storage Agreement with a view to sustaining the business and the commercial relationship between the parties moving forward.

D. Sierra Realty

35. Sierra Realty is a privately-held corporation incorporated under the laws of Ontario. It was formed pursuant to an amalgamation on January 31, 2022. Sierra Realty is the amalgamation successor to Sierra Madras Holdings Inc. Sierra Realty is a wholly-owned subsidiary of 2221013 Ontario Limited (“**222 Ontario**”), an Ontario corporation for which I am the sole director and shareholder. 222 Ontario is not an Applicant in this proceeding and has no assets other than its shares in Sierra Realty, RVB Holdings, and VBH, which are insolvent Applicants in this proceeding. The registered head office of Sierra Realty is located at the Head Office. Attached as **Exhibit “E”** is a copy of Sierra Realty’s corporate profile report.

36. It was originally intended that Sierra Realty would be the development arm of the Applicants’ cold storage business. However, the Applicants’ plans for further development and expansion have been paused due to the financial challenges described herein. As such, Sierra Realty currently has no material assets or employees. Sierra Realty is a party to certain of the real property leases described below.

E. RVB Holdings

37. RVB Holdings is a privately-held corporation incorporated under the laws of Ontario. RVB Holdings is a wholly-owned subsidiary of 222 Ontario. The registered head office of RVB

Holdings is located at 302 The East Mall, 500, Etobicoke, Ontario M9B 6C7. Attached hereto as **Exhibit “F”** is a copy of RVB Holdings’ corporate profile report.

38. RVB Holdings does not have any business operations, material assets, or employees.

F. Vanden Broek Holdings

39. VBH is a privately-held corporation incorporated under the laws of Ontario. The shareholders of VBH are 222 Ontario, myself, and a family trust for which myself, my spouse, and our children are beneficiaries. The registered head office of VBH is located in Toronto, Ontario. Attached as **Exhibit “G”** is a copy of VBH’s corporate profile report.

40. VBH does not have any employees or business operations. VBH functions as the holding company that owns 100% of the shares of Eastern Meat and therefore indirectly owns (through Eastern Meat) 100% of the shares of each of Sierra Foods and Sierra Services.

G. Sierra Calgary

41. Sierra Calgary is a privately-held corporation incorporated under the laws of Alberta. Sierra Calgary is a wholly-owned subsidiary of 222 Ontario. The registered head office of Sierra Calgary is located at 600, 700 2nd Street SW, Calgary, Alberta T2P 2W1. Attached hereto as **Exhibit “H”** is a copy of Sierra Calgary’s corporate profile report.

42. Sierra Calgary does not have any material assets or employees. Sierra Calgary was originally incorporated to develop and expand the cold storage business into the Calgary market. Pursuant to a lease agreement dated as of March 10, 2023 (the “**Calgary Lease**”), Sierra Calgary agreed to lease a (not yet constructed) 350,311 square foot facility located in Calgary, Alberta (the “**Calgary Facility**”) for a term of 20 years.

43. The construction of the Calgary Facility has not yet commenced and the parcel of land on which the Calgary Facility is located is currently vacant. As such, the term of the Calgary Lease has not commenced, and Sierra Calgary does not occupy or carry on any business at the Calgary Facility. Due to marketplace challenges, Sierra Calgary and the landlord agreed to suspend the Calgary Lease in April 2024 and subsequently agreed that the Calgary project would not be moving forward. The Applicants will seek to disclaim the Calgary Lease or otherwise seek a resolution with the applicable landlord as part of the proposed restructuring.
44. Although construction of the Calgary Facility has not yet commenced, the landlord has incurred certain design costs for which Sierra Calgary is liable under the terms of the Calgary Lease. Sierra Calgary has made partial payment in respect of these amounts and will address any claims by the landlord for the residual amounts as part of this proceeding.

H. EMS US

45. EMS US is a privately-held corporation incorporated under the laws of Delaware. EMS US is a wholly-owned subsidiary of Eastern Meat. The registered place of business of EMS US is located at the Head Office. Attached hereto as **Exhibit "I"** is a copy of EMS US' 2023 Annual Franchise Tax Report.
46. EMS US does not carry on any business or have any meaningful assets or liabilities. EMS US functions as the entity through which the Applicants pay their sales representatives located in the United States. The Applicants do not intend to seek recognition of the proposed Initial Order under Chapter 15 of the United States Bankruptcy Code as there would not appear to be any need for a stay of proceedings in the United States.

I. Banking and Cash Management

47. The Applicants maintain a centralized cash management system, which is administered by Eastern Meat from the Head Office to collect, transfer, and disburse funds generated by the Applicants' operations (the "**Cash Management System**"). The Applicants have a total of 17 accounts with BMO. The Applicants do not have bank accounts at any financial institution other than BMO.
48. All cash receipts generated from the Trading Business and the Processing Business (but not the Cold Storage Business) are deposited into a blocked account with BMO (the "**Blocked Account**"). BMO sweeps funds from the Blocked Account on a daily basis and applies any credit balances in the Blocked Account to repay the obligations of the Applicants under the Revolving Facility (as described below), with any remaining funds then being deposited into the Applicants' disbursement account with BMO.
49. All cash receipts generated from the Cold Storage Business are deposited into a separate account with BMO (which is controlled by Confederation pursuant to the Cold Storage Agreement, with management of the Applicants retaining access to the account) and are disbursed in accordance with the terms of the Cold Storage Agreement to fund the operations of the Cold Storage Business. Any amounts owing by Confederation to Sierra Services under the Cold Storage Agreement (including any guaranteed distributable cash) are deposited into the Blocked Account with BMO to fund operational costs and repayments under the BMO Credit Facilities.
50. The Applicants' accounts, management, and operations include other Applicants and substantially all of the administrative functions (including as it relates to the Cash

Management System) are carried out by Eastern Meat. Certain financing, funds, and assets are routinely transferred between the members of the Applicants in the ordinary course of operations to satisfy obligations as needed. The proposed Initial Order contemplates a continuation of the *status quo* for the Cash Management System, which is necessary for the continuation of the Applicants' business in the ordinary course.

51. The Applicants have two corporate credit cards issued by BMO for business expenses, including paying third-party vendors. The maximum combined credit limit of the credit cards is \$100,000.
52. The proposed Initial Order provides that the Applicants shall be entitled to continue to use the credit cards and shall make full repayments of all amounts outstanding thereunder, including with respect to any pre-filing charges, which is reasonably necessary for the continuation of the Applicants' business in the ordinary course. It is contemplated that the use of such credit cards will be subject to the review of the Monitor.

J. Licenses for the Business

53. In order to carry out their business, the Applicants are required to hold the following licenses (collectively, the "**Licenses**"), which are non-transferable under the *Safe Food for Canadians Act*:
 - (a) Eastern Meat holds a license under the *Safe Food for Canadians Act*. This license was issued on January 15, 2019 and expires on January 15, 2025;
 - (b) Sierra Services holds a licence under the *Safe Food for Canadians Act*. This license was issued on January 21, 2019 and expires on January 21, 2025; and

(c) Sierra Foods holds a licence under the *Safe Food for Canadians Act*. This license was issued on January 29, 2019 and expires on January 29, 2025.

54. The Licenses allow the Applicants to carry out their business at the Hamilton Facility and the Brampton Facility, which are federally-inspected and licensed facilities. Each License is tied to a specific location. As part of maintaining the Licenses, the Applicants are subject to various inspections to ensure that the business and each facility are operating in accordance with the applicable regulations. Management of the Applicants have dedicated considerable time and resources to addressing food quality and safety and, as such, have worked hard to develop a relationship of trust with the regulators. Given the sensitivities around food health and safety, and absent the continuation that will be provided by the Applicants through this proceeding, there is an inherent risk that the Licenses could be suspended or otherwise jeopardized in the event of a forced liquidation, receivership, or other sudden change of control. Any disruption to the Licenses would materially impact the value of the Applicants' business to the detriment of all stakeholders.

55. The Licenses can be re-issued to third parties. However, the process is relatively unpredictable in terms of timing and would require a fresh inspection for each facility.

56. In addition to the Licenses, the Applicants also hold transferable permits under the EIPA to import meat products from foreign jurisdictions.

III. FINANCIAL SITUATION AND CASH FLOW FORECAST

57. As described above, the Applicants are currently facing severe liquidity issues and have not met management's expectations over the past several years. To help address these issues, in February 2024, I personally invested \$500,000 into the business (through 222

Ontario) using proceeds of a personal line of credit that is secured against my family's property. In addition, BMO recently made available \$500,000 under the Revolving Facility, which was previously held back from the eligible borrowing base pursuant to the BMO Credit Agreement.

58. Notwithstanding this additional funding and the significant strides made by the Applicants to reduce costs, as set out in the Cash Flow Forecast (as defined below), the Applicants will require additional cash to fund operations including payroll by May 31, 2024. This will be addressed by the Applicants through the requested DIP financing from BMO, court approval for which will be sought at the Comeback Hearing. The Applicants continue to forecast losses over the next two years and would not be able to continue as a going concern absent immediate CCAA protection and the availability of the DIP financing.

A. Financial Statements

59. The Applicants prepare annual financial statements for each fiscal year on a consolidated basis. The Applicants' fiscal year-end is September 30. Copies of the audited consolidated financial statements for the fiscal year ended September 30, 2022, are attached as **Exhibit "J"**. Although audited financial statements for 2023 are not yet available, the draft 2023 consolidated financial statements are attached hereto as **Exhibit "K"**. A copy of the Applicants' most recent quarterly unaudited consolidated financial statements ending on March 31, 2024, are attached hereto as **Exhibit "L"**.

(i) Assets

60. As at September 30, 2023, the total assets of the Applicants, based on the 2023 unaudited consolidated financial statements, were approximately \$68.2 million and consisted of the following:

Assets	2023	2022
	\$	\$
Current		
Cash	2,633,577	2,140,891
Accounts Receivable	25,315,709	15,286,624
Inventory	20,713,154	12,362,301
Prepaid expenses	2,515,719	3,120,945
Income taxes recoverable	-	13,381
Due from related parties	5,310,910	2,041,464
	56,489,069	34,965,606
Equipment and leasehold improvements	10,801,820	8,348,542
Future income taxes	927,982	-
	11,729,802	8,348,542
	68,218,871	43,314,148

61. The cash flow forecast (the “**Cash Flow Forecast**”) appended to the Pre-Filing Report of the proposed Monitor (the “**Pre-Filing Report**”) indicates that the Applicants are anticipated to have an opening balance of approximately \$101,222 for the week of May 20, 2024.

(ii) Liabilities

62. As at September 30, 2023, the total liabilities of the Applicants, based on the 2023 unaudited consolidated financial statements, were approximately \$65.1 million and consisted of the following:

	2023	2022
	\$	\$
Liabilities		
Current		
Bank indebtedness	21,763,300	8,396,040
Accounts payable and accrued liabilities	28,226,103	17,101,711
Dividends payable	1,018,750	823,750
Obligations under capital lease	806,093	572,386
Preferred Shares	300,000	300,000
Current portion of deferred revenue	97,471	97,471
Current portion of promissory note	1,000,000	-
Current portion of working capital loan	500,000	-
	<u>53,711,717</u>	<u>27,291,358</u>
Promissory note	-	1,000,000
Obligations under capital lease	2,833,934	2,779,057
Future income taxes	-	574,077
Leasehold inducements	4,074,576	867,004
Preferred Shares	3,600,000	3,600,000
Deferred revenue	877,239	974,710
	<u>65,097,466</u>	<u>37,086,206</u>
Shareholder's equity		
Share Capital	134	134
Retained earnings	3,121,271	6,227,808
	<u>3,121,405</u>	<u>6,227,942</u>
	<u>68,218,871</u>	<u>43,314,148</u>

63. Although the book value of the Applicants' assets based on the unaudited 2023 financial statements exceeds the book value of their liabilities, in a forced liquidation, the realizable value of the Applicants' assets may not be sufficient to satisfy the senior secured indebtedness to BMO and the claims of all other creditors. In addition, due to the immediate liquidity crisis, the Applicants are insolvent and are unable to pay their liabilities in the ordinary course absent the relief sought pursuant to the Initial Order.

B. Senior Secured Creditor - BMO

64. As described above, BMO is the senior secured operating lender of the Applicants. Pursuant to a second amended and restated credit agreement dated as of September 14, 2022 (as amended from time to time, the "**BMO Credit Agreement**"), among Eastern

Meat (as borrower), BMO (as lender), and each of Sierra Foods and Sierra Services as guarantors, BMO made available to Eastern Meat the following credit facilities (collectively, the “**BMO Credit Facilities**”):

- (a) a revolving credit facility up to the maximum principal amount of \$25 million, subject to the applicable borrowing base (the “**Revolving Facility**”);
- (b) a demand treasury facility up to an aggregate principal amount of \$2 million to address hedging exposure (the “**Hedging Facility**”); and
- (c) a non-revolving letter of credit facility in the maximum principal amount of \$2.5 million (the “**LC Facility**”).

- 65. Copies of the BMO Credit Agreement and the amendments thereto are attached as **Exhibit “M”**. According to the books and records of the Applicants, the total outstanding amount under the BMO Credit Facilities as at May 20, 2024 is \$12,511,743.
- 66. Pursuant to the BMO Credit Agreement, the Revolving Facility is available to Eastern Meat through cash withdrawals and other transfers as well as the use of two corporate credit cards issued by BMO.
- 67. Pursuant to separate guarantee agreements (collectively, the “**BMO Guarantees**”), originally executed in September 2013 and subsequently acknowledged and confirmed on September 14, 2022, each of Sierra Foods and Sierra Services agreed to guarantee the indebtedness and obligations of Eastern Meat to BMO, and each of Eastern Meat and Sierra Services agreed to guarantee the indebtedness and obligations of Sierra Foods to BMO. Copies of the BMO Guarantees and related 2022 acknowledgements are attached as **Exhibit “N”**.

68. As security for all of the indebtedness and obligations of Eastern Meat, Sierra Foods, and Sierra Services to BMO under the BMO Credit Facilities and/or the BMO Guarantees, respectively, each of Eastern Meat, Sierra Foods, and Sierra Services granted in favour of BMO, among other things, security over all of their present and after-acquired personal property pursuant to, as applicable, separate general security agreements, each dated as of September 30, 2013, which were subsequently acknowledged and confirmed on September 14, 2022, Section 427 *Bank Act* security from Eastern Meat dated as of September 30, 2013, a movable hypothec from Eastern Meat dated as of September 30, 2013, a hypothecation of negotiable collateral for all loans from Eastern Meat dated as of September 30, 2013, and a second amended and restated assignment of insurance dated as of September 14, 2022 from Eastern Meat, Sierra Foods and Sierra Services (collectively, the “**BMO Security**”). Copies of the BMO Security and related 2022 acknowledgements are attached as **Exhibit “O”**. BMO registered its security interest against all classes of collateral, except consumer goods, against each of Eastern Meat, Sierra Foods, and Sierra Services, as applicable, pursuant to the *Personal Property Security Act* (Ontario) (the “**PPSA**”), and other applicable personal property security legislation in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick and Nova Scotia. In addition, BMO has also made security registrations against Eastern Meat pursuant to the *Uniform Commercial Code* applicable in various States in the United States of America.
69. The Applicants have not met their budget targets and have defaulted on their fixed charge coverage ratio covenant in the BMO Credit Agreement. There will be limited availability under the existing BMO Credit Facilities by the week ending May 31, 2024. The Applicants are in discussions with BMO regarding their willingness to be the DIP Lender

in this proceeding, and the terms of such DIP financing. The Applicants' operating lender BMO has been supportive of management's efforts to address the current liquidity issues, and has indicated that it will support the Applicants in commencing this proceeding and provide DIP financing to allow the intended restructuring steps to be implemented.

C. Secured Creditors – Equipment Lessors

70. The Applicants, primarily in relation to the Processing Business and Cold Storage Business, are also borrowers under certain leasing facilities with several different lessors and/or lenders in respect of various vehicles and other equipment used to operate the business (collectively, the "**Lease Facilities**"). The Lease Facilities are subject to various interest rates and terms. The aggregate amount outstanding under the Lease Facilities, as at May 13, 2024, is approximately \$4,025,668. The aggregate of all required annual payments in respect of the Lease Facilities for 2024 is approximately \$1 million.

D. Security Registrations

71. **Exhibit "P"** contains copies of PPSA searches against each of the Canadian Applicants, including a PPSA search conducted with respect to Sierra Madras Holdings Inc. as amalgamation predecessor of Sierra Realty, as well as copy of the Delaware *Uniform Commercial Code* search against EMS US, as at the currency dates noted therein. For ease of reference, attached hereto as **Exhibit "Q"** is a summary of all such registrations against the Applicants that has been prepared by our counsel, and which I verily believe to be an accurate summary of the registrations reflected in the PPSA searches.

E. Real Property Leases

72. As described above, the Applicants do not own any real property and exclusively operate out of the following three leased premises:

- (a) **Head Office.** The Head Office is comprised of two separate suites located at 5090 Explorer Drive, Mississauga, Ontario. Sierra Services leases the Head Office pursuant to two separate lease agreements for two separate suites. The term of each Head Office lease expires on September 30, 2024. Although Sierra Services is the tenant on the Head Office leases, the Head Office is generally viewed as the headquarters for the Eastern Meat business. Substantially all management and administrative functions are carried out at the Head Office. The monthly rent in respect of the Head Office lease is currently \$21,671.45 (inclusive of all applicable taxes, maintenance fees, and insurance).
- (b) **Brampton Facility.** The Brampton Facility is a 45,000 square foot facility located at 275 Walker Drive, Brampton, Ontario. Sierra Realty is the Applicant that leases the Brampton Facility but does not carry on any operating business there. Sierra Foods carries out substantially all of the Processing Business at the Brampton Facility. The term of the Brampton Facility lease expires on January 31, 2027. The monthly rent in respect of the Brampton Facility lease is currently \$57,152.38 (inclusive of all applicable taxes, maintenance fees, and insurance).
- (c) **Hamilton Facility.** The Hamilton Facility is a 275,000 square foot facility located at 90 Glover Road, Hamilton, Ontario. The Hamilton Facility is leased by each of Sierra Realty and Eastern Meat, as tenants, and then subleased by those parties to Sierra Services pursuant to a separate occupancy agreement. Sierra Services and

Confederation carry out substantially all of the Cold Storage Business at the Hamilton Facility in accordance with the Cold Storage Agreement. The term of the occupancy agreement and the lease in respect of the Hamilton Facility each expire on March 31, 2033. Pursuant to a Lease Amending Agreement dated September 17, 2019, Eastern Meat agreed to lease additional space at the Hamilton Facility, with the result that the Applicants now occupy the entirety of the Hamilton Facility. Eastern Meat gained possession of the expanded facility in or around April 1, 2023. The term of the lease for the additional space expires on March 31, 2043. The aggregate monthly rent in respect of the Hamilton Facility lease is currently \$724,396.95 (inclusive of all applicable taxes, maintenance fees, and insurance).

73. In total, the Applicants currently pay approximately \$803,220.78 per month on account of the foregoing leases (inclusive of all applicable taxes, maintenance fees, and insurance).

F. Unsecured Debt

74. In addition to the liabilities set out above, the Applicants, as at May 13, 2024, have approximately \$19.6 in unsecured debt, which is primarily comprised of trade payables related to the operation of the Applicants' business.

G. HST Liability

75. With the exception of Sierra Realty, the Applicants are current on all priority payables owing to Canada Revenue Agency ("CRA"). By letter dated May 2, 2024, CRA advised Sierra Realty that it had been assessed with an HST tax liability in the amount of \$182,630.37 in connection with the sale of an intangible right of \$1,404,849 that occurred in January 2022. Sierra Realty was not registered for the purpose of the *Excise Tax Act*

(the “**ETA**”) at the time of the transaction. Pursuant to subsection 221(1) of the ETA, Sierra Realty was required to charge and collect tax on this transaction and has therefore been assessed with the HST liability described above.

76. Sierra Realty will, with the assistance of the Monitor and counsel, determine what steps may be appropriate in connection with this CRA liability.

IV. URGENT NEED FOR RELIEF

77. As described above, the Applicants are facing a severe liquidity crisis and, absent DIP financing and the court’s approval of same, would not have sufficient liquidity to fund operations including payroll after May 31, 2024.
78. The Applicants have undertaken significant efficiency and cost-cutting efforts to address the issues described above, including salary reductions, employee terminations, and a strategic review of all operating and administrative costs. However, it has become apparent that these efforts on their own will not be sufficient. The Applicants will not be able to continue as a going concern absent immediate CCAA protection and additional funding in the form of DIP financing. There would otherwise be no reasonable alternatives in the circumstances other than an immediate liquidation of the business.
79. The Applicants represent a family-owned business that has been operating in Ontario since 1967. The board of directors of the Applicants have explored all options to maintain the financial health and viability of the business. After conducting an exhaustive review and considering all reasonable alternatives in consultation with legal and financial advisors, the board has determined that it is in the best interests of the Applicants and their stakeholders to pursue a restructuring under the CCAA.

80. If the Initial Order is granted, the Applicants intend to take steps to wind down the Trading Business, market and sell the Processing Business on a going concern basis, and focus on restructuring and continuing to operate the Cold Storage Business. The Applicants intend to return to Court as soon as possible to seek approval of a sale process and will continue to operate the Processing Business and the Cold Storage Business in the ordinary course in the interim. The restructuring objective is to develop a self-sustaining and profitable Cold Storage Business and to ultimately emerge from CCAA protection with a healthier capital structure for the benefit of all stakeholders, as well as the sector within which the Applicants operate. The protections under the CCAA will provide the Applicants with the flexibility and breathing room required to carry out this objective under the supervision of the Court and with the assistance of the Monitor.

V. CCAA PROCEEDINGS AND RELIEF SOUGHT

A. Stay of Proceedings

81. The Applicants are insolvent and urgently require a stay of proceedings and other protections provided by the CCAA in order to preserve the *status quo* and secure breathing space to execute the proposed restructuring strategy. The proposed Initial Order provides a stay of proceedings until May 31, 2024.

B. DIP Financing

82. The Applicants are in the process of negotiating a debtor-in-possession financing facility (the “**DIP Facility**”) with BMO. The Applicants or the proposed Monitor will report to the Court on the terms of the DIP Facility, and the amount of the charge in respect thereof, once finalized. The Applicants anticipate seeking approval of the DIP Facility on the

comeback hearing and a priority charge in favour of BMO to secure the amounts owing under the DIP Facility (the “**DIP Lender’s Charge**”). It is anticipated that the DIP Lender’s Charge will be subordinate to the Administration Charge but rank in priority to all the other charges.

83. The Applicants, with the assistance of the proposed Monitor, are working in conjunction with BMO to quantify the proposed DIP Facility to address the Applicants’ urgent liquidity needs in accordance with the Cash Flow Forecast.

C. Appointment of Proposed Monitor

84. The Applicants propose that Deloitte Restructuring Inc. (“**Deloitte**”) be appointed by the Court as the Monitor in this proceeding. Over the course of the past few weeks through assistance provided to the Applicants, the proposed Monitor has developed a deep knowledge and understanding of the Applicants’ businesses and is well-qualified for the role given its demonstrated knowledge of and experience in formal insolvency proceedings. Principals of the Monitor have also been previously appointed in insolvency proceedings involving meat processing, storage and packaging and are well familiar with the unique issues in this sector.

85. Deloitte has consented to act as the Monitor of the Applicants under the CCAA. A copy of the proposed Monitor’s consent is attached as **Exhibit “R”**.

D. Administration Charge

86. The Applicants propose that the Monitor, its counsel, and counsel to the Applicants be granted a court-ordered charge on the Applicants’ property as security for their respective fees and disbursements relating to services rendered in respect of the Applicants (the

“Administration Charge”). The Administration Charge is proposed to have first priority over all other charges. With the concurrence of the Monitor, the Applicants are proposing that the Administration Charge for the first ten days be limited to \$500,000 and will be seeking to increase the charge to \$750,000 at the Comeback Hearing.

E. Directors’ and Officers’ Charge

87. A successful restructuring of the Applicants will require the continued active engagement of its directors and officers. These individuals are highly knowledgeable about the Applicants’ various businesses and are essential to the viability of the Applicants’ restructuring steps, its continuing business and the preservation of enterprise value.
88. The Applicants estimate, with the assistance of the Monitor, that obligations of the Applicants that could give rise to potential director and officer liability may amount to as much as approximately \$600,000 within the initial 10-day period, and \$750,000 thereafter, if such amounts remain unpaid.
89. It is my understanding that the Applicants’ current and former directors and officers are among the potential beneficiaries under a separate liability insurance policy in the amount of up to \$1 million pursuant to an insurance policy with Zurich Insurance Company Ltd that expires on February 28, 2025 (the **“D&O Insurance”**).
90. I understand that the D&O Insurance has various exceptions, exclusions, and carve-outs where coverage may not be available and that claims on such policy have already been made. I therefore do not believe that this insurance policy provides sufficient coverage against the potential liability that the directors and officers could incur in relation to this CCAA proceeding.

91. In light of the complexity and scope of the overall enterprise and potential liabilities and the uncertainty surrounding available indemnities and insurance, the directors and officers have indicated to the Applicants that their continued service and involvement in this proceeding is conditional upon the granting of an order under the CCAA which grants a charge in favour of the directors and officers of the Applicants in the amount of \$600,000 during the initial 10-day period and \$750,000 thereafter, on the property of the Applicants (the “**Directors’ Charge**”). The Directors’ Charge is proposed to be subordinate to the Administration Charge and the DIP Lender’s Charge (once granted) but rank in priority to all the other charges. The Directors’ Charge is necessary so that the Applicants and their stakeholders can continue to obtain the benefit of the directors’ and officers’ experience with the business and industry, and so that its directors and officers can help guide the Applicants’ restructuring efforts for the benefit of their various stakeholders.

F. Intercompany Lending

92. The Applicants’ provide related and end-to-end services within the sector, which creates efficiencies and scale. Certain financing, funds, and assets are routinely transferred between the members of the Applicants in the ordinary course of operations, and there is intercompany indebtedness that is recorded when that occurs. One such example is in the context of the real property leases. As described above, Sierra Realty is the tenant of the Brampton Facility and the Hamilton Facility. Given that Sierra Realty does not generate any material revenues, it relies on advances from the other Applicants to service the applicable lease payments. The intercompany balances are reflected through invoices and accounting for the intercompany indebtedness.

93. In order to ensure that no creditor is prejudiced based on the flow of funds in respect of any intercompany funding after the date of the Initial Order, the proposed Initial Order contemplates a standard intercompany charge over each applicable Applicant's property is sought. This will secure any intercompany balances and ensure that stakeholders of the funding Applicant are not prejudiced by the continued, ordinary course flow of funds.
94. The proposed Initial Order provides that, to the extent any of the Applicants (in each case, an "**Intercompany Payor**") after the date of the Initial Order, and subject to the approval of the Monitor, makes any payment to or on behalf of, or incurs any obligation on behalf of, or discharges any obligation of, any of the other Applicants or otherwise transfers value to, or for the benefit of, any of the other Applicants (in each case, the "**Intercompany Recipient**"), such Intercompany Payor is granted a charge (each, an "**Intercompany Charge**") on all of the property of the Intercompany Recipient in the amount of such payment, obligation, or transfer of value. The Applicants and the Monitor shall take into account the amount of each Intercompany Charge granted by and to each Applicant to determine the net amount secured by each Intercompany Charge.
95. It is proposed that each Intercompany Charge will rank subordinate to the Administration Charge, the DIP Lender's Charge (once granted), and the Directors' Charge, and the indebtedness, liabilities and obligations of the Applicants under the BMO Credit Facilities.

G. Supporting Cash Flow Forecast

96. The Applicants, in consultation with the Monitor, prepared a 13-week Cash Flow Forecast and the underlying assumptions as required by the CCAA, a copy of which will be attached to the proposed Monitor's Pre-Filing Report. The Cash Flow Forecast demonstrates that

the Applicants have sufficient liquidity and cash on hand to continue going concern operations during the Stay Period, provided that the proposed Initial Order is granted and a DIP Facility in the amount reflected is approved on the Comeback Hearing. I confirm that:

- (a) all material information relative to the Cash Flow Forecast and to the underlying assumptions has been disclosed to Deloitte in its capacity as proposed Monitor; and
- (b) senior management has taken all actions that it considers necessary to ensure that:
 - (i) the individual assumptions underlying the Cash Flow Forecast are appropriate in the circumstances; and (ii) the individual assumptions underlying the Cash Flow Forecast, taken as a whole, are appropriate in the circumstances.

97. The Applicants have confirmed with the Monitor that the Monitor will provide oversight and assistance and will report to the Court in respect of the Applicants' actual results relative to the Cash Flow Forecast during these proceedings if the relief being requested by the Applicants is granted by the Court.

H. Permitted Payments & Set-Off

98. The proposed Initial Order contemplates that the Applicants will be permitted (but not required) to make the following payments (including certain pre-filing amounts) to ensure that the business may continue in the ordinary course post-filing:
- (a) all outstanding and future wages, salaries, employee benefits, vacation pay, and employee expenses payable on or after the date of the Initial Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

- (b) the fees and disbursements of any Assistants (as defined in the propose Initial Order) retained or employed by the Applicants in respect of these proceedings at their standard rates and charges;
 - (c) any payments required by the Applicants to maintain any of the licenses under the *Safe Food for Canadians Act*, S.C. 2012, c. 24;
 - (d) subject to the approval of the Monitor, amounts owing for goods or services supplied to the Applicants prior to the date of the proposed Initial Order if, in the opinion of the Applicants, such payments are necessary or desirable to avoid disruption to the business or the Applicants;
 - (e) all expenses and capital expenditures reasonably necessary for the preservation of the Applicants' property or the business, including, without limitation, payments on account of insurance (including D&O Insurance), maintenance, and security services; and
 - (f) payment for goods or services actually supplied to the Applicants following the date of the proposed Initial Order or payments to obtain the release of goods or delivery of services contracted for prior to the date of the proposed Initial Order.
99. In order to maximize liquidity and the ability of the Applicants to achieve a successful restructuring, the Initial Order further provides that, without the consent of the Applicants and the Monitor, no party may exercise the following set-off: (i) pre-filing against post-filing set-off; and (ii) triangular set-off (i.e., set-off against the Applicants by one member of a corporate group in respect of amounts owing to or by another member of that corporate group).

100. This is of particular importance to the Applicants. Given the inter-related and synergistic nature of the Applicants' business lines, there are multiple corporate groups that are both suppliers to, and customers of, the Applicants. Different entities among those corporate groups may seek to exercise triangular set-off rights in respect of net balances owing for goods and services supplied during the pre-filing period, including among various Applicants. Any attempted exercise of triangular set-off would have a negative impact on the liquidity of the business and impair the Applicants' restructuring efforts. The Applicants are of the view that the proposed Initial Order strikes an appropriate balance between the liquidity constraints of the Applicants and the rights of customers and suppliers to obtain timely payment for any post-filing supply of goods and services.

I. Goods in Transit

101. As part of operating in the cold storage, meat trading, and food processing industries, the Applicants have a significant amount of assets in transit at any given time in the ordinary course of business. In order to protect these assets for the benefit of the Applicants and their stakeholders, the proposed Initial Order provides that, with the consent of the proposed Monitor, the Applicants may pay amounts owing for goods or services in transit or otherwise supplied to the Applicants prior to the date of the Initial Order by warehouse providers, logistics or supply chain providers, transportation providers, customs brokers, freight forwarders, and amounts payable in respect of customs and duties for goods.

VI. CONCLUSION

102. I am confident that granting the proposed Initial Order sought by the Applicants is in the best interests of the Applicants and their stakeholders. Without the relief requested, including the stay of proceedings, the Applicants face an immediate cessation of their

going concern operations and the liquidation of their assets. The Applicants require the breathing space provided by CCAA protection to develop and implement a restructuring plan with the goal of maximizing the ongoing value of the business and avoiding the devastating effects of a business cessation. The granting of the requested stay of proceedings will maintain the *status quo* and permit an orderly restructuring and analysis of the Applicants' affairs.

SWORN before me via videoconference, by **ROBERT VANDEN BROEK**, stated as being located in the City of Etobicoke, in the Province of Ontario this 20 day of May, 2024 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely*.



Commissioner for Taking Affidavits
ADAM DRIEDGER (LSO #77296F)



ROBERT VANDEN BROEK

This is Exhibit “**B**” referred to in the
Affidavit of ROBERT VANDEN BROEK sworn by
ROBERT VANDEN BROEK of the City of Etobicoke, in the
Province of Ontario, before me at the City of Toronto, in the
Province of Ontario, this 28th day of May, 2024 in
accordance with *O. Reg. 431/20, Administering Oath or
Declaration Remotely*.



A Commissioner for taking affidavits

ADAM DRIEDGER

LSO# 77296F



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

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

THE HONOURABLE)	TUESDAY, THE 21 st
)	
JUSTICE PENNY)	DAY OF MAY, 2024

**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.,
SIERRA CUSTOM FOODS INC., SIERRA SUPPLY CHAIN
SERVICES INC., SIERRA REALTY CORPORATION,
RVB HOLDINGS INC., VANDEN BROEK HOLDINGS
(2008) INC., SIERRA REALTY CALGARY CORPORATION
AND EASTERN MEAT SOLUTIONS (USA) CORP.**

Applicants

INITIAL ORDER

THIS APPLICATION, made by Eastern Meat Solutions Inc., Sierra Custom Foods Inc., Sierra Supply Chain Services Inc., Sierra Realty Corporation, RVB Holdings Inc., Vanden Broek Holdings (2008) Inc., Sierra Realty Calgary Corporation, and Eastern Meat Solutions (USA) Corp. (each, an “**Applicant**” and collectively, the “**Applicants**”) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) was heard this day by videoconference, at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Robert Vanden Broek sworn May 21, 2024 and the Exhibits thereto (the “**Vanden Broek Affidavit**”), the Pre-Filing Report dated May 21, 2024 of Deloitte Restructuring Inc. (“**Deloitte**”), solely in its capacity as the proposed monitor of the Applicants (in such capacity, the “**Monitor**”), and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, and such other counsel that were present, and on reading the consent of Deloitte to act as the Monitor,

SERVICE

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

CAPITALIZED TERMS

2. **THIS COURT ORDERS** that all capitalized terms not expressly defined herein are defined, and have the meanings set forth, in the Vanden Broek Affidavit.

APPLICATION

3. **THIS COURT ORDERS** that each Applicant is a company to which the CCAA applies.

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, contractors, agents, experts, accountants, counsel, and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Vanden Broek Affidavit or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity, or legality of any transfer, payment, collection, or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected, or

otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any plan of compromise or arrangement with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System on or after the date of this Order.

6. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to: (i) use their corporate credit cards (the “**Credit Cards**”) issued by the Bank of Montreal (“**BMO**”) provided that the Applicants shall make full repayment of all amounts outstanding thereunder, including any charges incurred prior to the date of this Order; and (ii) have access to the BMO Credit Facilities in accordance with the terms of the BMO Credit Agreement, so long as there is sufficient availability thereunder. All post-filing charges on the Credit Cards and advances under the BMO Credit Facilities must be in relation to necessary business expenses of the applicable Applicant.

7. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, and employee expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings at their standard rates and charges;
- (c) any payments required by the Applicants to maintain any of the licenses under the *Safe Food for Canadians Act*, S.C. 2012, c. 24; and
- (d) subject to the approval of the Monitor, amounts owing for goods or services supplied to the Applicants prior to the date of this Order if, in the opinion of the Applicants, such payments are necessary or desirable to avoid disruption to the Business or the Applicants, including, without limitation, amounts owing for goods or services in

transit or otherwise supplied to the Applicants prior to the date of this Order by warehouse providers, logistics or supply chain providers, transportation providers, customs brokers, freight forwarders, and amounts payable in respect of customs and duties for goods.

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business, including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance, and security services; and
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order or payments to obtain the release of goods or delivery of services contracted for prior to the date of this Order.

9. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) income taxes, (iv) statutory deductions in the United States, and (v) 401(k) contributions in respect of employees domiciled in the United States;
- (b) all goods, services, excise, or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and

- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

10. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases for premises occupied by the Applicants (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be or has been negotiated between the Applicants and the landlord from time to time (“**Rent**”), for the period commencing from and including the date of this Order, twice monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears), or at such other time intervals and dates as may be agreed to between the Applicants, with the consent of the Monitor, and the applicable landlord. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

11. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date, other than if paid in accordance with the Cash Flow Forecast and as approved by the Monitor or the Court; (b) to grant no security interests, trust, liens, charges, or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

12. **THIS COURT ORDERS** that the Applicants, with prior consent of the Monitor, shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize, or shut down any of their Business or operations;

- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and
- (c) pursue all avenues of refinancing or restructuring their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or restructuring,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

13. **THIS COURT ORDERS** that until and including May 31, 2024, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court or the written consent of the Applicants and the Monitor.

NO EXERCISE OF RIGHTS OR REMEDIES

14. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits, or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

15. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate, or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence, or permit in favour of or held by any of the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

NO PRE-FILING VS POST-FILING OR TRIANGULAR SET-OFF

16. **THIS COURT ORDERS** that no Person shall be entitled to set off any amounts that: (a) are or may become due to the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due from the Applicants in respect of obligations arising on or after the date of this Order; or (b) are or may become due from the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due to the Applicants in respect of obligations arising on or after the date of this Order, in each case without the consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall prejudice any arguments any Person may want to make in seeking leave of the Court or following the granting of such leave.

17. **THIS COURT ORDERS** that no Person shall be entitled to set off any amounts that are or may become due to any Applicant in respect of any obligations (whether arising prior to, on, or after the date of this Order) with any amounts that are or may become due from any Applicant (whether arising prior to, on, or after the date of this Order) to anyone other than that Person or Applicant, as the case may be. For greater certainty, references herein to Person and Applicant do not include any affiliates or related parties of that Person or Applicant.

CONTINUATION OF SERVICES

18. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements or arrangements with any of the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including, without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or any of the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with,

suspending, or terminating the supply of such goods or services as may be required by any of the Applicants or exercising any other remedy provided under the agreements or arrangements, including, without limitation, by charging increased rates for such goods and services in a manner that is inconsistent with existing agreements or arrangements, and that each of the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses, and domain names, provided in each case that the normal or existing prices or charges for all such goods or services received after the date of this Order are paid by the applicable Applicant in accordance with normal or existing payment practices of the applicable Applicant or such other practices as may be agreed upon by the supplier or service provider and the applicable Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

19. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current, or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a plan of compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

21. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants

after the commencement of the within proceedings, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of such director's or officer's gross negligence or wilful misconduct.

22. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the “**Directors’ Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$600,000 unless permitted by further Order of this Court, as security for the indemnity provided in paragraph 21 of this Order. The Directors’ Charge shall have the priority set out in paragraphs 35 and 37 herein.

23. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors’ Charge, and (b) the Applicants’ current and future directors and officers shall only be entitled to the benefit of the Directors’ Charge to the extent that they do not have coverage under any directors’ and officers’ insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 21 of this Order.

APPOINTMENT OF MONITOR

24. **THIS COURT ORDERS** that Deloitte is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by any of the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor’s functions.

25. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants’ receipts and disbursements, including those accounts that may be controlled by third parties, without limitation, in respect of any accounts controlled by third parties;

- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the Applicants in their preparation of the Applicants' cash flow statements;
- (d) advise the Applicants in their development of any plan of compromise or arrangement, or in respect of any other restructuring transaction that may be pursued by the Applicants;
- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' Business and financial affairs or to perform its duties arising under this Order;
- (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (g) have unrestricted access to the operating account with BMO in relation to the Cold Storage Agreement between Sierra Supply Chain Services Inc. and Confederation Freezers Inc. to monitor activity of the funds; and
- (h) perform such other duties as are required by this Order or by this Court from time to time.

26. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer for any purpose whatsoever.

27. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, possession or management (separately and /or collectively,

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

28. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditors addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

29. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor any its employees and representatives acting in such capacities shall incur any liability or obligation as a result of the appointment of the Monitor or the carrying out by it of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

30. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the Applicants shall be paid their reasonable fees and disbursements (including pre-filing fees and disbursements incurred in connection with preparing for this proceeding), in each case at their

standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, and counsel for the Applicants on a bi-weekly basis or on such other terms as may be agreed to by the applicable parties and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicants, retainers in the amount of \$50,000, \$35,000, and \$50,000, respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

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

32. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the Applicants shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$500,000, unless permitted by further Order of this Court, as security for their professional fees and disbursements incurred both before and after the making of this Order at their standard rates and charges. The Administration Charge shall have the priority set out in paragraphs 35 and 37 hereof.

INTERCOMPANY LENDING

33. **THIS COURT ORDERS** that on or after the date of this Order, in each case, subject to the approval of the Monitor, any of the Applicants may make any payment to or on behalf of, or incur any obligation on behalf of, or discharge any obligation of, any of the other Applicants, or otherwise transfer value to, or for the benefit of, any of the other Applicants for the purpose of funding the Business or other restructuring costs (including any interim expenditures).

34. **THIS COURT ORDERS** that, to the extent any of the Applicants (in each case, an “**Intercompany Lender**”) after the date of this Order, and subject to the approval of the Monitor, makes any payment to or on behalf of, or incurs any obligation on behalf of, or discharges any obligation of, any of the other Applicants or otherwise transfers value to, or for the benefit of, any of the other Applicants (in each case, the “**Borrowing Applicant**”), such Intercompany Lender is hereby granted a charge (each, an “**Intercompany Charge**”) on all of

the Property of the Borrowing Applicant in the amount of such payment, obligation, or transfer of value. The Applicants and the Monitor shall take into account the amount of each Intercompany Charge granted by and to each Applicant to determine the net amount secured by each Intercompany Charge. Each Intercompany Charge shall have the priority set out in paragraphs 35 and 37 hereof; provided that, for greater certainty, each Intercompany Charge shall rank *pari passu* with any other Intercompany Charge, as applicable.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

35. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors' Charge, and the Intercompany Charges (collectively, the "**Charges**") and the BMO Security, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$500,000);

Second – Directors' Charge (to the maximum amount of \$600,000);

Third – BMO Security; and

Fourth - Intercompany Charges.

36. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

37. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, deemed trusts, liens, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, save for the Intercompany Charge, which charge shall be subordinate to the BMO Security and Encumbrances in favour of BMO.

38. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants

also obtain the prior written consent of the Monitor, and the beneficiaries of the applicable Charges, or further Order of this Court.

39. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy or receivership order(s) issued pursuant to the BIA or other applicable statutes, or any bankruptcy or receivership order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges shall create or be deemed to constitute a breach by the Applicants of any Agreement to which any of them are a party; and
- (b) the payments made by the Applicants pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

40. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Applicant’s interest in such real property leases.

SERVICE AND NOTICE

41. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in *The Globe and Mail* (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1,000, and (C) prepare a list showing the

names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and addresses of individuals (but not corporate entities) who are creditors publicly available unless otherwise ordered by the Court.

42. **THIS COURT ORDERS** that the Guide Concerning Commercial List E-Service (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.insolvencies.deloitte.ca/easternmeat> (the “**Monitor’s Website**”).

43. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile or other electronic transmission to the Applicants’ creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service, distribution or notice shall be deemed to be received: (a) if sent by courier, on the next business day following the date of forwarding thereof, (b) if delivered by personal delivery or facsimile or other electronic transmission, on the day so delivered, and (c) if sent by ordinary mail, on the third business day after mailing.

44. **THIS COURT ORDERS** that the Applicants and the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants’ creditors or other interested parties and their advisors, as applicable. For greater certainty, any such distribution or

service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

45. **THIS COURT ORDERS** that, except with respect to any motion to be heard on the Comeback Date (as defined below), any interested party wishing to object to the relief sought in a motion brought by the Applicants or the Monitor in these proceedings shall, subject to further Order of this Court, provide the service list in these proceedings (the “**Service List**”) with responding motion materials or a written notice (including by e-mail) stating its objection to the motion and the grounds for such objection by no later than 5:00 p.m. Eastern Standard/Daylight Time on the date that is two business days prior to the date such motion is returnable (the “**Objection Deadline**”). The Monitor shall have the ability to extend the Objection Deadline by notice in writing.

46. **THIS COURT ORDERS** that following the expiry of the Objection Deadline, counsel to the Monitor may inform the Court of the absence or the status of any objections to the motion and the judge having carriage of the motion may determine (a) whether a hearing in respect of the motion is necessary, (b) if a hearing is necessary, the date and time of the hearing, (c) whether such hearing will be in person or videoconference, or by written submissions only, and (d) the parties from whom submissions are required. In the absence of any such determination, a hearing will be held in the ordinary course on the date specified in the notice of motion.

GENERAL

47. **THIS COURT ORDERS** that any interested party that wishes to amend or vary this Order shall be entitled to appear or bring a motion before this Court on May 31, 2024, or such other date as may be set by this Court upon the granting of this Order (the “**Comeback Date**”), and any such interested party shall give not less than two business days’ notice to the Service List and any other party or parties likely to be affected by the Order sought in advance of the Comeback Date; provided, however, that the Chargees shall be entitled to rely on this Order as issued and entered and on the Charges and priorities set forth in paragraphs 35 and 37 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied, or stayed.

48. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their respective powers and duties hereunder.

49. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Applicants, the Business, or the Property.

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

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

52. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing.



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., SIERRA CUSTOM FOODS INC., SIERRA SUPPLY CHAIN SERVICES INC., SIERRA REALTY CORPORATION, RVB HOLDINGS INC., VANDEN BROEK HOLDINGS (2008) INC., SIERRA 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

INITIAL ORDER

Thornton Grout Finnigan LLP

TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7

Rebecca L. Kennedy (LSO# 61146S)

Email: rkennedy@tgf.ca

D.J. Miller (LSO#34393P)

Email: djmiller@tgf.ca

Adam Driedger (LSO #77296F)

Email: adriedger@tgf.ca

Tel: (416) 304-1616

Fax: (416) 304-1313

Lawyers for the Applicants

This is Exhibit “C” referred to in the
Affidavit of ROBERT VANDEN BROEK sworn by
ROBERT VANDEN BROEK of the City of Etobicoke, in the
Province of Ontario, before me at the City of Toronto, in the
Province of Ontario, this 28th day of May, 2024 in
accordance with *O. Reg. 431/20, Administering Oath or
Declaration Remotely*.



A Commissioner for taking affidavits

ADAM DRIEDGER

LSO# 77296F

DIP FACILITY LOAN AGREEMENT
DATED AS OF MAY 28, 2024

WHEREAS the Borrowers (as defined below) have requested that the DIP Lender (as defined below) provide financing to fund certain of the Borrowers' additional cash requirements during the pendency of the proceeding (the "**CCAA Proceeding**") of the Obligors (as defined below) under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") commenced before the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), having Court File No. CV-24-00720622-00CL, in accordance with the terms and conditions set out herein;

AND WHEREAS the DIP Lender has agreed to provide the DIP Facility (as defined below) in accordance with the terms and subject to the conditions set out herein.

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 defined in the body of this Agreement have the meanings ascribed to them in Schedule A.
2. **Currency:** Unless otherwise stated, all monetary denominations shall be in lawful currency of Canada.
3. **Borrowers:** Eastern Meat Solutions Inc., Sierra Custom Foods Inc. and Sierra Supply Chain Services Inc. (collectively, the "**Borrowers**", and any reference to the Borrowers shall be deemed to mean, "the Borrowers or any one of them").
4. **Borrower Agent:** Unless otherwise specified, any notices or other communications provided by Sierra Supply Chain Services Inc. (the "**Borrower Agent**") to the DIP Lender shall be deemed to be provided by the Borrower Agent for itself and on behalf of the other Obligors and any notice or other communication provided by the DIP Lender to the Borrower Agent shall be deemed to be provided by the DIP Lender to the Obligors.
5. **Guarantors:** Sierra Realty Corporation, RVB Holdings Inc., Vanden Broek Holdings (2008) Inc. and Sierra Realty Calgary Corporation, together with Eastern Meat Solutions (USA) Corp. and all other subsidiaries of the Borrowers (collectively, the "**Guarantors**", and any reference to the Guarantors shall be deemed to mean, "the Guarantors or any one of them"; and collectively with the Borrowers, the "**Obligors**").
6. **DIP Lender:** Bank of Montreal (the "**DIP Lender**")
7. **DIP Facility and Maximum Loan Amount:** Subject to the terms and conditions hereof, the DIP Lender agrees to provide the Borrowers with a debtor-in-possession super-priority revolving credit facility (the "**DIP Facility**") in a principal amount (excluding accrued interest and fees that are added to principal) up to \$3,350,000 (the "**Maximum Loan Amount**"). The DIP Facility is a revolving credit facility. The principal amount of any

Advance that is repaid may be re-borrowed, subject to the terms and conditions hereof, provided that the aggregate outstanding Advances shall at no time exceed the Maximum Loan Amount.

8. **DIP Advances:** Advances under the DIP Facility (each, an “**Advance**”) require a written notice to be delivered by the Borrower Agent to the DIP Lender (an “**Advance Notice**”), substantially in the form attached at Schedule B hereto, which Advance Notice has been approved by the Monitor and executed by an officer of the Borrower Agent, setting out:
- (a) the proposed amount of the requested Advance;
 - (b) the date the Advance is requested;
 - (c) the Borrower that will receive the Advance;
 - (d) a certification that the use of the Advance is in accordance with the DIP Budget;
 - (e) certification that the representations and warranties contained herein are true and correct in all material respects as of such date, except to the extent that such representations and warranties relate specifically to an earlier date; and
 - (f) certification that no Default or Event of Default has occurred or will occur after giving effect to the Advance.

Each Advance Notice shall be delivered by the Borrowers to the DIP Lender before 11:30 a.m. (Toronto time) on the same Business Day of the requested Advance. Each Advance shall be in the minimum amount of \$200,000 and increments of \$50,000. Subject to the terms and conditions hereof, the DIP Lender shall credit to the Borrowers’ Account the proceeds of each Advance.

9. **Use of Proceeds:** The proceeds of the DIP Facility shall be used by the Borrowers solely in accordance with, and subject to the DIP Budget and the Court Orders, to fund the ordinary course working capital and other general corporate purposes of the Borrowers, including to pay (a) Recoverable Expenses and (b) the reasonable and documented fees and expenses of counsel to the Obligors, the Monitor and counsel to the Monitor incurred in connection with the CCAA Proceeding. No proceeds may be used for any other purpose, except with the prior written approval of the DIP Lender, in its sole discretion.
10. **Evidence of Indebtedness:** The DIP Lender’s records shall constitute *prima facie* evidence, absent manifest error, of the DIP Obligations; provided that the failure of the DIP Lender to record the same shall not affect the obligations of the Borrowers to pay such amounts to the DIP Lender.
11. **Interest:**
- (a) The outstanding principal amount of all Advances shall bear interest at a rate per annum equal to twelve percent (12%).

- (b) The Borrowers shall pay interest on the Advances by adding such accrued interest to the principal amount of the DIP Obligations on the last Business Day of each calendar month. Amounts representing the interest payable hereunder that are added to the principal amount of the DIP Obligations shall thereafter constitute principal and bear interest in accordance with this Section 11. Notwithstanding the foregoing, at the sole option of the Borrowers, any interest under this Agreement may be paid in cash monthly, in arrears, on the last Business Day of any month.
- (c) Interest on each Advance shall accrue daily from and after the date of advance of such Advance to the Borrowers to, but excluding, the date of repayment, as well as before and after maturity, demand and default and before and after judgment, and shall be calculated and compounded on a daily basis on the principal amount of such Advance and any overdue interest remaining unpaid from time to time and on the basis of the actual number of days elapsed in a year of 365 or 366 days, as the case may be.
- (d) For the purposes of the *Interest Act* (Canada) and disclosure thereunder, whenever any interest or fee to be paid under this Agreement is to be calculated on the basis of a period that is less than a calendar year, the yearly rate of interest to which the rate used in such calculation is equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period that is less than a calendar year.
- (e) If any provision of this Agreement or any other DIP Loan Document would obligate any Obligor to make any payment of interest or other amount payable in an amount or calculated at a rate which would be prohibited by Law or would result in receipt by the DIP Lender of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)) then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by Law or so result in receipt by the DIP Lender of interest at a criminal rate and any such amounts actually paid by such Obligor in excess of the adjusted amount shall be refunded to such Obligor.

12. **Fees:**

- (a) The Borrowers shall pay to the DIP Lender a commitment fee (the “**Commitment Fee**”) as compensation for making the DIP Facility available in an amount equal to 2% of the Maximum Loan Amount (being \$67,000). The Commitment Fee shall be fully-earned and payable upon execution and delivery of this Agreement to the DIP Lender and approval of this Agreement and the ARIO by the Court. The Commitment Fee, once earned and payable, shall be non-refundable under all circumstances and shall be paid by adding the amount of such fee to the principal amount of DIP Obligations on the date this Agreement and the ARIO are approved by the Court. Amounts representing the Commitment Fee that are added to the principal amount of the DIP Obligations shall thereafter constitute principal and bear interest in accordance with Section 11.

- (b) The Borrowers shall pay to the DIP Lender a standby fee (the “**Standby Fee**”), calculated at 2% per annum on the daily unadvanced portion of the DIP Facility. The Standby Fee shall be calculated and accrue daily from the date hereof. The Borrowers shall pay the Standby Fee by adding the amount of such fee to the principal amount of DIP Obligations on the last Business Day of each calendar month. Amounts representing the Standby Fee that are added to the principal amount of the DIP Obligations shall thereafter constitute principal and bear interest in accordance with Section 11.
- 13. **Recoverable Expenses:** The Borrowers shall pay all reasonable costs and expenses of the DIP Lender (including all reasonable fees, expenses and disbursements of outside counsel and, subject to the agreed upon fee cap, any financial advisor) in connection with the DIP Facility, including the preparation of the DIP Loan Documents, the administration of the DIP Facility and the enforcement of any of the DIP Lender’s rights and remedies hereunder and under the other DIP Loan Documents (collectively, “**Recoverable Expenses**”).
- 14. **DIP Budget:** Attached as Schedule C is a 19-week period detailed cash flow forecast (the “**DIP Budget**”) that has been approved by the DIP Lender and filed with the Court in support of a motion returnable on May 31, 2024. On Wednesday of each week, the Borrower Agent, with the assistance of the Monitor, shall provide the DIP Lender with a weekly variance report (the “**Cash Flow Variance Report**”), showing the actual receipts and disbursements for the prior week, with cumulative variance analysis and explanations for all cumulative variances that exceed ten percent (10%). The Obligors may, in consultation with the Monitor, propose amendments to the DIP Budget to the DIP Lender. If the DIP Lender, in its sole discretion, approves such amendments, the DIP Budget, as amended by such amendments, shall be deemed to be the effective DIP Budget.
- 15. **Conditions Precedent to Initial Advance:** The DIP Lender’s agreement to make the initial Advance is subject to the satisfaction of the following conditions precedent:
 - (a) This Agreement and the other DIP Loan Documents shall have been executed and delivered by the parties hereto and thereto and shall be in full force and effect, unamended;
 - (b) The DIP Lender shall be satisfied that service has been effected on a list of Persons acceptable to the DIP Lender;
 - (c) The Court shall have issued the ARIO in form and substance satisfactory to the DIP Lender, in its sole discretion, that, among other things, approves this Agreement and the other DIP Loan Documents, and grants the DIP Charge (which, among other things, secures all indebtedness, liabilities and obligations incurred by the Borrowers under or in connection with the BMO Credit Agreement from and including the Filing Date to and including the Comeback Motion);
 - (d) The Court shall have issued the Sale Process Order in form and substance satisfactory to the DIP Lender, in its sole discretion, approving the SISP, in form and substance satisfactory to the DIP Lender, acting reasonably;

- (e) No appeal, motion for leave to appeal, motion to amend, vary or stay the ARIO or the Sale Process Order shall have been made or threatened in a manner adverse to the DIP Lender, as determined by the DIP Lender, in its sole discretion;
- (f) The stay of proceedings provided by the ARIO shall remain in effect pursuant to stay extension orders that are in form and substance satisfactory to the DIP Lender, in its sole discretion;
- (g) The DIP Lender shall have reviewed an updated Borrowing Base Certificate, which Borrowing Base Certificate is satisfactory to the DIP Lender, in its sole discretion;
- (h) The DIP Lender shall have received an Advance Notice in accordance with the terms hereof, which requested Advance shall not result in the Maximum Loan Amount being exceeded;
- (i) The DIP Lender shall have received an irrevocable direction from the Borrower Agent directing the DIP Lender to pay, with proceeds of the Advance, the Recoverable Expenses incurred to date;
- (j) All representations and warranties contained in this Agreement and the other DIP Loan Documents shall be true and correct in all material respects on the date of such requested Advance 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;
- (k) No Default or Event of Default shall have occurred or will occur as a result of the requested Advance;
- (l) No Material Adverse Effect has occurred, as determined by the DIP Lender, in its sole discretion; and
- (m) The DIP Lender shall have received such additional information and documents as it may reasonably require.

The conditions stated in this Section 15 are inserted for the sole benefit of the DIP Lender and may only be waived by the DIP Lender, and any such waiver may be made in whole or in part, with or without terms or conditions, without affecting the right of the DIP Lender to assert terms and conditions in whole or in part in respect of any other future Advance.

16. **Conditions Precedent to Subsequent Advances:** The DIP Lender's agreement to make each subsequent Advance under the DIP Facility (after the initial Advance) is subject to the satisfaction of the following conditions precedent:

- (a) This Agreement and the other DIP Loan Documents shall remain in full force and effect, unamended, except as approved by the DIP Lender;

- (b) The ARIO shall not have been amended, restated, modified, varied, vacated, stayed or set aside, without the prior written consent of the DIP Lender, in its sole discretion;
- (c) No appeal, motion for leave to appeal, or motion to amend, vary, stay or set aside any Court Order made in the CCAA Proceeding shall have been made or threatened in a manner adverse to the DIP Lender, as determined by the DIP Lender, in its sole discretion;
- (d) The stay of proceedings provided by the ARIO shall remain in effect pursuant to stay extension orders that are in form and substance satisfactory to the DIP Lender, in its sole discretion;
- (e) The DIP Lender shall have received an Advance Notice in accordance with the terms hereof, which requested Advance shall not result in the Maximum Loan Amount being exceeded;
- (f) The DIP Lender shall have received an irrevocable direction from the Borrower Agent directing the DIP Lender to pay, with proceeds of the Advance, the Recoverable Expenses incurred to date;
- (g) All representations and warranties contained in this Agreement and the other DIP Loan Documents shall be true and correct in all material respects on the date of such requested Advance 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;
- (h) No Default or Event of Default shall have occurred or will occur as a result of the requested Advance;
- (i) No Material Adverse Effect has occurred, as determined by the DIP Lender, in its sole discretion; and
- (j) The DIP Lender shall have received such additional information and documents as it may reasonably require.

The conditions stated in this Section 16 are inserted for the sole benefit of the DIP Lender and may only be waived by the DIP Lender, and any such waiver may be made in whole or in part, with or without terms or conditions, without affecting the right of the DIP Lender to assert terms and conditions in whole or in part in respect of any other future Advance.

17. **DIP Charge:** All indebtedness, liabilities and obligations of the Obligors under or in connection with the DIP Facility, this Agreement, and the other DIP Loan Documents, including without limitation, all principal, interest, fees, expenses (including the Recoverable Expenses) and other amounts owing in respect of fees and expenses of the DIP Lender, together with (subject to Court Order) all indebtedness, liabilities and obligations incurred by the Borrowers under or in connection with the BMO Credit Agreement from and including the Filing Date to the date the ARIO is approved by the

Court in the CCAA Proceeding (collectively, the “**DIP Obligations**”) shall be secured by a Court-ordered super-priority charge on the Collateral in favour of the DIP Lender (the “**DIP Charge**”). The DIP Charge shall be effective without the need for any further documentation, registrations or filings, including in any personal property security registration system, any real property registration system or otherwise.

18. **Priorities of DIP Charge:** The DIP Charge shall rank ahead of any and all Encumbrances on the Collateral, other than the Administration Charge. The BMO Security shall rank ahead of the Intercompany Charge.
19. **Repayment and Maturity Date:** All DIP Obligations owing to the DIP Lender shall be due and payable on the earliest of the following:
 - (a) September 30, 2024, or such later date determined by the DIP Lender, in its sole discretion;
 - (b) the sale of all or substantially all of the assets, property and undertaking of Sierra Custom Foods Inc. (or of any other Obligor or their divisions) or all of the equity interests of Sierra Custom Foods Inc. (or of any other Obligor) in an amount sufficient to pay the DIP Obligations in full;
 - (c) the date on which the ARIO expires without being extended or on which the CCAA Proceeding is terminated or dismissed; and
 - (d) an Event of Default in respect of which the DIP Lender has elected to accelerate the DIP Obligations;(such earliest date, the “**Maturity Date**”).

Unless otherwise expired pursuant to this Agreement, the DIP Lender’s commitment to make Advances under the DIP Facility, subject to the terms and conditions hereof, shall expire on the Maturity Date and all then outstanding DIP Obligations shall become due and payable on the Maturity Date, without the DIP Lender being required to make demand upon the Borrowers or to give notice that the DIP Facility has expired or that the DIP Obligations are due and payable.

20. **Mandatory Prepayments:** The Borrowers shall apply each of the following amounts to the payment of the DIP Obligations, in the order determined by the DIP Lender, in its sole discretion:
 - (a) the Net Proceeds from the sale of any of the Collateral other than in the ordinary course of business;
 - (b) the Net Proceeds from the sale of any equity interests of an Obligor;
 - (c) the net cash proceeds received from the incurrence by an Obligor of any Indebtedness (except as permitted hereunder); and

- (d) insurance proceeds (net of deductibles) or expropriation awards received by an Obligor.

Each such prepayment shall be accompanied by the amount of accrued interest on the amount prepaid.

- 21. **Optional Prepayment:** The Borrowers may voluntarily prepay the DIP Obligations at any time prior to the Maturity Date in minimum amounts of \$100,000 and increments of \$100,000 in excess thereof, without premium or penalty. Each such prepayment shall be accompanied by the amount of accrued interest on the amount prepaid.

22. **Payments:**

- (a) All payments hereunder shall be made for value in the full amount due at or before 1:00 pm (Toronto time) on the day such amount is due by deposit or transfer thereof to an account designated by the DIP Lender. Payments received after such time shall be deemed to have been made on the next following Business Day. If any payment is due on a day which is not a Business Day, such payment shall be due on the next following Business Day and interest shall accrue until but excluding the actual date of payment.
- (b) Each payment to be made by the Borrowers shall be made in full without deduction, set-off or counterclaim of any kind or for any reason. All payments required hereunder shall be made in lawful currency of Canada.
- (c) If any Recoverable Expenses incurred after the date of this Agreement are not paid by the Obligors (subject to the cap in the case of the DIP Lender's financial advisor), the DIP Lender may, but shall have no duty to, pay any or all such Recoverable Expenses, whereupon such amounts shall be added to and form part of the DIP Obligations and shall reduce the availability under the DIP Facility.

- 23. **Representations and Warranties:** Each Obligor represents and warrants to the DIP Lender, upon which the DIP Lender relies in entering into this Agreement and the other DIP Loan Documents, that:

- (a) The transactions contemplated by this Agreement and the other DIP Loan Documents have been duly authorized, executed and delivered by or on behalf of the Obligors, and upon the granting of the ARIO:
 - (i) are within the powers of the Obligors;
 - (ii) constitute legal, valid and binding obligations of the Obligors, subject only to any limitation under applicable Laws relating to (A) bankruptcy, insolvency, arrangement or creditors' rights generally and (B) the discretion that a court may exercise in the granting of equitable remedies;
 - (iii) do not require any consent or approval under, result in a breach or violation of, or conflict with, any of the terms or provisions of its constating

documents or by-laws or any contracts or instruments to which it is a party or pursuant to which any of its assets and property may be affected, other than breaches that are stayed by the ARIO;

- (iv) there is no requirement for the Obligors to make any filing with, give any notice to or obtain any licence, permit, certificate, registration, authorization, consent or approval of, any Governmental Authority as a condition to the execution, delivery and performance by the Obligors of the transactions contemplated by this Agreement, other than such as has been obtained;
- (b) The businesses of the Obligors are conducted in material compliance with applicable Law of each jurisdiction in which the businesses are carried on, subject to the provisions of each Court Order made after the Filing Date;
- (c) The Obligors have obtained all Authorizations necessary for the operation of their businesses, which Authorizations are in full force and effect, and no proceedings have been commenced to revoke or amend any such Authorizations, except where the failure to possess or maintain in good standing and in full force and effect such Authorizations, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect;
- (d) The Obligors have (i) good and legal title to (in the case of fee interests in real property, of which there are none on the date hereof), (ii) valid leasehold interests in (in the case of leasehold interests in real or personal property), (iii) valid licensed rights in (in the case of licensed interests in intellectual property) and (iv) good title to (in the case of all other personal property), the Collateral. The Collateral is free and clear of Encumbrances other than Permitted Encumbrances;
- (e) No Default or Event of Default has occurred and is continuing;
- (f) The DIP Budget is based upon good faith estimates and assumptions made by the management of the Borrowers and, notwithstanding that such projections are not to be viewed as facts and that actual results during the period covered by such projections may differ from such projections, as of the date of the then effective DIP Budget, the Borrowers believe the assumptions made in such projections are reasonable and that such projections are attainable; and
- (g) All factual information provided by or on behalf of the Obligors to the DIP Lender for the purposes of or in connection with this Agreement or any transaction contemplated herein is true and accurate in all material respects on the date as of which such information is dated or certified and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided.

The representations and warranties in this Agreement and in any certificates or documents delivered to the DIP Lender shall not merge and shall survive and continue in full force

and effect so long as any amounts are owing by the Obligors to the DIP Lender under this Agreement or the other DIP Loan Documents. The representations and warranties made in Section 23 shall be deemed to be repeated upon each Advance, and as of the last day of each calendar month, as if made on and as of each such date unless specifically made as of a certain date.

24. **Affirmative Covenants:** Each Obligor agrees and covenants to perform and do each of the following:

- (a) Pay when due all principal interest, fees and other amounts payable by the Obligors under this Agreement and the other DIP Loan Documents;
- (b) Pay when due all amounts payable by the Obligors under the agreements governing the MasterCard Advances (as defined in the BMO Credit Agreement);
- (c) Comply, in all material respects, with the requirements of all applicable Laws, judgments, orders (including all Court Orders), decisions and awards;
- (d) Deliver to the DIP Lender (i) Cash Flow Variance Reports in accordance with Section 14 and (ii) such other reporting and other information from time to time as is reasonably requested by the DIP Lender;
- (e) Deliver to DIP Lender, concurrently with the delivery thereof to the Monitor (i) copies of all monthly internal financial statements, liquidity and updates to the DIP Budget that are reported weekly, together with any related or supporting information provided to the Monitor and (ii) any written reports, commentary or analysis received by the Obligors from the Monitor regarding the financial position of the Obligors or otherwise;
- (f) Provide the DIP Lender with a weekly status update regarding the status of the CCAA Proceeding;
- (g) Keep the DIP Lender apprised on a timely basis of all material developments with respect to the businesses and affairs of the Obligors;
- (h) Promptly notify the DIP Lender of the occurrence of any Default or Event of Default;
- (i) Promptly after the same is available, but in no event later than two (2) days prior to the date on which the same is to be served, provide draft copies to the DIP Lender of all pleadings, motion records, application records, orders, financial information and other documents to be filed by or on behalf of the Obligors in the Proceeding;
- (j) Allow the DIP Lender, its directors, officers, employees, agents, advisors and representatives full access to the Obligors' premises and all information and documentation of the Obligors and their Affiliates on reasonable notice and during normal business hours and cause management thereof to fully cooperate with any such directors, officers, employees, agents, advisors and representatives;

- (k) Preserve, renew, maintain and keep in full force and effect its corporate existence (subject to the Wind-down and the Sale) and its Authorizations required in respect of the businesses of the Obligors or any of the Collateral;
 - (l) Maintain in full force all policies of insurance that are now in effect (or renewals thereof) under which the Obligors, their businesses or any of the Collateral is insured;
 - (m) Except as otherwise provided by Court Order in the Proceeding in respect of amounts due prior to the Filing Date, pay when due all applicable Taxes and other amounts that are Priority Payables, permitting and licences fees and other amounts necessary to avoid any Encumbrance on the Collateral that is not a Permitted Encumbrance and any Encumbrance securing a Priority Payable ranking in priority to the DIP Charge; and
 - (n) Conduct the SISP strictly in accordance with the Sale Process Order and conduct the Sale strictly in accordance with the Sale Order (except for extensions to deadlines that are approved by the Monitor and except for amendments approved by the Monitor, in consultation with the DIP Lender).
25. **Negative Covenants:** Each Obligor covenants and agrees not to do the following, other than with the prior written consent of the DIP Lender, in its sole discretion:
- (a) Utilize any Advance except in accordance with the permitted uses hereunder and the DIP Budget;
 - (b) Except as contemplated by this Agreement, the DIP Budget or any Court Order, make any payment of any Indebtedness or obligations existing as at the Filing Date (the “**Pre-Existing Debt**”);
 - (c) Create, incur or permit to exist any Indebtedness other than Pre-Existing Debt, Advances and accounts payable in the ordinary course of business in accordance with the DIP Budget;
 - (d) Except for Permitted Encumbrances, create or permit to exist any Encumbrance or provide or seek or support a motion by another Person to provide any Encumbrance upon any of the Collateral;
 - (e) Except as resulting from the Wind-down and the Sale, sell, exchange, lease, release, abandon or otherwise dispose of any Collateral other than in the ordinary course of business;
 - (f) Purchase or acquire, or make any commitment to purchase or acquire, any shares, capital stock, equity interest, or any obligations or other securities of, or any interest in, any Person;
 - (g) Make or commit to make any acquisition of assets (other than in the ordinary course of business in accordance with the DIP Budget) or of any business or part thereof;

- (h) Except for the liability of the Obligors under the DIP Loan Documents and the liabilities among the Obligors that are secured by the Intercompany Charge, make any investments in or loans to or guarantee (or provide any other financial assistance with respect to) the Indebtedness or obligations of any other Person or permit its Affiliates to do so;
- (i) Make or permit any dividends, distributions, or other payments (in cash, property or obligations) on, or other payments or distributions on account of, any portion of any direct or indirect ownership interest in the Obligors or other rights to acquire any such ownership interest, or otherwise make or permit any payments to be made to any holder of any such direct or indirect ownership interest or any rights to acquire such direct or indirect ownership interest;
- (j) Make any payment to any director, officer or related party of any Obligor or any Affiliate other than in accordance with the DIP Budget;
- (k) Change its jurisdiction of incorporation, chief executive office or registered office;
- (l) Change its name, fiscal year end or accounting policies or amalgamate, consolidate with, or, subject to the Wind-down and the Sale, wind-up, liquidate, dissolve or enter into any similar transaction with any other Person;
- (m) Except as resulting from the Wind-down and the Sale, make any material change in the nature of the businesses of the Obligors;
- (n) Create or acquire any new subsidiary;
- (o) (i) Cancel or terminate any Material Contract; (ii) waive any default or breach under any Material Contract; (iii) amend or otherwise modify any Material Contract; or (iv) take any other action in connection with any Material Contract; that would, in each case, reasonably be expected to have a Material Adverse Effect;
- (p) Enter into any contract, arrangement or transaction with any Affiliate or Associate, except: (i) as expressly permitted by this Agreement; or (ii) agreements in the ordinary course of, and pursuant to the reasonable requirements of, the applicable business and at prices and on terms substantially the same as those that the Obligor would reasonably expect to receive in a comparable arm's length transaction with another Person (excluding any requirement for security that might otherwise be required from an arm's length party); or
- (q) Permit the cumulative net variance in the aggregate operating disbursements (excluding professional fees and expenses and other one-time restructuring charges) of the Obligors as compared to the DIP Budget (which calculation shall commence the week following the granting of the ARIO) to exceed fifteen percent (15%).

26. **Events of Default:** The occurrence of any one or more of the following events shall constitute an event of default (each, an “**Event of Default**”) under this Agreement:

- (a) Failure of the Borrowers to pay any amounts to the DIP Lender when due and owing hereunder or otherwise;
- (b) Failure of the Obligors to comply with Section 25(q);
- (c) Except as otherwise set forth in this Section 26, failure of the Obligors to perform or comply with any term or covenant of this Agreement or any other DIP Loan Document and, if capable of being remedied, such failure remains unremedied for five (5) days;
- (d) Any representation or warranty made or given hereunder or under any other DIP Loan Document by the Obligors is incorrect in any material respect or misleading when made or deemed to be made;
- (e) An Obligor fails to pay or remit any amount with respect to a Priority Payable when due;
- (f) The Initial Order, the ARIO, the SISP or the Sale Order is amended, restated or otherwise varied without the consent of the DIP Lender, or any Court Order is issued, dismissed, stayed, reversed, vacated, amended or restated in a way that adversely affects or would reasonably be expected to adversely affect the interests of the DIP Lender, including any Court Order:
 - (i) terminating, lifting or amending the stay imposed by the CCAA Proceeding;
 - (ii) initiating any proceeding with respect to any Obligor under the *Bankruptcy and Insolvency Act* (Canada) or any equivalent legislation;
 - (iii) appealing or granting leave to appeal the ARIO;
 - (iv) granting any other claim or Encumbrance of equal or priority ranking to that of the DIP Charge, except the Administration Charge; or
 - (v) staying, reversing, vacating or otherwise modifying the DIP Loan Documents, the DIP Charge or prejudicially affecting the DIP Lender or the Collateral;
- (g) The appointment of a receiver and manager, receiver, interim receiver or similar official or any process of any court becomes enforceable against an Obligor, or any of its property is seized or levied upon, or a creditor takes possession of any property of an Obligor;
- (h) An Obligor is adjudged a bankrupt and a trustee-in-bankruptcy is appointed to take possession of any property of such Obligor;
- (i) Except relating to the Wind-down and the Sale, an order is made or a resolution is passed for the winding-up, dissolution or liquidation of an Obligor, or if any process

is filed or other process taken for the winding-up, dissolution or liquidation of an Obligor;

- (j) The filing of a motion by an Obligor seeking approval of a plan of arrangement or the entry of an order sanctioning a plan of arrangement that does not require repayment in full in cash of all DIP Obligations and all indebtedness, liabilities and obligations under the BMO Credit Agreement on the date of a final approval under the CCAA Proceeding, without the consent of the DIP Lender;
- (k) Any violation or breach of any Court Order by any Obligor;
- (l) Subject to any Court Order or the prior written consent of the DIP Lender, any Obligor, except Eastern Meat Solutions Inc. as a result of the Wind-down or Sierra Custom Foods Inc. as a result of the Sale, ceases to carry on or maintain its business or its assets and property in the ordinary course of its business or any court order enjoins, restrains, or prevents any Obligor from conducting any material part of its business;
- (m) Any proceeding, motion or application is commenced or filed by an Obligor, or if commenced by another Person, supported or otherwise consented to by an Obligor, seeking the invalidation, subordination or other challenge of the terms of the DIP Facility, the DIP Charge, this Agreement, any other DIP Loan Document, the BMO Credit Agreement or the BMO Security;
- (n) The DIP Charge ceases to rank ahead of any and all Encumbrances on the Collateral other than the Administration Charge, or the BMO Security ceases to rank ahead of the Intercompany Charge on the applicable Collateral;
- (o) The DIP Lender determines, in its sole discretion, acting reasonably, that a Material Adverse Effect has occurred and such determination is supported by the Monitor or an order of the Court in the CCAA Proceeding;
- (p) The denial or repudiation by any Obligor of the legality, validity, binding nature or enforceability of this Agreement or any of the other DIP Loan Documents;
- (q) The Obligors fail to complete any action or step required to be completed by the following milestone dates set forth below:
 - (i) the Comeback Motion shall have been heard by the Court and the ARIO shall have been granted by the Court in a form acceptable to the DIP Lender, in its sole discretion, within ten (10) days of the Filing Date;
 - (ii) the commencement of the SISF by June 3, 2024;
 - (iii) Eastern Meat Solutions Inc. winds-down its operations and ceases to carry on active business to the satisfaction of the DIP Lender, in its sole discretion, by June 30, 2024; or

- (iv) the Court shall have issued an order (the “**Sale Order**”) approving the Sale on terms and conditions acceptable to the DIP Lender, in its sole discretion, by September 30, 2024;
 - (r) The failure of the Obligors to comply with the terms and conditions of the SISP or the Sale Order, including meeting any deadlines set forth therein (other than, with respect to such deadlines, as may be approved by the Monitor);
 - (s) The acceptance of any offer for the sale of all or substantially all of the assets, property and undertaking of Sierra Custom Foods Inc. or all of the equity interests of Sierra Custom Foods Inc. or the filing of a motion seeking approval of the Court to accept any such offer, without the consent of the DIP Lender;
 - (t) Deloitte Restructuring Inc. ceases to be the Monitor of the Obligors, without the DIP Lender’s prior written consent;
 - (u) Except as a result of the Sale, a Change of Control occurs; or
 - (v) Any Authorization required for any Obligor to conduct its business substantially in the manner presently conducted or to perform its obligations under this Agreement or any other DIP Loan Document is not obtained or is withdrawn or ceases to be in full force and effect and (i) in the DIP Lender’s opinion, it is not possible for such Obligor to obtain such Authorization within twenty (20) days after the date on which such Authorization was required or withdrawn, as applicable or (ii) in the DIP Lender’s opinion, it is possible for such Obligor to obtain such Authorization within twenty (20) days after the date on which such Authorization was required or withdrawn, as applicable, but such Authorization is not obtained within such twenty (20) day period; or
 - (w) After the date that this Agreement and the ARIO are approved by the Court, an Obligor defaults in the performance, observance or fulfillment of any of its obligations, covenants or conditions contained in any Contractual Obligations, or any condition exists which, with the giving of notice or the lapse of time or both, could constitute such a default thereunder, where the consequences, directly or indirectly, of such default could reasonably be expected to have a Material Adverse Effect.
27. **Remedies:** Upon the occurrence of an Event of Default, the DIP Lender may, in its sole discretion, elect to terminate the DIP Lender’s commitment to make further Advances to the Borrowers, and set-off, consolidate or accelerate the DIP Obligations, including all amounts outstanding under the DIP Facility and any DIP Loan Documents, and declare such amounts to be immediately due and payable without any periods of grace. Upon the occurrence of an Event of Default, the DIP Lender may, subject to the terms of the ARIO and any other orders of the Court granted in the CCAA Proceeding, upon three (3) Business Days’ notice to the Borrowers and the Monitor:
- (a) apply to the Court for the appointment of a receiver, an interim receiver or a receiver and manager over the Collateral;

- (b) apply for a Court Order, on terms satisfactory to the Monitor and the DIP Lender, providing the Monitor with the power, in the name of and on behalf of the Obligor, to take all necessary steps in the CCAA Proceeding to realize on the Collateral;
- (c) exercise the powers and rights of a secured creditor; and/or
- (d) exercise all such other rights and remedies available to the DIP Lender under this Agreement, the other DIP Loan Documents, the Court Orders and applicable Law.

Nothing shall prevent the DIP Lender from applying to the Court for such relief as the DIP Lender may determine is necessary or appropriate at any time. The rights, powers and remedies under this Agreement, the other DIP Loan Documents and the DIP Charge are cumulative and are in addition to and not in substitution for any other rights, powers and remedies available at Law or in equity or otherwise. No single or partial exercise by the DIP Lender of any right, power or remedy precludes or otherwise affects the exercise of any other right, power or remedy to which the DIP Lender may be entitled.

- 28. **Further Assurances:** The Obligor shall, at their own expense, from time to time do, execute and deliver, or cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) as the DIP Lender may reasonably request for the purpose of giving effect to this Agreement and the other DIP Loan Documents.
- 29. **Joint & Several Liability:** Each Borrower shall be jointly and severally liable for all DIP Obligations regardless of which Borrower actually receives Advances under the DIP Facility or the amount of any such Advance received or the manner in which the DIP Lender accounts for such Advances on its books and records.
- 30. **BMO Credit Agreement:**
 - (a) Each Obligor that is party to the BMO Credit Agreement and the Credit Documents (as defined in the BMO Credit Agreement), including the BMO Security, hereby acknowledges, confirms and agrees that the BMO Credit Agreement and the Credit Documents (as defined in the BMO Credit Agreement), including the BMO Security, each as amended to the date hereof, delivered by such Obligor in favour of Bank of Montreal remain in full force and effect in accordance with their respective terms. For greater certainty, each Obligor that has previously executed and delivered any BMO Security hereby acknowledges and confirms that each such BMO Security document secures the obligations of such Obligor under and in connection with the BMO Credit Agreement and all other relevant Credit Documents (as defined in the BMO Credit Agreement), including, without limitation MasterCard Advances (as defined in the BMO Credit Agreement).
 - (b) Notwithstanding the foregoing, the parties hereto confirm that, upon approval by the Court of the ARIO, Bank of Montreal shall have no further obligation to provide advances or any other credit accommodations under or in connection with the BMO Credit Agreement.

31. **Indemnity:** Each Borrower shall indemnify and hold harmless the DIP Lender, and its Affiliates and the officers, directors, employees, representatives, advisors, managers, solicitors and agents of the DIP Lender and its Affiliates (collectively, the “**Indemnified Persons**”) from and against any and all actions, lawsuits, proceedings (including any investigations or inquiries), losses, damages, liabilities or expenses of any kind or nature whatsoever which may be incurred by or suited against or involve any of the Indemnified Persons as a result of, in connection with or in any way related to the DIP Facility, the proposed or actual use of the Advances, this Agreement or the other DIP Loan Documents. Notwithstanding the foregoing, the Borrowers shall have no obligation to indemnify any Indemnified Person against such loss, liability, cost or expense to the extent that they are found by final judgment of a court of competent jurisdiction to arise from the gross negligence or willful misconduct of such Indemnified Person. No Indemnified Person shall be responsible or liable to the Obligors or any other Person for any indirect, consequential special or punitive damages.
32. **Judgement Currency:** If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or under any other DIP Loan Documents in Canadian dollars into another currency, the parties hereto agree, to the fullest extent permitted by Law, that the rate of exchange used shall be that at which, in accordance with normal banking procedures, the DIP Lender could purchase Canadian dollars with such other currency at the buying spot rate of exchange on the Business Day immediately preceding that on which any such judgment, or any relevant part thereof, is given. The obligations of the Obligors in respect of any sum due to the DIP Lender hereunder and under the other DIP Loan Documents shall, notwithstanding any judgment in a currency other than Canadian dollars, be discharged only to the extent that on the Business Day following receipt by the DIP Lender of any sum adjudged to be so due in such other currency, the DIP Lender may, in accordance with normal banking procedures, purchase Canadian dollars with such other currency. If the amount of Canadian dollars so purchased is less than the sum originally due to the DIP Lender in Canadian dollars, the Obligors agree, to the fullest extent that they may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify the DIP Lender against such loss.
33. **Withholdings and Tax Indemnity:** Any and all payments by or on account of any obligation of the Obligors hereunder or under any other DIP Loan Document shall be made free and clear of and without deduction or withholding for any Taxes; provided that, if any Obligor is required by applicable Law to deduct or withhold any Taxes from such payments, then:
- (a) if such tax is an Indemnified Tax, the amount payable by the Obligors shall be increased so that after making all required deductions or withholdings (including deductions or withholdings applicable to additional amounts payable under this Section 33), the DIP Lender receives an amount equal to the amount it would have received had no such deductions or withholdings been made; and
 - (b) the Obligors shall make such deductions and timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable Law.

In addition, the Obligors shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Law, subject in all respects to Orders issued in the CCAA Proceeding. The Borrowers shall indemnify the DIP Lender, within ten days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed on or attributable to amounts payable hereunder or under any other DIP Loan Document) paid by the DIP Lender on or with respect to an amount payable by the Obligors under or in respect of this Agreement or under any other DIP Loan Document, together with any penalties, interest and expenses arising in connection therewith and with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate from the DIP Lender as to the amount of such payment or liability delivered to the Borrower Agent shall be conclusive absent manifest error. Promptly after any payment of Indemnified Taxes or Other Taxes by the Obligors to a Governmental Authority (but in any event within 30 days after the date of such payment), the Obligors shall deliver to the DIP Lender the original or certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the relevant return reporting such payment or other evidence of such payment reasonably satisfactory to the DIP Lender.

34. **Superseding Prior Understandings:** This Agreement and the other DIP Loan Documents supersede all prior correspondence, negotiations, discussions and understandings between the parties with respect to the subject matter hereof and thereof.
35. **Amendments and Waivers:** No waiver, failure or delay on the part of the DIP Lender in exercising any right, remedy or privilege hereunder or under any other DIP Loan Document or at Law shall operate as a waiver hereof or thereof unless made in writing and delivered in accordance with the terms of this Agreement. A waiver, amendment, release or modification of this Agreement or any other DIP Loan Document shall not be established by conduct, custom or course of dealing and shall occur, if applicable, solely by an instrument in writing duly executed by the DIP Lender, in the case of a waiver or release, and by the parties hereto, in the case of an amendment or other modification.
36. **Enurement:** This Agreement shall be binding upon and enure to the benefit of the Obligors and the DIP Lender and their respective successors and permitted assigns.
37. **Assignment:** The DIP Lender may assign this Agreement and its rights and obligations hereunder and under the other DIP Loan Documents (and grant participation herein and therein), in whole or in part, to any Person acceptable to the DIP Lender, in its sole discretion. The Obligors shall not be permitted to assign this Agreement or any other DIP Loan Documents nor any right and obligation hereunder or thereunder without the prior written consent of the DIP Lender, in its sole discretion.
38. **Severability:** Any provision in this Agreement or any other DIP Loan Documents which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof or effecting the validity of enforceability of such provision in any other jurisdiction.

39. **No Third-Party Beneficiary:** No Person, other than the Obligors and the DIP Lender, are entitled to rely upon this Agreement, and the parties expressly agree that this Agreement does not confer any rights upon any Person not a signatory hereto.
40. **Press Releases:** The Obligors shall not issue any press release naming the DIP Lender without its prior approval unless the Obligors are required to do so by applicable Law.
41. **Counterparts:** This 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.
42. **Notices:** Any notice, direction or other communication given under this Agreement shall be in writing and given by delivering it or sending it as indicated below to:

(a) **the Obligors at:**

Sierra Supply Chain Services Inc.
5090 Explorer Drive
Suite 203
Mississauga ON
L4W 4X6

Attention: Robert Vanden Broek
Email: Rob.VandenBroek@sierrascs.com
Facsimile: (416) 252-2544

With a copy (which shall not constitute notice) to:

Thornton Grout Finnigan LLP
100 Wellington Street West, Suite 3200
Toronto, Ontario
M5K 1K7

Attention: Rebecca Kennedy and D.J. Miller
Email: rkennedy@tgf.ca and djmiller@tgf.ca

(b) **the DIP Lender at:**

Bank of Montreal
19th Floor, 100 King Street West
Toronto, Ontario
M5X 1A1

Attention: Rachel Gillespie
Email: Rachel.Gillespie@bmo.com

With a copy (which shall not constitute notice) to:

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, Ontario
M5H 4E3

Attention: Howard Silverman and Alex MacFarlane
Email: hsilverman@blg.com and amacfarlane@blg.com

Any such communication shall be deemed to have been validly and effectively given (i) if personally delivered, when received; or (ii) if transmitted by facsimile, email or similar means of recorded communication on the date of such transmission if such date is a Business Day and such transmission was made prior to 4:00 p.m. (local time in the place of receipt) and otherwise on the Business Day following the date of transmission. Any party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such party at its changed address.

43. **Interpretation:** In this Agreement, words signifying the singular include the plural and vice versa, and words signifying gender include all genders. Every use of the word “including” in this Agreement is to be construed as meaning “including, without limitation”. The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. References in this Agreement to a Section or Schedule are to be construed as references to a Section or Schedule of or to this Agreement unless the context requires otherwise. Subject to any limitations set forth herein, references to contracts, agreements or instruments are deemed to include all amendments, supplements, restatements or replacements to or of such contracts, agreements or instruments. References to a Person includes that Person’s successors and permitted assigns. Unless otherwise specified, reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended, re-enacted or replaced. Unless otherwise specified, all dollar amounts stated herein refer to lawful money of Canada.
44. **Governing Law and Jurisdiction:** This Agreement shall be governed by, and construed in accordance with, the Laws of the Province of Ontario and the federal Laws of Canada applicable therein. 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 Agreement as of the date first written above.

BANK OF MONTREAL

By: 
Name: Rachel Gillespie,
Title: BMO SAMU

By: 
Name:
Title: Shane Klein
Managing Director

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

By: 

Name: Robert Vanden Broek
Title: President

**SIERRA CUSTOM FOODS INC., as
a Borrower**

By: 

Name: Robert Vanden Broek
Title: President

**SIERRA SUPPLY CHAIN SERVICES INC.,
as a Borrower**

By: 

Name: Robert Vanden Broek
Title: President

**SIERRA REALTY CORPORATION, as a
Guarantor**

By: 

Name:
Title:

RVB HOLDIDNGS INC., as a Guarantor

By: _____

Name:

Title:

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

By: _____

Name:

Title:

**SIERRA REALTY CALGARY
CORPORATION, as a Guarantor**

By: _____

Name:

Title:

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

By: _____

Name:

Title:

SCHEDULE A

DEFINITIONS

“**Administration Charge**” means the super-priority charge to be granted by the Court in an amount not exceeding \$750,000 securing the fees and expenses of: (a) the Obligors’ CCAA counsel and (b) the Monitor and its counsel;

“**Advance**” has the meaning given to that term in Section **Error! Reference source not found.**;

“**Advance Notice**” has the meaning given to that term in Section **Error! Reference source not found.**;

“**Affiliate**” of any Person means, at the time such determination is made, any other Person controlling, controlled by or under common control with such first Person, where “control” means the possession, directly or indirectly, of the power to direct the management and policies of such Person, whether through the ownership of voting securities or otherwise;

“**Agreement**” means this DIP Facility Loan Agreement, including all Schedules, as it may be modified, amended, restated, replaced, supplemented or otherwise changed from time to time and at any time hereafter;

“**ARIO**” means an order of the Court in the CCAA Proceeding, in form and substance satisfactory to the DIP Lender, in its sole discretion, approving, *inter alia*, this Agreement, the DIP Facility, the other DIP Loan Documents, and the DIP Charge, and amending and otherwise confirming the relief granted under the Initial Order, such order obtained on application made on notice to such Persons as the DIP Lender approves, as the same may be amended or amended and restated, with the consent of the DIP Lender, in its sole discretion;

“**Associate**” has the meaning given to such term in the *Business Corporations Act* (Ontario), as in effect on the date hereof;

“**Authorization**” means, with respect to any Person, any order, permit, approval, consent, waiver, licence or similar authorization of any Governmental Authority related to the Obligors, the Collateral or their businesses;

“**BMO Credit Agreement**” means the second amended and restated credit agreement dated as of September 14, 2022, among Eastern Meat Solutions Inc., as borrower, certain affiliates of Eastern Meat Solutions Inc., as guarantors, and Bank of Montreal, as lender, as amended, restated or otherwise modified;

“**BMO Security**” means the Encumbrances on the applicable Collateral pursuant to security documents in favour of Bank of Montreal and such security documents;

“**Borrowers’ Account**” means the disbursement account of the Borrowers maintained at any branch of the DIP Lender;

“**Borrower Agent**” has the meaning given to that term in Section 4;

“Borrowers” has the meaning given to that term in Section 3;

“Borrowing Base Certificate” has the meaning given to it in the BMO Credit Agreement;

“Business Day” means any day of the year, other than a Saturday, Sunday or any day on which major commercial banks are closed in Toronto, Ontario;

“Cash Flow Variance Report” has the meaning given to that term in Section 14;

“CCAA” has the meaning given to that term in the recitals;

“CCAA Proceeding” has the meaning given to that term in the recitals;

“Change of Control” means any event or circumstance whereby (i) Robert Vanden Broek shall cease to beneficially own and control directly and/or indirectly at least seventy percent (70%) (on a fully diluted basis) of the economic and voting equity interests of the Borrowers, (ii) other than Robert Vanden Broek, no one Person shall beneficially own directly or indirectly 30% or more of the economic and voting equity interests of the Borrowers or (iii) Robert Vanden Broek shall for any reason cease to be actively engaged in the day-to-day management of the Borrowers, unless an interim or permanent successor of such Person that is acceptable to the DIP Lender, acting reasonably, has been appointed;

“Charges” means the Administration Charge, the Directors’ Charge and the Intercompany Charge;

“Collateral” means all present and after-acquired assets and property of the Obligors, real and personal, tangible and intangible and all proceeds therefrom, but excluding consumer goods and the last day of the term of any lease or agreement to lease;

“Comeback Motion” means the comeback motion in the CCAA Proceeding;

“Commitment Fee” has the meaning given to that term in Section 12(a);

“Contractual Obligation” means, with respect to any Person, any provision of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument (including any equity interest issued by such Person) to which such Person is a party or by which, whether in writing or orally, such Person or any of its assets is bound or to which such Person or any of its assets is subject;

“Court” has the meaning given to that term in recitals;

“Court Order” means an order of the Court, including the Initial Order and the ARIO;

“Default” means any event, circumstance or omission that constitutes an Event of Default or that, after the giving of notice, the passage of time or the failure to remedy such event, circumstance or omission within a period of time, would constitute an Event of Default;

“DIP Budget” has the meaning given to that term in Section 14;

“DIP Charge” has the meaning given to that term in Section 17;

“DIP Facility” has the meaning given to that term in Section 7;

“DIP Lender” has the meaning given to that term in Section 6;

“DIP Loan Documents” means this Agreement, the Guarantees and any other agreements, instruments or other documents in respect of the DIP Facility contemplated by this Agreement or required by the DIP Lender;

“DIP Obligations” has the meaning given to that term in Section 17;

“Directors’ Charge” means the super-priority charge to be granted by the Court in an amount not exceeding \$750,000 securing the customary obligations and liabilities that the officers and directors of the Obligor may incur in such capacities;

“Encumbrance” means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, easement, encroachment, servitude, restriction on use, right of occupation, any matter capable of registration against title, option, right of first offer or refusal or similar right, restriction on voting (in the case of any voting or equity interest), right of pre-emption or privilege or any contract to create any of the foregoing;

“Event of Default” has the meaning given to that term in Section 26;

“Excluded Taxes” means any of the following Taxes imposed on or with respect to the DIP Lender or any other recipient of any payment to be made by or on account of any DIP Obligations, or required to be withheld or deducted from a payment to any such recipient, (a) income, net profits, or capital taxes imposed on or measured by net income, and franchise taxes imposed (i) by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or conducts business, in which its principal office is located or in which its applicable lending office is located, but not including Taxes payable by the DIP Lender as a result of any deemed receipt of interest notwithstanding that no such interest was paid to the DIP Lender or (ii) that are Other Connection Taxes and (b) any branch profits taxes or any similar tax imposed by the jurisdiction where an Obligor is located;

“Filing Date” means May 21, 2024;

“Governmental Authority” means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, body, board, tribunal or dispute settlement panel or other law or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

“Guarantees” means the unconditional guarantees by the Guarantors of the DIP Obligations of the Borrowers and the unconditional guarantees by each Borrower of the DIP Obligations of the other Borrower;

“Guarantors” has the meaning given to that term in Section 5;

“Indebtedness” of any Person means, at any date, without duplication, (a) all obligations of such Person for borrowed money, including by way of overdraft and drafts or orders accepted as representing extensions of credit, (b) all obligations of such Person evidenced by bonds, debentures, the face amount of all bankers’ acceptances, letters of credit, letters of guarantee and similar instruments, notes, letters of credit or other similar instruments, including obligations under any arrangement providing for the leasing of any property, which property has been or is to be sold or transferred in contemplation of such leasing, (c) all obligations of such Person to pay the deferred purchase price of property or services, (d) all obligations of such Person as lessee which are capitalized in accordance with generally accepted accounting principles (or other applicable accounting standards) consistently applied in Canada, (e) all indebtedness, liabilities and obligations secured by an Encumbrance on any asset of such Person, whether or not the same is otherwise indebtedness, liabilities or obligations of such Person, which, for greater certainty will not include rent paid or payable by such Person in the ordinary course, (f) all indebtedness, liabilities and obligations of others which is, directly or indirectly, guaranteed by such Person or which such Person has agreed (contingently or otherwise) to purchase or otherwise acquire, (g) all indebtedness, liabilities and obligations in respect of financial instruments which are classified as a liability on the balance sheet of such Person, (h) all obligations of such Person to otherwise assure a creditor against loss, (i) all hedging obligations and (j) all obligations of such Person for trade accounts and contracts;

“Indemnified Persons” has the meaning given to that term in Section 31;

“Indemnified Taxes” means (a) Taxes other than Excluded Taxes and (b) to the extent not otherwise described in (a), Other Taxes;

“Initial Order” means the order of the Court in the CCAA Proceeding dated May 21, 2024;

“Intercompany Charge” means the super-priority charge to be granted by the Court to secure obligations between Obligors;

“Law” means any federal, provincial, county, territorial, district, municipal, local, foreign, supranational or international. law, statute, ordinance, regulation, by-law, rule, code, treaty or rule of common law or otherwise of, or any order, judgment, injunction, decree or similar authority enacted, issued, promulgated, enforced or entered by, any Governmental Authority;

“Material Adverse Effect” means a material adverse effect on the business, operations, results of operations, assets, liabilities or financial condition of the Obligors or their ability to comply with their obligations under this Agreement, any other DIP Loan Document or any Court Order;

“Material Contract” means, with respect to any particular Person, any contract, licence or other agreement to which such Person is a party or by which it is bound that is material to such Person’s

business, operations, properties, assets or prospects, having regard to the subject matter thereof or the potential consequences of a breach or termination thereof;

“**Maturity Date**” has the meaning given to that term in Section 19;

“**Maximum Loan Amount**” has the meaning given to that term in Section 7;

“**Monitor**” means Deloitte Restructuring Inc., as the Court-appointed Monitor of the Obligors in the CCAA Proceeding;

“**Net Proceeds**” means the applicable gross sale price, less applicable Taxes, customary closing adjustments, reasonable legal fees and expenses and other expenses incurred in respect of the relevant sale, all subject to DIP Lender approval;

“**Obligors**” has the meaning given to that term in Section 5;

“**Other Connection Taxes**” means, with respect to the DIP Lender and any other recipient of any payment to be made by or on account of any DIP Obligations, Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing the Tax (other than a connection arising from the execution, delivery, enforcement of, or performance under, or receipt of payments under any DIP Loan Document, or from the sale or assignment of an interest in any Advance or DIP Loan Document);

“**Other Taxes**” means any and all present or future stamp, recording, filing, documentary or similar taxes or any other excise or property taxes, charges or similar levies arising from any payment (or deemed payment) made hereunder or under any other DIP Loan Document or from the execution, delivery or enforcement of, or performance under or otherwise with respect to this Agreement or any other DIP Loan Document (other than Excluded Taxes and Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 37));

“**Permitted Encumbrance**” means Permitted Liens (as defined in the BMO Credit Agreement) that existed on the Filing Date, the BMO Security and the Charges;

“**Person**” means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, corporation, Governmental Authority, and where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;

“**Pre-Existing Debt**” has the meaning given to that term in Section 25(b);

“**Priority Payables**” means harmonized sales tax, sales Tax and any amount payable or accrued by the Obligors which is secured by an Encumbrance (other than the Administration Charge) which ranks or is capable of ranking prior to or *pari passu* with the DIP Charge, including amounts accrued or owing for wages, vacation pay, termination pay (only where it is a priority payable), employee deductions, or Taxes, and other statutory or other claims that have or may have priority over, or rank *pari passu* with, the DIP Charge;

“Recoverable Expenses” has the meaning given to that term in Section 13;

“Sale” means a sale of all or substantially all of the assets, property and undertaking of Sierra Custom Foods Inc. or all of the equity interests of Sierra Custom Foods Inc., to the extent approved by the DIP Lender, in its sole discretion;

“Sale Order” has the meaning given to that term in Section 26(q)(iv);

“Sale Process Order” means the order of the Court approving a SISP with respect to the Sale;

“SISP” means the sale and investment solicitation process to solicit proposals to purchase or invest in some or all of the assets and/or the business of Sierra Custom Foods Inc.;

“Standby Fee” has the meaning given to that term in Section 12(b);

“Tax” and **“Taxes”** means any taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Governmental Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, excise, withholding, business, franchising, property, development, occupancy, payroll, health, social services, education, employment and all social security taxes, all surtaxes, all customs, duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance and health insurance, and other government pension plan premiums or contributions; and

“Wind-down” means the wind-down of the operations and the cessation of business activity of Eastern Meat Solutions Inc., to the extent approved by the DIP Lender, in its sole discretion.

SCHEDULE B
ADVANCE NOTICE

To: Bank of Montreal
19th Floor, 100 King Street West
Toronto, Ontario
M5X 1A1

This Advance Notice is delivered pursuant to the DIP Facility Loan Agreement dated May 28, 2024 made among Eastern Meat Solutions Inc., Sierra Custom Foods Inc. and Sierra Supply Chain Services Inc., as borrowers (the “**Borrowers**”) and Bank of Montreal, as DIP Lender (as amended, restated or otherwise modified from time to time, the “**DIP Loan Agreement**”). All terms used herein as defined terms and not otherwise defined shall have the respective meanings ascribed thereto in the DIP Loan Agreement.

1. The Borrowers hereby request Advance as follows:

Date of Advance: _____, 20__

Amount of Advance: \$_____

Borrower: _____

2. The Borrowers hereby certify that as at the date of this Advance Notice and the date of the Advance requested hereby:

- (a) the proposed use of the proceeds of the proposed Advance is in accordance with the DIP Budget;
- (b) the representations and warranties contained in the DIP Loan Agreement are true and correct in all material respects (except for any such representations and warranties which are specifically expressed to have been given only as at the date of the DIP Loan Agreement); and
- (c) no Default or Event of Default has occurred or will occur after giving effect to the Advance.

[signature page follows]

Dated this _____ day of _____, 20__ .

SIERRA SUPPLY CHAIN SERVICES INC.

By: _____
Name:
Title:

Approved this _____ day of _____, 20__ .

DELOITTE RESTRUCTURING INC., solely in
its capacity as Court-appointed Monitor of Sierra
Supply Chain Services Inc. *et al.* and not in its
personal capacity

By: _____
Name:
Title:

SCHEDULE C

DIP BUDGET

See attached

Eastern Meats Solutions Inc.

19 Week Cash Flow Forecast (CAD)

For the period May 20, 2024 to
September 29, 2024

	20-May-24	27-May-24	3-Jun-24	10-Jun-24	17-Jun-24	24-Jun-24	1-Jul-24	8-Jul-24	15-Jul-24	22-Jul-24
	26-May-24	2-Jun-24	9-Jun-24	16-Jun-24	23-Jun-24	30-Jun-24	7-Jul-24	14-Jul-24	21-Jul-24	28-Jul-24
RECEIPTS										
Customer receipts	1,670,243	1,805,364	3,997,781	3,664,633	2,998,336	2,665,187	3,719,534	3,270,624	2,629,325	2,308,676
HST Refund	-	274,393	-	-	274,393	-	-	-	274,393	-
DIP Funding requirement	-	200,000	-	500,000	-	500,000	-	-	-	-
Total Receipts	1,670,243	2,279,757	3,997,781	4,164,633	3,272,729	3,165,187	3,719,534	3,270,624	2,903,718	2,308,676
DISBURSEMENTS										
Raw Materials	1,106,354	2,709,531	2,470,551	3,612,043	2,569,242	2,766,624	1,692,997	2,116,247	2,398,413	2,499,522
Salaries and benefits	331,045	51,307	308,976	100,043	308,976	100,043	308,302	100,043	307,403	100,043
Rent and leases	-	45,000	885,808	22,500	22,500	22,500	885,808	22,500	22,500	22,500
Utilities	-	-	128,376	-	-	-	126,273	-	-	-
Selling, General, and Admin	53,646	80,469	130,243	167,869	136,031	147,609	71,334	89,167	101,056	105,316
Interest	-	179,572	-	-	-	179,572	-	-	-	193,572
Professional fees (consultants)	-	-	125,000	125,000	125,000	125,000	122,500	122,500	122,500	122,500
Total Disbursements	1,491,045	3,065,879	4,048,953	4,027,455	3,161,749	3,341,348	3,207,213	2,450,456	2,951,872	3,043,453
Net Inflow/ (Outflow)	179,197	(786,122)	(51,172)	137,178	110,979	(176,160)	512,321	820,168	(48,153)	(734,777)
Opening Balance	887,286	1,066,484	280,362	229,189	366,367	477,347	301,187	813,507	1,633,675	1,585,522
Closing Balance	1,066,484	280,362	229,189	366,367	477,347	301,187	813,507	1,633,675	1,585,522	850,745

Eastern Meats Solutions Inc. 19 Week Cash Flow Forecast (CAD) For the period May 20, 2024 to September 29, 2024											
	29-Jul-24	5-Aug-24	12-Aug-24	19-Aug-24	26-Aug-24	2-Sep-24	9-Sep-24	16-Sep-24	23-Sep-24	Total	Notes
	4-Aug-24	11-Aug-24	18-Aug-24	25-Aug-24	1-Sep-24	8-Sep-24	15-Sep-24	22-Sep-24	29-Sep-24		
RECEIPTS											
Customer receipts	2,730,199	3,010,340	3,206,667	2,683,129	2,355,918	4,553,184	4,173,752	3,414,888	3,035,456	57,893,238	1
HST Refund	-	-	-	274,393	-	-	-	-	-	1,097,572	2
DIP Funding requirement	500,000	-	-	-	300,000	-	-	-	1,100,000	3,100,000	3
Total Receipts	3,230,199	3,010,340	3,206,667	2,957,522	2,655,918	4,553,184	4,173,752	3,414,888	4,135,456	62,090,810	
DISBURSEMENTS											
Raw Materials	2,358,742	2,186,169	2,495,877	2,981,692	2,639,341	2,753,887	3,511,206	3,373,512	4,130,831	50,372,781	4
Salaries and benefits	303,611	100,043	289,709	100,043	289,709	100,043	318,123	100,043	318,123	3,935,625	5
Rent and leases	885,808	22,500	22,500	22,500	-	885,808	22,500	22,500	22,500	3,858,230	6
Utilities	128,950	-	-	-	-	127,366	-	-	-	510,964	7
Selling, General, and Admin	64,730	47,557	54,295	64,863	57,465	52,331	66,723	64,106	78,497	1,633,307	8
Interest	-	-	-	-	199,405	-	-	-	202,905	955,026	9
Professional fees (consultants)	-	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	1,490,000	10
Total Disbursements	3,741,840	2,418,769	2,924,880	3,231,598	3,248,421	3,981,935	3,981,052	3,622,660	4,815,356	62,755,934	
Net Inflow/ (Outflow)	(511,641)	591,571	281,786	(274,075)	(592,502)	571,250	192,701	(207,772)	(679,900)	(665,124)	
Opening Balance	850,745	339,104	930,675	1,212,461	938,386	345,884	917,133	1,109,834	902,062	887,286	
Closing Balance	339,104	930,675	1,212,461	938,386	345,884	917,133	1,109,834	902,062	222,162	222,162	

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., SIERRA CUSTOM FOODS INC., SIERRA SUPPLY CHAIN SERVICES INC., SIERRA REALTY CORPORATION, RVB HOLDINGS INC., VANDEN BROEK HOLDINGS (2008) INC., SIERRA 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 28, 2024)**

THORNTON GROUT FINNIGAN LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7

Rebecca L. Kennedy (LSO# 61146S)
Email: rkennedy@tgf.ca

D.J. Miller (LSO#34393P)
Email: djmiller@tgf.ca

Adam Driedger (LSO #77296F)
Email: adriedger@tgf.ca

Tel: (416) 304-1616
Fax: (416) 304-1313

Lawyers for the Applicants

Tab 3

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

THE HONOURABLE)	TUESDAY, THE 21 st
)	
JUSTICE PENNY)	DAY OF MAY, 2024

**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.,
SIERRA CUSTOM FOODS INC., SIERRA SUPPLY CHAIN
SERVICES INC., SIERRA REALTY CORPORATION,
RVB HOLDINGS INC., VANDEN BROEK HOLDINGS (2008)
INC., SIERRA REALTY CALGARY CORPORATION AND
EASTERN MEAT SOLUTIONS (USA) CORP.**

Applicants

AMENDED AND RESTATED INITIAL ORDER

THIS MOTION, made by Eastern Meat Solutions Inc., Sierra Custom Foods Inc., Sierra Supply Chain Services Inc., Sierra Realty Corporation, RVB Holdings Inc., Vanden Broek Holdings (2008) Inc., Sierra Realty Calgary Corporation, and Eastern Meat Solutions (USA) Corp. (each, an “**Applicant**” and collectively, the “**Applicants**”) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) for an order amending and restating the initial order issued by this Court on May 21, 2024 (the “**Initial Order**”) was heard this day by videoconference, at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Robert Vanden Broek sworn May 21, 2024 and the Exhibits thereto (the “**First Vanden Broek Affidavit**”), the affidavit of Robert Vanden Broek sworn May 28, 2024 and the Exhibits thereto (the “**Second Vanden Broek Affidavit**”), the Pre-Filing Report dated May 21, 2024 of Deloitte Restructuring Inc. (“**Deloitte**”), solely in its capacity as the proposed monitor of the Applicants (in such capacity, the “**Monitor**”), the First Report of

the Monitor dated May ►, 2024, 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 although duly served as appears from the affidavit of service of ► sworn May ►, 2024, filed, and on reading the consent of Deloitte to act as the Monitor,

SERVICE

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

CAPITALIZED TERMS

2. **THIS COURT ORDERS** that all capitalized terms not expressly defined herein are defined, and have the meanings set forth, in the First Vanden Broek Affidavit.

APPLICATION

3. **THIS COURT ORDERS** that each Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

POSSESSION OF PROPERTY AND OPERATIONS

5. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, contractors, agents, experts, accountants, counsel, and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem

reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Vanden Broek Affidavit or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity, or legality of any transfer, payment, collection, or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected, or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System on or after the date of this Order.

7. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to: (i) use their corporate credit cards (the “**Credit Cards**”) issued by the Bank of Montreal (“**BMO**”) provided that the Applicants shall make full repayment of all amounts outstanding thereunder, including any charges incurred prior to the date of this Order; but otherwise (ii) have no further access to the BMO Credit Facilities. All post-filing charges on the Credit Cards must be in relation to necessary business expenses of the applicable Applicant set forth in the Cash Flow Forecast, as amended from time to time in accordance with the DIP Credit Agreement (as defined below).

8. **THIS COURT ORDERS** that, subject to the Cash Flow Forecast, as may be amended from time to time in accordance with the DIP Credit Agreement (as defined below), the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, and employee expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings at their standard rates and charges;
- (c) any payments required by the Applicants to maintain any of the licenses under the *Safe Food for Canadians Act*, S.C. 2012, c. 24; and
- (d) subject to the approval of the Monitor, amounts owing for goods or services supplied to the Applicants prior to the date of this Order if, in the opinion of the Applicants, such payments are necessary or desirable to avoid disruption to the Business or the Applicants, including, without limitation, amounts owing for goods or services in transit or otherwise supplied to the Applicants prior to the date of this Order by warehouse providers, logistics or supply chain providers, transportation providers, customs brokers, freight forwarders, and amounts payable in respect of customs and duties for goods.

9. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, and subject to the Cash Flow Forecast, as may be amended from time to time in accordance with the DIP Credit Agreement (as defined below), the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business, including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance, and security services; and
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order or payments to obtain the release of goods or delivery of services contracted for prior to the date of this Order.

10. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) income taxes, (iv) statutory deductions in the United States, and (v) 401(k) contributions in respect of employees domiciled in the United States;
- (b) all goods, services, excise, or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

11. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases for premises occupied by the Applicants (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be or has been negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears), or at such other time intervals and dates as may be agreed to between the Applicants, with the consent of the Monitor, and the applicable landlord. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

12. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date, other than if paid in accordance with the Cash Flow Forecast, as amended from time to time in accordance with the DIP Credit Agreement (as defined below), and as approved by the Monitor or the Court; (b) to grant no security interests, trust, liens, charges, or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

13. **THIS COURT ORDERS** that the Applicants, with prior consent of the Monitor and in consultation with the DIP Lender (as defined below), shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize, or shut down any of their Business or operations;
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and
- (c) pursue all avenues of refinancing or restructuring their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or restructuring,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

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

Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If an Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to such Applicant's claim to the fixtures in dispute.

15. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then, in each case, subject to compliance in all respects with all applicable food health and safety regulations: (a) during the notice period prior to the effective time of the disclaimer, the landlord may, subject to applicable law, show the affected leased premises to prospective tenants between 9:00 a.m. and 5:00 p.m. on any day, other than a Saturday, Sunday, or statutory holiday, on which Canadian chartered banks are open for business in Toronto, Ontario, on giving the relevant Applicant and the Monitor at least 48 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the applicable Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

16. **THIS COURT ORDERS** that until and including September 30, 2024, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court or the written consent of the Applicants and the Monitor.

NO EXERCISE OF RIGHTS OR REMEDIES

17. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits, or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

18. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate, or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence, or permit in favour of or held by any of the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

NO PRE-FILING VS POST-FILING OR TRIANGULAR SET-OFF

19. **THIS COURT ORDERS** that no Person shall be entitled to set off any amounts that: (a) are or may become due to the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due from the Applicants in respect of obligations arising on or after the date of this Order; or (b) are or may become due from the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due to the Applicants in respect of obligations arising on or after the date of this Order, in each case without the consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall prejudice any arguments any Person may want to make in seeking leave of the Court or following the granting of such leave.

20. **THIS COURT ORDERS** that, subject to obtaining the consent of the Applicants and the Monitor or leave of the Court, no Person shall be entitled to set off any amounts that are or may

become due to any Applicant in respect of any obligations (whether arising prior to, on, or after the date of this Order) with any amounts that are or may become due from any Applicant (whether arising prior to, on, or after the date of this Order) to anyone other than that Person or Applicant, as the case may be. For greater certainty, references herein to Person and Applicant do not include any affiliates or related parties of that Person or Applicant.

CONTINUATION OF SERVICES

21. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements or arrangements with any of the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including, without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or any of the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending, or terminating the supply of such goods or services as may be required by any of the Applicants or exercising any other remedy provided under the agreements or arrangements, including, without limitation, by charging increased rates for such goods and services in a manner that is inconsistent with existing agreements or arrangements, and that each of the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses, and domain names, provided in each case that the normal or existing prices or charges for all such goods or services received after the date of this Order are paid by the applicable Applicant in accordance with normal or existing payment practices of the applicable Applicant or such other practices as may be agreed upon by the supplier or service provider and the applicable Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

22. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

23. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current, or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a Plan in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

24. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of such director's or officer's gross negligence or wilful misconduct.

25. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$750,000 unless permitted by further Order of this Court, as security for the indemnity provided in paragraph 24 of this Order. The Directors' Charge shall have the priority set out in paragraphs 45 and 47 herein.

26. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' current and future directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 24 of this Order.

APPOINTMENT OF MONITOR

27. **THIS COURT ORDERS** that Deloitte is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants

with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by any of the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

28. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements, including, without limitation, in respect of any accounts controlled by third parties;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicants, to the extent required by the Applicants, in disseminating to the DIP Lender the financial and other information as agreed to between the Applicants and the DIP Lender in accordance with the terms of the DIP Documents (as defined below);
- (d) advise the Applicants in their preparation of the Applicants' cash flow statements and any other reporting required by the DIP Lender pursuant to the DIP Credit Agreement (each as defined below);
- (e) advise the Applicants in their development of any Plan, or in respect of any other restructuring transaction that may be pursued by the Applicants;
- (f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' Business and financial affairs or to perform its duties arising under this Order;

- (g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (h) have unrestricted access to the operating account with BMO in relation to the Cold Storage Agreement between Sierra Supply Chain Services Inc. and Confederation Freezers Inc. to monitor activity of the funds; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

29. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer for any purpose whatsoever.

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

31. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditors addressed to the Monitor and, without limiting the foregoing, the Monitor shall provide the DIP Lender (as defined below) with any information contemplated by the DIP Credit Agreement (as defined below). The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

32. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor any its employees and representatives acting in such capacities shall incur any liability or obligation as a result of the appointment of the Monitor or the carrying out by it of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

33. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the Applicants shall be paid their reasonable fees and disbursements (including pre-filing fees and disbursements incurred in connection with preparing for this proceeding), in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, and counsel for the Applicants on a bi-weekly basis or on such other terms as may be agreed to by the applicable parties and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicants, retainers in the amount of \$50,000, \$35,000, and \$50,000, respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

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

35. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the Applicants shall be entitled to the benefit of and are hereby granted a charge (the “**Administration**

Charge") on the Property, which charge shall not exceed an aggregate amount of \$750,000, unless permitted by further Order of this Court, as security for their professional fees and disbursements incurred both before and after the making of this Order at their standard rates and charges. The Administration Charge shall have the priority set out in paragraphs 45 and 47 hereof.

DIP FINANCING

36. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from the Bank of Montreal (the "**DIP Lender**"), in order to finance the Applicants' working capital requirements, the costs of these proceedings, and other general corporate purposes, provided that the principal borrowings under such credit facility shall not exceed \$3,350,000 (plus accrued and unpaid interest, fees and reimbursable expenses) unless permitted by further Order of this Court.

37. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the DIP Facility Loan Agreement between the Applicants and the DIP Lender dated as of May 28, 2024 (the "**DIP Credit Agreement**"), attached as Exhibit "C" to the Second Vanden Broek Affidavit.

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

39. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not exceed the aggregate amount owed to the DIP Lender under or in connection with the DIP Credit Agreement and the other DIP Documents, and which DIP Charge shall secure all indebtedness, liabilities and obligations incurred by the Applicants under or in connection with the

BMO Credit Agreement from and including the date of the Initial Order to the date of this Order. The DIP Lender's Charge shall have the priority set out in paragraphs 45 to 47 hereof.

40. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the DIP Lender under this Order or at law, the DIP Lender shall not incur any liability or obligation as a result of the carrying out of the provisions of this Order, save and except for any gross negligence or willful misconduct on its part.

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

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the DIP Documents;
- (b) upon the occurrence of an event of default under the DIP Credit Agreement, the other DIP Documents, or the DIP Lender's Charge, the DIP Lender, upon three (3) business days' written notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Credit Agreement, the other DIP Documents, and the DIP Lender's Charge, including, without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Credit Agreement, the other DIP Documents, and the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager, or interim receiver, or for a bankruptcy order against any of the Applicants and for the appointment of a trustee in bankruptcy of any of the Applicants; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

42. **THIS COURT ORDERS** that the DIP Lender shall be treated as unaffected in any Plan filed in these CCAA proceedings in respect of the Applicants, or any proposal filed under the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) in respect of the Applicants with respect to any advances made under the DIP Credit Agreement and the other DIP Documents.

INTERCOMPANY LENDING

43. **THIS COURT ORDERS** that on or after the date of this Order, in each case, subject to the approval of the Monitor, any of the Applicants may make any payment to or on behalf of, or incur any obligation on behalf of, or discharge any obligation of, any of the other Applicants, or otherwise transfer value to, or for the benefit of, any of the other Applicants for the purpose of funding the Business or other restructuring costs (including any interim expenditures).

44. **THIS COURT ORDERS** that, to the extent any of the Applicants (in each case, an “**Intercompany Lender**”) after the date of this Order, and subject to the approval of the Monitor, makes any payment to or on behalf of, or incurs any obligation on behalf of, or discharges any obligation of, any of the other Applicants or otherwise transfers value to, or for the benefit of, any of the other Applicants (in each case, the “**Borrowing Applicant**”), such Intercompany Lender is hereby granted a charge (each, an “**Intercompany Charge**”) on all of the Property of the Borrowing Applicant in the amount of such payment, obligation, or transfer of value. The Applicants and the Monitor shall take into account the amount of each Intercompany Charge granted by and to each Applicant to determine the net amount secured by each Intercompany Charge. Each Intercompany Charge shall have the priority set out in paragraphs 45 and 47 hereof; provided that, for greater certainty, each Intercompany Charge shall rank *pari passu* with any other Intercompany Charge, as applicable.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

45. **THIS COURT ORDERS** that the priorities of the Administration Charge, the DIP Lender’s Charge, the Directors’ Charge, and the Intercompany Charges (collectively, the “**Charges**”) and the security held by BMO in connection with the BMO Credit Facilities (including the Credit Cards) (the “**BMO Security**”), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$750,000);

Second – DIP Lender’s Charge;

Third – Directors’ Charge (to the maximum amount of \$750,000);

Fourth – BMO Security; and

Fifth – Intercompany Charges.

46. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

47. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, deemed trusts, liens, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person, save for the Intercompany Charge, which charge shall be subordinate to the BMO Security and Encumbrances in favour of BMO.

48. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor, and the beneficiaries of the applicable Charges, or further Order of this Court.

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

“**Agreement**”) which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

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

50. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Applicant’s interest in such real property leases.

SERVICE AND NOTICE

51. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in *The Globe and Mail* (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and addresses of individuals (but not corporate entities) who are creditors publicly available unless otherwise ordered by the Court.

52. **THIS COURT ORDERS** that the Guide Concerning Commercial List E-Service (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.insolvencies.deloitte.ca/easternmeat> (the “**Monitor’s Website**”).

53. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile or other electronic transmission to the Applicants’ creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service, distribution or notice shall be deemed to be received: (a) if sent by courier, on the next business day following the date of forwarding thereof, (b) if delivered by personal delivery or facsimile or other electronic transmission, on the day so delivered, and (c) if sent by ordinary mail, on the third business day after mailing.

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

55. **THIS COURT ORDERS** that any interested party wishing to object to the relief sought in a motion brought by the Applicants or the Monitor in these proceedings shall, subject to further

Order of this Court, provide the service list in these proceedings (the “**Service List**”) with responding motion materials or a written notice (including by e-mail) stating its objection to the motion and the grounds for such objection by no later than 5:00 p.m. Eastern Standard/Daylight Time on the date that is two business days prior to the date such motion is returnable (the “**Objection Deadline**”). The Monitor shall have the ability to extend the Objection Deadline by notice in writing.

56. **THIS COURT ORDERS** that following the expiry of the Objection Deadline, counsel to the Monitor may inform the Court of the absence or the status of any objections to the motion and the judge having carriage of the motion may determine (a) whether a hearing in respect of the motion is necessary, (b) if a hearing is necessary, the date and time of the hearing, (c) whether such hearing will be in person or videoconference, or by written submissions only, and (d) the parties from whom submissions are required. In the absence of any such determination, a hearing will be held in the ordinary course on the date specified in the notice of motion.

GENERAL

57. **THIS COURT ORDERS** that any interested party that wishes to amend or vary this Order shall be entitled to appear or bring a motion before this Court on not less than five business days’ notice to the Service List and any other party or parties likely to be affected by the Order sought by such interested party; provided, however, that the Chargees shall be entitled to rely on this Order as issued and entered and on the Charges and priorities set forth in paragraphs 45 and 47 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied, or stayed.

58. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their respective powers and duties hereunder.

59. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Applicants, the Business, or the Property.

60. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give

effect to this Order and to assist the Applicants, the Monitor, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

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

62. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing.

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., SIERRA CUSTOM FOODS INC., SIERRA SUPPLY CHAIN SERVICES INC., SIERRA REALTY CORPORATION, RVB HOLDINGS INC., VANDEN BROEK HOLDINGS (2008) INC., SIERRA 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

AMENDED AND RESTATED INITIAL ORDER

Thornton Grout Finnigan LLP

TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7

Rebecca L. Kennedy (LSO# 61146S)

Email: rkennedy@tgf.ca

D.J. Miller (LSO#34393P)

Email: djmiller@tgf.ca

Adam Driedger (LSO #77296F)

Email: adriedger@tgf.ca

Tel: (416) 304-1616

Fax: (416) 304-1313

Lawyers for the Applicants

Tab 4

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE —) ~~WEEKDAY~~ TUESDAY, THE #21st
)
JUSTICE — PENNY) DAY OF ~~MONTH~~ MAY, ~~20YR~~ 2024

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 ~~[APPLICANT'S NAME]~~ (the
"Applicant") EASTERN MEAT SOLUTIONS INC., SIERRA
CUSTOM FOODS INC., SIERRA SUPPLY CHAIN
SERVICES INC., SIERRA REALTY CORPORATION,
RVB HOLDINGS INC., VANDEN BROEK HOLDINGS
(2008) INC., SIERRA REALTY CALGARY CORPORATION
AND EASTERN MEAT SOLUTIONS (USA) CORP.

Applicants

AMENDED AND RESTATED INITIAL ORDER

THIS ~~APPLICATION, made by the Applicant,~~ MOTION, made by Eastern Meat Solutions Inc., Sierra Custom Foods Inc., Sierra Supply Chain Services Inc., Sierra Realty Corporation, RVB Holdings Inc., Vanden Broek Holdings (2008) Inc., Sierra Realty Calgary Corporation, and Eastern Meat Solutions (USA) Corp. (each, an "Applicant" and collectively, the "Applicants") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") for an order amending and restating the initial order issued by this Court on May 21, 2024 (the "Initial Order") was heard this day by videoconference, at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~ Robert Vanden Broek sworn ~~[DATE]~~ May 21, 2024 and the Exhibits thereto, ~~and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and~~ (the "First Vanden Broek

Affidavit”), the affidavit of Robert Vanden Broek sworn May 28, 2024 and the Exhibits thereto (the “Second Vanden Broek Affidavit”), the Pre-Filing Report dated May 21, 2024 of Deloitte Restructuring Inc. (“Deloitte”), solely in its capacity as the proposed monitor of the Applicants (in such capacity, the “Monitor”), the First Report of the Monitor dated May ►, 2024, and on hearing the submissions of counsel for ~~[NAMES]~~, ~~no one appearing for [NAME]~~¹ the Applicants, counsel for the Monitor, and such other counsel that were present, no one else appearing although duly served as appears from the affidavit of service of ~~[NAME]~~► sworn ~~[DATE]~~ May ►, 2024, filed, and on reading the consent of ~~[MONITOR’S NAME]~~ Deloitte to act as the Monitor,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of ~~Application~~ Motion and the ~~Application~~ Motion Record is hereby abridged and validated² so that this ~~Application~~ Motion is properly returnable today and hereby dispenses with further service thereof.

CAPITALIZED TERMS

2. THIS COURT ORDERS that all capitalized terms not expressly defined herein are defined, and have the meanings set forth, in the First Vanden Broek Affidavit.

APPLICATION

3. ~~2.~~ THIS COURT ORDERS AND DECLARES that ~~the~~ each Applicant is a company to which the CCAA applies.

¹~~Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).~~

²~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

PLAN OF ARRANGEMENT

4. ~~3.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

POSSESSION OF PROPERTY AND OPERATIONS

5. ~~4.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall remain in possession and control of ~~its~~their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the ~~Applicant~~Applicants shall continue to carry on business in a manner consistent with the preservation of ~~its~~their business (the "Business") and Property. The ~~Applicant is~~Applicants are authorized and empowered to continue to retain and employ the employees, consultants, contractors, agents, experts, accountants, counsel, and such other persons (collectively "Assistants") currently retained or employed by ~~it~~them, with liberty to retain such further Assistants as ~~it deems~~they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. ~~5.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall be entitled to continue to utilize the central cash management system³ currently in place as described in the Vanden Broeck Affidavit ~~of [NAME] sworn [DATE]~~ or replace it with another substantially similar central cash management system (the "Cash Management System") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity, or legality of any transfer, payment, collection, or other action taken under the Cash Management System, or as to the use or application by the ~~Applicant~~Applicants of funds transferred, paid, collected, or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the

³ ~~This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross-border and inter-company transfers of cash.~~

~~Applicant~~Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under ~~the~~any Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System. ~~on or after the date of this Order.~~

7. THIS COURT ORDERS that the Applicants shall be entitled to continue to: (i) use their corporate credit cards (the “Credit Cards”) issued by the Bank of Montreal (“BMO”) provided that the Applicants shall make full repayment of all amounts outstanding thereunder, including any charges incurred prior to the date of this Order; but otherwise (ii) have no further access to the BMO Credit Facilities. All post-filing charges on the Credit Cards must be in relation to necessary business expenses of the applicable Applicant set forth in the Cash Flow Forecast, as amended from time to time in accordance with the DIP Credit Agreement (as defined below).

8. ~~6.~~ THIS COURT ORDERS that ~~the Applicant~~, subject to the Cash Flow Forecast, as may be amended from time to time in accordance with the DIP Credit Agreement (as defined below), the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, and employee expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; ~~and~~
- (b) the fees and disbursements of any Assistants retained or employed by the ~~Applicant~~Applicants in respect of these proceedings, ~~at their standard rates and charges;~~
- (c) any payments required by the Applicants to maintain any of the licenses under the Safe Food for Canadians Act, S.C. 2012, c. 24; and
- (d) subject to the approval of the Monitor, amounts owing for goods or services supplied to the Applicants prior to the date of this Order if, in the opinion of the Applicants,

such payments are necessary or desirable to avoid disruption to the Business or the Applicants, including, without limitation, amounts owing for goods or services in transit or otherwise supplied to the Applicants prior to the date of this Order by warehouse providers, logistics or supply chain providers, transportation providers, customs brokers, freight forwarders, and amounts payable in respect of customs and duties for goods.

9. ~~7.~~ **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, ~~the Applicant~~ and subject to the Cash Flow Forecast, as may be amended from time to time in accordance with the DIP Credit Agreement (as defined below), the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the ~~Applicant~~ Applicants in carrying on the Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business, including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance, and security services; and
- (b) payment for goods or services actually supplied to the ~~Applicant~~ Applicants following the date of this Order or payments to obtain the release of goods or delivery of services contracted for prior to the date of this Order.

10. ~~8.~~ **THIS COURT ORDERS** that the ~~Applicant~~ Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) ~~Quebec Pension Plan, and~~ (iv) income taxes income taxes, (iv) statutory deductions in the United States, and (v) 401(k) contributions in respect of employees domiciled in the United States;

- (b) all goods~~and~~, services, excise, or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the ~~Applicant~~Applicants in connection with the sale of goods and services by the ~~Applicant~~Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order;³ and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the ~~Applicant~~Applicants.

11. ~~9.~~ **THIS COURT ORDERS** that until a real property lease is disclaimed ~~for~~ ~~resiliated~~⁴ in accordance with the CCAA, the ~~Applicant~~Applicants shall pay all amounts constituting rent or payable as rent under real property leases for premises occupied by the Applicants (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be or has been negotiated between the ~~Applicant~~Applicants and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, ~~twice monthly~~twice monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears), or at such other time intervals and dates as may be agreed to between the Applicants, with the consent of the Monitor, and the applicable landlord. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

12. ~~10.~~ **THIS COURT ORDERS** that, except as specifically permitted herein, the ~~Applicant~~ ~~is~~Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the ~~Applicant~~Applicants

⁴ ~~The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.~~

to any of ~~its~~their creditors as of this date, other than if paid in accordance with the Cash Flow Forecast, as amended from time to time in accordance with the DIP Credit Agreement (as defined below), and as approved by the Monitor or the Court; (b) to grant no security interests, trust, liens, charges, or encumbrances upon or in respect of any of ~~its~~their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

13. ~~11.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants, with prior consent of the Monitor and in consultation with the DIP Lender (as defined below), shall, subject to such requirements as are imposed by the CCAA ~~and such covenants as may be contained in the Definitive Documents (as hereinafter defined)~~, have the right to:

- (a) permanently or temporarily cease, downsize, or shut down any of ~~its business~~their Business or operations, ~~[and to dispose of redundant or non-material assets not exceeding \$• in any one transaction or \$• in the aggregate]~~⁵;
- (b) ~~t~~erminate the employment of such of ~~its~~their employees or temporarily lay off such of ~~its~~their employees as ~~it deems~~they deem appropriate~~;~~; and
- (c) pursue all avenues of refinancing ~~of its~~or restructuring their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or restructuring,

all of the foregoing to permit the ~~Applicant~~Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

14. ~~12.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall provide each of the relevant landlords with notice of the relevant Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The

⁵ ~~Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.~~

relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes ~~the~~such Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the relevant Applicant, or by further Order of this Court upon application by the ~~Applicant~~Applicants on at least two (2) days notice to such landlord and any such secured creditors. If ~~the~~an Applicant disclaims ~~{or-resiliates}~~ the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer ~~{or-resiliation}~~ of the lease shall be without prejudice to ~~the Applicant's~~such Applicant's claim to the fixtures in dispute.

15. ~~13.~~ **THIS COURT ORDERS** that if a notice of disclaimer ~~{or-resiliation}~~ is delivered pursuant to Section 32 of the CCAA, then, in each case, subject to compliance in all respects with all applicable food health and safety regulations: (a) during the notice period prior to the effective time of the disclaimer ~~{or-resiliation}~~, the landlord may, subject to applicable law, show the affected leased premises to prospective tenants ~~during normal business hours~~between 9:00 a.m. and 5:00 p.m. on any day, other than a Saturday, Sunday, or statutory holiday, on which Canadian chartered banks are open for business in Toronto, Ontario, on giving the relevant Applicant and the Monitor ~~24~~at least 48 hours' prior written notice, and (b) at the effective time of the disclaimer ~~{or-resiliation}~~, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the applicable Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE ~~APPLICANT~~APPLICANTS OR THE PROPERTY

16. ~~14.~~ **THIS COURT ORDERS** that until and including ~~{DATE—MAX.~~September 30 ~~DAYS}~~, 2024, or such later date as this Court may order (the ~~"Stay Period"~~), no proceeding or enforcement process in any court or tribunal (each, a ~~"Proceeding"~~) shall be commenced or continued against or in respect of the ~~Applicant~~Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the ~~Applicant~~Applicants and the

Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the ApplicantApplicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court or the written consent of the Applicants and the Monitor.

NO EXERCISE OF RIGHTS OR REMEDIES

17. ~~15.~~ **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the ApplicantApplicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the ApplicantApplicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the ApplicantApplicants to carry on any business which the Applicant isApplicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits, or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

18. ~~16.~~ **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate, or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence, or permit in favour of or held by any of the ApplicantApplicants, except with the written consent of the ApplicantApplicants and the Monitor, or leave of this Court.

NO PRE-FILING VS POST-FILING OR TRIANGULAR SET-OFF

19. **THIS COURT ORDERS** that no Person shall be entitled to set off any amounts that: (a) are or may become due to the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due from the Applicants in respect of obligations arising on or after the date of this Order; or (b) are or may become due from the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due to the Applicants in respect of obligations arising on or after the date of this Order, in each

case without the consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall prejudice any arguments any Person may want to make in seeking leave of the Court or following the granting of such leave.

20. THIS COURT ORDERS that, subject to obtaining the consent of the Applicants and the Monitor or leave of the Court, no Person shall be entitled to set off any amounts that are or may become due to any Applicant in respect of any obligations (whether arising prior to, on, or after the date of this Order) with any amounts that are or may become due from any Applicant (whether arising prior to, on, or after the date of this Order) to anyone other than that Person or Applicant, as the case may be. For greater certainty, references herein to Person and Applicant do not include any affiliates or related parties of that Person or Applicant.

CONTINUATION OF SERVICES

21. ~~17.~~ THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements or arrangements with any of the ~~Applicant~~ Applicants or statutory or regulatory mandates for the supply of goods and/or services, including, without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or any of the ~~Applicant~~ Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending, or terminating the supply of such goods or services as may be required by the ~~Applicant, and that the Applicant~~ any of the Applicants or exercising any other remedy provided under the agreements or arrangements, including, without limitation, by charging increased rates for such goods and services in a manner that is inconsistent with existing agreements or arrangements, and that each of the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses, and domain names, provided in each case that the normal or existing prices or charges for all such goods or services received after the date of this Order are paid by the applicable Applicant in accordance with normal or existing payment practices of the applicable Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the applicable Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

22. ~~18.~~ **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of ~~lease~~leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the ~~Applicant~~Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.⁶

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

23. ~~19.~~ **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current, or future directors or officers of the ~~Applicant~~Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the ~~Applicant~~Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a ~~compromise or arrangement~~Plan in respect of the ~~Applicant~~Applicants, if one is filed, is sanctioned by this Court or is refused by ~~the creditors of the Applicant or~~ this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

24. ~~20.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall indemnify ~~its~~their directors and officers against obligations and liabilities that they may incur as directors or officers of the ~~Applicant~~Applicants after the commencement of the within proceedings,⁷ except to the extent that, with respect to any ~~officer or~~ director or officer, the obligation or liability was

⁶ ~~This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).~~

⁷ ~~The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.~~

incurred as a result of ~~the director's or officer's~~ such director's or officer's gross negligence or wilful misconduct.

25. ~~21.~~ **THIS COURT ORDERS** that the directors and officers of the ~~Applicant~~ Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge")⁸ on the Property, which charge shall not exceed an aggregate amount of \$~~750,000~~ unless permitted by further Order of this Court, as security for the indemnity provided in paragraph ~~120~~ 24 of this Order. The Directors' Charge shall have the priority set out in paragraphs ~~138~~ 45 and ~~140~~ 47 herein.

26. ~~22.~~ **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the ~~Applicant's~~ Applicants' current and future directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~120~~ 24 of this Order.

APPOINTMENT OF MONITOR

27. ~~23.~~ **THIS COURT ORDERS** that ~~[MONITOR'S NAME]~~ Deloitte is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the ~~Applicant~~ Applicants with the powers and obligations set out in the CCAA or set forth herein and that the ~~Applicant and its~~ Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by any of the ~~Applicant~~ Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the ~~Monitor's~~ Monitor's functions.

⁸ ~~Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.~~

28. ~~24.~~ **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the ~~Applicant's~~Applicants' receipts and disbursements, including, without limitation, in respect of any accounts controlled by third parties;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the ~~Applicant~~Applicants, to the extent required by the ~~Applicant, in its dissemination,~~Applicants, in disseminating to the DIP Lender ~~and its counsel on a [TIME INTERVAL] basis of~~the financial and other information as agreed to between the ~~Applicant~~Applicants and the DIP Lender ~~which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender~~in accordance with the terms of the DIP Documents (as defined below);
- (d) advise the ~~Applicant in its~~Applicants in their preparation of the ~~Applicant's~~Applicants' cash flow statements and any other reporting required by the DIP Lender, ~~which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than [TIME INTERVAL], or as otherwise agreed to by the DIP Lender;~~ pursuant to the DIP Credit Agreement (each as defined below);
- (e) advise the ~~Applicant in its~~Applicants in their development of ~~the~~any Plan ~~and any amendments to the Plan,~~ or in respect of any other restructuring transaction that may be pursued by the Applicants;
- ~~(f) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;~~
- (f) ~~(g)~~ have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the ~~Applicant~~Applicants, to the extent that is necessary to adequately assess the

~~Applicant's business~~Applicants' Business and financial affairs or to perform its duties arising under this Order;

- (g) ~~(h)~~ be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; ~~and~~
- (h) have unrestricted access to the operating account with BMO in relation to the Cold Storage Agreement between Sierra Supply Chain Services Inc. and Confederation Freezers Inc. to monitor activity of the funds; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

29. ~~25.~~ **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer for any purpose whatsoever.

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

Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

31. ~~27.~~ **THIS COURT ORDERS** ~~that~~ that the Monitor shall provide any creditor of the ~~Applicant~~Applicants and the DIP Lender with information provided by the ~~Applicant~~Applicants in response to reasonable requests for information made in writing by such ~~creditor~~creditors addressed to the Monitor and, without limiting the foregoing, the Monitor shall provide the DIP Lender (as defined below) with any information contemplated by the DIP Credit Agreement (as defined below). The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the ~~Applicant~~Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the ~~Applicant~~Applicants may agree.

32. ~~28.~~ **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor any its employees and representatives acting in such capacities shall incur ~~no~~any liability or obligation as a result of ~~its~~the appointment of the Monitor or the carrying out by it of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

33. ~~29.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the ~~Applicant~~Applicants shall be paid their reasonable fees and disbursements (including pre-filing fees and disbursements incurred in connection with preparing for this proceeding), in each case at their standard rates and charges, by the ~~Applicant~~Applicants as part of the costs of these proceedings. The ~~Applicant is~~Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, and counsel for the ~~Applicant on a [TIME INTERVAL] basis~~Applicants on a bi-weekly basis or on such other terms as may be agreed to by the applicable parties and, in addition, the ~~Applicant is~~Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the ~~Applicant~~Applicants, retainers in the

amount~~[s]~~ of \$~~●~~~~[50,000, \$35,000, and \$50,000]~~, respectively,~~]~~ to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

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

35. ~~31.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, ~~if any,~~ and ~~the Applicant's~~ counsel to the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$~~●~~750,000, unless permitted by further Order of this Court, as security for their professional fees and disbursements incurred ~~at the standard rates and charges of the Monitor and such counsel,~~ both before and after the making of this Order ~~in respect of these proceedings~~at their standard rates and charges. The Administration Charge shall have the priority set out in paragraphs ~~38~~45 and ~~40~~47 hereof.

DIP FINANCING

36. ~~32.~~ **THIS COURT ORDERS** that the ~~Applicant is~~Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from ~~[DIP LENDER'S NAME]~~the Bank of Montreal (the "DIP Lender"), in order to finance the ~~Applicant's~~Applicants' working capital requirements, the costs of these proceedings, and other general corporate purposes ~~and capital expenditures~~, provided that the principal borrowings under such credit facility shall not exceed \$~~●~~3,350,000 (plus accrued and unpaid interest, fees and reimbursable expenses) unless permitted by further Order of this Court.

37. ~~33.~~ **THIS COURT ORDERS** ~~THAT~~that such credit facility shall be on the terms and subject to the conditions set forth in the ~~commitment letter~~DIP Facility Loan Agreement between the ~~Applicant~~Applicants and the DIP Lender dated as of ~~[DATE] (the "Commitment Letter")~~, ~~filed~~May 28, 2024 (the "DIP Credit Agreement"), attached as Exhibit "C" to the Second Vanden Broek Affidavit.

38. ~~34.~~ **THIS COURT ORDERS** that the ~~Applicant is~~Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and

security documents, guarantees, and other definitive documents (collectively, the ~~"Definitive"~~"DIP Documents"), as are contemplated by the ~~Commitment Letter~~DIP Credit Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the ~~Applicant is~~Applicants are hereby authorized and directed to pay and perform all of ~~its~~their indebtedness, interest, fees, liabilities, and obligations to the DIP Lender under and pursuant to the ~~Commitment Letter~~DIP Credit Agreement and the ~~Definitive~~DIP Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

39. ~~35.~~ **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the ~~"~~"DIP Lender's Charge"~~"~~) on the Property, which ~~DIP Lender's~~Lender's Charge shall not ~~secure an obligation that exists before~~exceed the aggregate amount owed to the DIP Lender under or in connection with the DIP Credit Agreement and the other DIP Documents, and which DIP Charge shall secure all indebtedness, liabilities and obligations incurred by the Applicants under or in connection with the BMO Credit Agreement from and including the date of the Initial Order to the date of this Order ~~is made~~. The DIP Lender's Charge shall have the priority set out in paragraphs ~~[38] and [40]~~45 to 47 hereof.

40. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the DIP Lender under this Order or at law, the DIP Lender shall not incur any liability or obligation as a result of the carrying out of the provisions of this Order, save and except for any gross negligence or willful misconduct on its part.

41. ~~36.~~ **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the ~~Definitive~~DIP Documents;
- (b) upon the occurrence of an event of default under the ~~Definitive~~DIP Credit Agreement, the other DIP Documents, or the DIP Lender's Charge, the DIP Lender, upon ~~three~~(3) business days' written notice to the ~~Applicant~~Applicants and the Monitor, may exercise any and all of its rights and remedies against the ~~Applicant~~Applicants or the Property under or pursuant to the ~~Commitment Letter, Definitive~~DIP Credit

- Agreement, the other DIP Documents, and the DIP Lender's Charge, including, without limitation, to cease making advances to the ~~Applicant~~Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the ~~Applicant~~Applicants against the obligations of the ~~Applicant~~Applicants to the DIP Lender under the ~~Commitment Letter, the Definitive~~DIP Credit Agreement, the other DIP Documents ~~or, and~~ the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager, or interim receiver, or for a bankruptcy order against any of the ~~Applicant~~Applicants and for the appointment of a trustee in bankruptcy of any of the ~~Applicant~~Applicants; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the ~~Applicant~~Applicants or the Property.

42. ~~37. THIS COURT ORDERS AND DECLARES~~ that the DIP Lender shall be treated as unaffected in any ~~plan of arrangement or compromise filed by the Applicant under the CCAA~~Plan filed in these CCAA proceedings in respect of the Applicants, or any proposal filed ~~by the Applicant~~ under the *Bankruptcy and Insolvency Act* of (Canada) (the "BIA"); in respect of the Applicants with respect to any advances made under the ~~Definitive~~DIP Credit Agreement and the other DIP Documents.

INTERCOMPANY LENDING

43. THIS COURT ORDERS that on or after the date of this Order, in each case, subject to the approval of the Monitor, any of the Applicants may make any payment to or on behalf of, or incur any obligation on behalf of, or discharge any obligation of, any of the other Applicants, or otherwise transfer value to, or for the benefit of, any of the other Applicants for the purpose of funding the Business or other restructuring costs (including any interim expenditures).

44. THIS COURT ORDERS that, to the extent any of the Applicants (in each case, an "Intercompany Lender") after the date of this Order, and subject to the approval of the

Monitor, makes any payment to or on behalf of, or incurs any obligation on behalf of, or discharges any obligation of, any of the other Applicants or otherwise transfers value to, or for the benefit of, any of the other Applicants (in each case, the “Borrowing Applicant”), such Intercompany Lender is hereby granted a charge (each, an “Intercompany Charge”) on all of the Property of the Borrowing Applicant in the amount of such payment, obligation, or transfer of value. The Applicants and the Monitor shall take into account the amount of each Intercompany Charge granted by and to each Applicant to determine the net amount secured by each Intercompany Charge. Each Intercompany Charge shall have the priority set out in paragraphs 45 and 47 hereof; provided that, for greater certainty, each Intercompany Charge shall rank *pari passu* with any other Intercompany Charge, as applicable.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

45. ~~38.~~ THIS COURT ORDERS that the priorities of the ~~Directors’ Charge, the~~ Administration Charge ~~and~~, the DIP Lender’s Charge, the Directors’ Charge, and the Intercompany Charges (collectively, the “Charges”) and the security held by BMO in connection with the BMO Credit Facilities (including the Credit Cards) (the “**BMO Security**”), as among them, shall be as follows⁹:

First – Administration Charge (to the maximum amount of \$~~●~~750,000);

Second – DIP Lender’s Charge; ~~and~~

Third – Directors’ Charge (to the maximum amount of \$~~●~~750,000);

Fourth – BMO Security; and

Fifth – Intercompany Charges.

⁹~~The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.~~

46. ~~39.~~ **THIS COURT ORDERS** that the filing, registration or perfection of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge (collectively, the "Charges")~~ shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

47. ~~40.~~ **THIS COURT ORDERS** that each of the ~~Directors' Charge, the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein)~~ shall Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, deemed trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person, save for the Intercompany Charge, which charge shall be subordinate to the BMO Security and Encumbrances in favour of BMO.

48. ~~41.~~ **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the ~~Applicant~~ Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge~~ Charges, unless the ~~Applicant~~ Applicants also ~~obtains~~ obtain the prior written consent of the Monitor, ~~the DIP Lender~~ and the beneficiaries of the ~~Directors' Charge and the Administration Charge~~ applicable Charges, or further Order of this Court.

49. ~~42.~~ **THIS COURT ORDERS** that the ~~Directors' Charge, the Administration Charge, the Commitment Letter, the Definitive Documents and the DIP Lender's Charge~~ Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") ~~and/or the DIP Lender~~ thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy or receivership order(s) issued pursuant to the BIA or other applicable statutes, or any bankruptcy or receivership order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with

respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the ~~Applicant~~Applicants, and notwithstanding any provision to the contrary in any Agreement:

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

50. ~~43.~~ **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the ~~Applicant's~~applicable Applicant's interest in such real property leases.

SERVICE AND NOTICE

51. ~~44.~~ **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in ~~[newspapers specified by the Court]~~The Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the ~~Applicant~~Applicants of more than \$~~1000~~1,000, and (C) prepare a list showing the names and

addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and addresses of individuals (but not corporate entities) who are creditors publicly available unless otherwise ordered by the Court.

52. ~~45.~~ **THIS COURT ORDERS** that the ~~E-Service Protocol of the~~ Guide Concerning Commercial List E-Service (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at ~~http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/~~https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph ~~24~~13 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ~~—“<@>”:~~ https://www.insolvencies.deloitte.ca/easternmeat (the “**Monitor’s Website**”).

53. ~~46.~~ **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the ~~Applicant~~Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile or other electronic transmission to the ~~Applicant’s~~Applicants’ creditors or other interested parties at their respective addresses as last shown on the records of the ~~Applicant~~Applicants and that any such service ~~or~~ distribution ~~by courier, personal delivery or facsimile transmission~~ or notice shall be deemed to be received: (a) if sent by courier, on the next business day following the date of forwarding thereof, ~~or~~ (b) if delivered by personal delivery or facsimile or other electronic transmission, on the day so delivered, and (c) if sent by ordinary mail, on the third business day after mailing.

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

55. **THIS COURT ORDERS** that any interested party wishing to object to the relief sought in a motion brought by the Applicants or the Monitor in these proceedings shall, subject to further Order of this Court, provide the service list in these proceedings (the "**Service List**") with responding motion materials or a written notice (including by e-mail) stating its objection to the motion and the grounds for such objection by no later than 5:00 p.m. Eastern Standard/Daylight Time on the date that is two business days prior to the date such motion is returnable (the "**Objection Deadline**"). The Monitor shall have the ability to extend the Objection Deadline by notice in writing.

56. **THIS COURT ORDERS** that following the expiry of the Objection Deadline, counsel to the Monitor may inform the Court of the absence or the status of any objections to the motion and the judge having carriage of the motion may determine (a) whether a hearing in respect of the motion is necessary, (b) if a hearing is necessary, the date and time of the hearing, (c) whether such hearing will be in person or videoconference, or by written submissions only, and (d) the parties from whom submissions are required. In the absence of any such determination, a hearing will be held in the ordinary course on the date specified in the notice of motion.

GENERAL

57. **THIS COURT ORDERS** that any interested party that wishes to amend or vary this Order shall be entitled to appear or bring a motion before this Court on not less than five business days' notice to the Service List and any other party or parties likely to be affected by the Order sought by such interested party; provided, however, that the Chargees shall be entitled to rely on this Order as issued and entered and on the Charges and priorities set forth in paragraphs

45 and 47 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied, or stayed.

58. ~~47.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of ~~its~~their respective powers and duties hereunder.

59. ~~48.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the ~~Applicant~~Applicants, the Business, or the Property.

60. ~~49.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the ~~Applicant~~Applicants, the Monitor, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the ~~Applicant~~Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the ~~Applicant~~Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

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

~~51. THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.~~

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

[Different first page link-to-previous setting changed from off in original to on in modified.].
~~Revised: January 21, 2014~~

<u>IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED</u> <u>AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF EASTERN MEAT SOLUTIONS INC., SIERRA CUSTOM FOODS INC., SIERRA SUPPLY CHAIN SERVICES INC., SIERRA REALTY CORPORATION, RVB HOLDINGS INC., VANDEN BROEK HOLDINGS (2008) INC., SIERRA REALTY CALGARY CORPORATION AND EASTERN MEAT SOLUTIONS (USA) CORP.</u>	
<u>Court File No. CV-24-00720622-00CL</u>	
	<u>ONTARIO</u> <u>SUPERIOR COURT OF JUSTICE</u> <u>(COMMERCIAL LIST)</u> <u>Proceedings commenced at Toronto, Ontario</u>
	<u>AMENDED AND RESTATED INITIAL ORDER</u>

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7

Rebecca L. Kennedy (LSO# 61146S)
Email: rkennedy@tgf.ca

D.J. Miller (LSO#34393P)
Email: djmiller@tgf.ca

Adam Driedger (LSO #77296F)
Email: adriedger@tgf.ca

Tel: (416) 304-1616
Fax: (416) 304-1313

Lawyers for the Applicants

Summary report: Litera Compare for Word 11.3.0.46 Document comparison done on 2024-05-27 10:55:41 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original filename: Model Initial Order (2).doc	
Modified filename: Draft ARIO.docx	
Changes:	
Add	465
Delete	396
Move From	0
Move To	0
Table Insert	1
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	862

Tab 5

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	TUESDAY, THE 21 st
)	
JUSTICE PENNY)	DAY OF MAY, 2024

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.,
SIERRA CUSTOM FOODS INC., SIERRA SUPPLY CHAIN
SERVICES INC., SIERRA REALTY CORPORATION,
RVB HOLDINGS INC., VANDEN BROEK HOLDINGS
(2008) INC., SIERRA REALTY CALGARY CORPORATION
AND EASTERN MEAT SOLUTIONS (USA) CORP.

Applicants

AMENDED AND RESTATED INITIAL ORDER

THIS ~~APPLICATION~~MOTION, made by Eastern Meat Solutions Inc., Sierra Custom Foods Inc., Sierra Supply Chain Services Inc., Sierra Realty Corporation, RVB Holdings Inc., Vanden Broek Holdings (2008) Inc., Sierra Realty Calgary Corporation, and Eastern Meat Solutions (USA) Corp. (each, an “**Applicant**” and collectively, the “**Applicants**”) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) for an order amending and restating the initial order issued by this Court on May 21, 2024 (the “Initial Order”) was heard this day by videoconference, at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Robert Vanden Broek sworn May 21, 2024 and the Exhibits thereto (the “First Vanden Broek Affidavit”), the affidavit of Robert Vanden Broek sworn May 28, 2024 and the Exhibits thereto (the “Second Vanden Broek Affidavit”), the Pre-Filing Report dated May 21, 2024 of Deloitte Restructuring Inc. (“**Deloitte**”), solely in its

capacity as the proposed monitor of the Applicants (in such capacity, the “**Monitor**”), ~~and on the~~ First Report of the Monitor dated May ►, 2024, 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 although duly served as appears from the affidavit of service of ► sworn May ►, 2024, filed, and on reading the consent of Deloitte to act as the Monitor,

SERVICE

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

CAPITALIZED TERMS

2. **THIS COURT ORDERS** that all capitalized terms not expressly defined herein are defined, and have the meanings set forth, in the First Vanden Broek Affidavit.

APPLICATION

3. **THIS COURT ORDERS** that each Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

POSSESSION OF PROPERTY AND OPERATIONS

5. ~~4.~~ **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants,

contractors, agents, experts, accountants, counsel, and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. ~~5.~~ **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Vanden Broek Affidavit or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity, or legality of any transfer, payment, collection, or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected, or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any ~~plan of compromise or arrangement~~ Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System on or after the date of this Order.

7. ~~6.~~ **THIS COURT ORDERS** that the Applicants shall be entitled to continue to: (i) use their corporate credit cards (the “**Credit Cards**”) issued by the Bank of Montreal (“**BMO**”) provided that the Applicants shall make full repayment of all amounts outstanding thereunder, including any charges incurred prior to the date of this Order; ~~and~~ but otherwise (ii) have no further access to the BMO Credit Facilities ~~in accordance with the terms of the BMO Credit Agreement, so long as there is sufficient availability thereunder~~. All post-filing charges on the Credit Cards ~~and advances under the BMO Credit Facilities~~ must be in relation to necessary business expenses of the applicable Applicant set forth in the Cash Flow Forecast, as amended from time to time in accordance with the DIP Credit Agreement (as defined below).

8. ~~7.~~ **THIS COURT ORDERS** that, subject to the Cash Flow Forecast, as may be amended from time to time in accordance with the DIP Credit Agreement (as defined below), the

Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, and employee expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings at their standard rates and charges;
- (c) any payments required by the Applicants to maintain any of the licenses under the *Safe Food for Canadians Act*, S.C. 2012, c. 24; and
- (d) subject to the approval of the Monitor, amounts owing for goods or services supplied to the Applicants prior to the date of this Order if, in the opinion of the Applicants, such payments are necessary or desirable to avoid disruption to the Business or the Applicants, including, without limitation, amounts owing for goods or services in transit or otherwise supplied to the Applicants prior to the date of this Order by warehouse providers, logistics or supply chain providers, transportation providers, customs brokers, freight forwarders, and amounts payable in respect of customs and duties for goods.

9. ~~8.~~ **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, and subject to the Cash Flow Forecast, as may be amended from time to time in accordance with the DIP Credit Agreement (as defined below), the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business, including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance, and security services; and

- (b) payment for goods or services actually supplied to the Applicants following the date of this Order or payments to obtain the release of goods or delivery of services contracted for prior to the date of this Order.

10. ~~9.~~ **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) income taxes, (iv) statutory deductions in the United States, and (v) 401(k) contributions in respect of employees domiciled in the United States;
- (b) all goods, services, excise, or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

11. ~~10.~~ **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases for premises occupied by the Applicants (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be or has been negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and

including the date of this Order, twice monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears), or at such other time intervals and dates as may be agreed to between the Applicants, with the consent of the Monitor, and the applicable landlord. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

12. ~~11.~~ **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date, other than if paid in accordance with the Cash Flow Forecast, as amended from time to time in accordance with the DIP Credit Agreement (as defined below), and as approved by the Monitor or the Court; (b) to grant no security interests, trust, liens, charges, or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

13. ~~12.~~ **THIS COURT ORDERS** that the Applicants, with prior consent of the Monitor and in consultation with the DIP Lender (as defined below), shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize, or shut down any of their Business or operations;
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and
- (c) pursue all avenues of refinancing or restructuring their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or restructuring,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

14. THIS COURT ORDERS that the Applicants shall provide each of the relevant landlords with notice of the relevant Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes such Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the relevant Applicant, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If an Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to such Applicant's claim to the fixtures in dispute.

15. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then, in each case, subject to compliance in all respects with all applicable food health and safety regulations: (a) during the notice period prior to the effective time of the disclaimer, the landlord may, subject to applicable law, show the affected leased premises to prospective tenants between 9:00 a.m. and 5:00 p.m. on any day, other than a Saturday, Sunday, or statutory holiday, on which Canadian chartered banks are open for business in Toronto, Ontario, on giving the relevant Applicant and the Monitor at least 48 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the applicable Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

16. ~~13.~~ THIS COURT ORDERS that until and including ~~May 31~~ September 30, 2024, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except

with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court or the written consent of the Applicants and the Monitor.

NO EXERCISE OF RIGHTS OR REMEDIES

17. ~~14.~~ **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits, or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

18. ~~15.~~ **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate, or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence, or permit in favour of or held by any of the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

NO PRE-FILING VS POST-FILING OR TRIANGULAR SET-OFF

19. ~~16.~~ **THIS COURT ORDERS** that no Person shall be entitled to set off any amounts that: (a) are or may become due to the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due from the Applicants in respect of obligations arising on or after the date of this Order; or (b) are or may become due from the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due to the Applicants in respect of obligations arising on or after the date of this

Order, in each case without the consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall prejudice any arguments any Person may want to make in seeking leave of the Court or following the granting of such leave.

20. ~~17.~~ **THIS COURT ORDERS** that, subject to obtaining the consent of the Applicants and the Monitor or leave of the Court, no Person shall be entitled to set off any amounts that are or may become due to any Applicant in respect of any obligations (whether arising prior to, on, or after the date of this Order) with any amounts that are or may become due from any Applicant (whether arising prior to, on, or after the date of this Order) to anyone other than that Person or Applicant, as the case may be. For greater certainty, references herein to Person and Applicant do not include any affiliates or related parties of that Person or Applicant.

CONTINUATION OF SERVICES

21. ~~18.~~ **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements or arrangements with any of the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including, without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or any of the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending, or terminating the supply of such goods or services as may be required by any of the Applicants or exercising any other remedy provided under the agreements or arrangements, including, without limitation, by charging increased rates for such goods and services in a manner that is inconsistent with existing agreements or arrangements, and that each of the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses, and domain names, provided in each case that the normal or existing prices or charges for all such goods or services received after the date of this Order are paid by the applicable Applicant in accordance with normal or existing payment practices of the applicable Applicant or such other practices as may be agreed upon by the supplier or service provider and the applicable Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

22. ~~19.~~ **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

23. ~~20.~~ **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current, or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a ~~plan of compromise or arrangement~~Plan in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

24. ~~21.~~ **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of such director's or officer's gross negligence or wilful misconduct.

25. ~~22.~~ **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$~~600,000~~750,000 unless permitted by further Order of this Court, as security for the indemnity provided in paragraph ~~21~~24 of this Order. The Directors' Charge shall have the priority set out in paragraphs ~~35~~45 and ~~37~~47 herein.

26. ~~23.~~ **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' current and future directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~24~~24 of this Order.

APPOINTMENT OF MONITOR

27. ~~24.~~ **THIS COURT ORDERS** that Deloitte is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by any of the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

28. ~~25.~~ **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements, including ~~those accounts that may be controlled by third parties~~, without limitation, in respect of any accounts controlled by third parties;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicants, to the extent required by the Applicants, in disseminating to the DIP Lender the financial and other information as agreed to between the Applicants and the DIP Lender in accordance with the terms of the DIP Documents (as defined below);

- (d) ~~(e)~~ advise the Applicants in their preparation of the Applicants' cash flow statements and any other reporting required by the DIP Lender pursuant to the DIP Credit Agreement (each as defined below);
- (e) ~~(d)~~ advise the Applicants in their development of any ~~plan of compromise or arrangement~~ Plan, or in respect of any other restructuring transaction that may be pursued by the Applicants;
- (f) ~~(e)~~ have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' Business and financial affairs or to perform its duties arising under this Order;
- (g) ~~(f)~~ be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (h) ~~(g)~~ have unrestricted access to the operating account with BMO in relation to the Cold Storage Agreement between Sierra Supply Chain Services Inc. and Confederation Freezers Inc. to monitor activity of the funds; and
- (i) ~~(h)~~ perform such other duties as are required by this Order or by this Court from time to time.

29. ~~26.~~ **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer for any purpose whatsoever.

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

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

31. ~~28.~~ **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditors addressed to the Monitor and, without limiting the foregoing, the Monitor shall provide the DIP Lender (as defined below) with any information contemplated by the DIP Credit Agreement (as defined below). The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

32. ~~29.~~ **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor any its employees and representatives acting in such capacities shall incur any liability or obligation as a result of the appointment of the Monitor or the carrying out by it of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

33. ~~30.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the Applicants shall be paid their reasonable fees and disbursements (including pre-filing fees and disbursements incurred in connection with preparing for this proceeding), in each case at

their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, and counsel for the Applicants on a bi-weekly basis or on such other terms as may be agreed to by the applicable parties and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicants, retainers in the amount of \$50,000, \$35,000, and \$50,000, respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

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

35. ~~32.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the Applicants shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of ~~\$500,000~~ \$750,000, unless permitted by further Order of this Court, as security for their professional fees and disbursements incurred both before and after the making of this Order at their standard rates and charges. The Administration Charge shall have the priority set out in paragraphs ~~35~~45 and ~~37~~47 hereof.

DIP FINANCING

36. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from the Bank of Montreal (the “**DIP Lender**”), in order to finance the Applicants’ working capital requirements, the costs of these proceedings, and other general corporate purposes, provided that the principal borrowings under such credit facility shall not exceed \$3,350,000 (plus accrued and unpaid interest, fees and reimbursable expenses) unless permitted by further Order of this Court.

37. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the DIP Facility Loan Agreement between the Applicants and the DIP Lender dated as of May 28, 2024 (the “**DIP Credit Agreement**”), attached as Exhibit “C” to the Second Vanden Broek Affidavit.

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

39. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property, which DIP Lender’s Charge shall not exceed the aggregate amount owed to the DIP Lender under or in connection with the DIP Credit Agreement and the other DIP Documents, and which DIP Charge shall secure all indebtedness, liabilities and obligations incurred by the Applicants under or in connection with the BMO Credit Agreement from and including the date of the Initial Order to the date of this Order. The DIP Lender’s Charge shall have the priority set out in paragraphs 45 to 47 hereof.

40. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the DIP Lender under this Order or at law, the DIP Lender shall not incur any liability or obligation as a result of the carrying out of the provisions of this Order, save and except for any gross negligence or willful misconduct on its part.

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

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the DIP Documents;
- (b) upon the occurrence of an event of default under the DIP Credit Agreement, the other DIP Documents, or the DIP Lender’s Charge, the DIP Lender, upon three (3) business days’ written notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Credit Agreement, the other DIP Documents, and the DIP Lender’s Charge,

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

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

42. **THIS COURT ORDERS** that the DIP Lender shall be treated as unaffected in any Plan filed in these CCAA proceedings in respect of the Applicants, or any proposal filed under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") in respect of the Applicants with respect to any advances made under the DIP Credit Agreement and the other DIP Documents.

INTERCOMPANY LENDING

43. ~~33.~~ **THIS COURT ORDERS** that on or after the date of this Order, in each case, subject to the approval of the Monitor, any of the Applicants may make any payment to or on behalf of, or incur any obligation on behalf of, or discharge any obligation of, any of the other Applicants, or otherwise transfer value to, or for the benefit of, any of the other Applicants for the purpose of funding the Business or other restructuring costs (including any interim expenditures).

44. ~~34.~~ **THIS COURT ORDERS** that, to the extent any of the Applicants (in each case, an "**Intercompany Lender**") after the date of this Order, and subject to the approval of the Monitor, makes any payment to or on behalf of, or incurs any obligation on behalf of, or discharges any obligation of, any of the other Applicants or otherwise transfers value to, or for the benefit of, any of the other Applicants (in each case, the "**Borrowing Applicant**"), such Intercompany Lender is hereby granted a charge (each, an "**Intercompany Charge**") on all of

the Property of the Borrowing Applicant in the amount of such payment, obligation, or transfer of value. The Applicants and the Monitor shall take into account the amount of each Intercompany Charge granted by and to each Applicant to determine the net amount secured by each Intercompany Charge. Each Intercompany Charge shall have the priority set out in paragraphs ~~35~~45 and ~~37~~47 hereof; provided that, for greater certainty, each Intercompany Charge shall rank *pari passu* with any other Intercompany Charge, as applicable.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

45. ~~35.~~ **THIS COURT ORDERS** that the priorities of the Administration Charge, the DIP Lender's Charge, the Directors' Charge, and the Intercompany Charges (collectively, the "Charges") and the security held by BMO in connection with the BMO Credit Facilities (including the Credit Cards) (the "BMO Security"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$~~500,000~~750,000);

Second – DIP Lender's Charge;

~~Second~~Third – Directors' Charge (to the maximum amount of \$~~600,000~~750,000);

~~Third~~Fourth – BMO Security; and

~~Fourth~~Fifth – Intercompany Charges.

46. ~~36.~~ **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

47. ~~37.~~ **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, deemed trusts, liens, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, save for the Intercompany Charge, which charge shall be subordinate to the BMO Security and Encumbrances in favour of BMO.

48. ~~38.~~ **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor, and the beneficiaries of the applicable Charges, or further Order of this Court.

49. ~~39.~~ **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy or receivership order(s) issued pursuant to the BIA or other applicable statutes, or any bankruptcy or receivership order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Credit Agreement or the DIP Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which any of them are a party; ~~and~~
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the DIP Credit Agreement, the creation of the Charges, or the execution, delivery or performance of the DIP Documents; and
- (c) ~~(b)~~ the payments made by the Applicants pursuant to this Order, the DIP Credit Agreement or the DIP Documents and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue,

oppressive conduct, or other challengeable or voidable transactions under any applicable law.

50. ~~40.~~ **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Applicant's interest in such real property leases.

SERVICE AND NOTICE

51. ~~41.~~ **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in *The Globe and Mail* (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and addresses of individuals (but not corporate entities) who are creditors publicly available unless otherwise ordered by the Court.

52. ~~42.~~ **THIS COURT ORDERS** that the Guide Concerning Commercial List E-Service (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at

~~<https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>~~<https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: ~~<https://www.insolvencies.deloitte.ca/easternmeat>~~<https://www.insolvencies.deloitte.ca/easternmeat> (the "**Monitor's Website**").

53. ~~43.~~ **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile or other electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service, distribution or notice shall be deemed to be received: (a) if sent by courier, on the next business day following the date of forwarding thereof, (b) if delivered by personal delivery or facsimile or other electronic transmission, on the day so delivered, and (c) if sent by ordinary mail, on the third business day after mailing.

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

55. ~~45.~~ **THIS COURT ORDERS** that, ~~except with respect to any motion to be heard on the Comeback Date (as defined below),~~ any interested party wishing to object to the relief sought in a motion brought by the Applicants or the Monitor in these proceedings shall, subject to further Order of this Court, provide the service list in these proceedings (the "**Service List**") with responding motion materials or a written notice (including by e-mail) stating its objection to the motion and the grounds for such objection by no later than 5:00 p.m. Eastern Standard/Daylight Time on the date that is two business days prior to the date such motion is returnable (the "**Objection Deadline**"). The Monitor shall have the ability to extend the Objection Deadline by notice in writing.

56. ~~46.~~ **THIS COURT ORDERS** that following the expiry of the Objection Deadline, counsel to the Monitor may inform the Court of the absence or the status of any objections to the motion and the judge having carriage of the motion may determine (a) whether a hearing in

respect of the motion is necessary, (b) if a hearing is necessary, the date and time of the hearing, (c) whether such hearing will be in person or videoconference, or by written submissions only, and (d) the parties from whom submissions are required. In the absence of any such determination, a hearing will be held in the ordinary course on the date specified in the notice of motion.

GENERAL

57. ~~47.~~ **THIS COURT ORDERS** that any interested party that wishes to amend or vary this Order shall be entitled to appear or bring a motion before this Court on ~~May 31, 2024, or such other date as may be set by this Court upon the granting of this Order (the “Comeback Date”), and any such interested party shall give~~ not less than ~~two~~five business days’ notice to the Service List and any other party or parties likely to be affected by the Order sought ~~in advance of the Comeback Date~~by such interested party; provided, however, that the Chargees shall be entitled to rely on this Order as issued and entered and on the Charges and priorities set forth in paragraphs ~~35~~45 and ~~37~~47 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied, or stayed.

58. ~~48.~~ **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their respective powers and duties hereunder.

59. ~~49.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Applicants, the Business, or the Property.

60. ~~50.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding,

or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

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

62. ~~52.~~ **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing.

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., SIERRA CUSTOM FOODS INC., SIERRA SUPPLY CHAIN SERVICES INC., SIERRA REALTY CORPORATION, RVB HOLDINGS INC., VANDEN BROEK HOLDINGS (2008) INC., SIERRA 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

AMENDED AND RESTATED INITIAL ORDER

Thornton Grout Finnigan LLP

TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7

Rebecca L. Kennedy (LSO# 61146S)

Email: ~~rkennedy@tgf.ca~~ rkennedy@tgf.ca

D.J. Miller (LSO#34393P)

Email: ~~djmiller@tgf.ca~~ djmiller@tgf.ca

Adam Driedger (LSO #77296F)

Email: ~~adriedger@tgf.ca~~ adriedger@tgf.ca

Tel: (416) 304-1616

Fax: (416) 304-1313

Lawyers for the Applicants

Summary report: Litera Compare for Word 11.3.0.46 Document comparison done on 2024-05-27 10:58:47 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original filename: Draft Initial Order (3).doc	
Modified filename: Draft ARIO.docx	
Changes:	
Add	147
Delete	99
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	246

Tab 6

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

THE HONOURABLE)	FRIDAY, THE 31 st
)	
JUSTICE PENNY)	DAY OF MAY, 2024

**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.,
SIERRA CUSTOM FOODS INC., SIERRA SUPPLY CHAIN
SERVICES INC., SIERRA REALTY CORPORATION,
RVB HOLDINGS INC., VANDEN BROEK HOLDINGS (2008)
INC., SIERRA REALTY CALGARY CORPORATION AND
EASTERN MEAT SOLUTIONS (USA) CORP.**

Applicants

SISP APPROVAL ORDER

THIS APPLICATION, made by Eastern Meat Solutions Inc., Sierra Custom Foods Inc., Sierra Supply Chain Services Inc., Sierra Realty Corporation, RVB Holdings Inc., Vanden Broek Holdings (2008) Inc., Sierra Realty Calgary Corporation, and Eastern Meat Solutions (USA) Corp. (each, an “**Applicant**” and collectively, the “**Applicants**”) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) was heard this day by videoconference, at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Robert Vanden Broek sworn May 28, 2024 and the Exhibits thereto, the First Report of the Monitor dated May 28, 2024, and on hearing the submissions of counsel for the Applicants, the Monitor and the DIP Lender, no one else appearing although duly served as appears from the affidavit of service of 28 May 28, 2024, filed,

SERVICE

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

CAPITALIZED TERMS

2. **THIS COURT ORDERS** that all capitalized terms not expressly defined herein are defined, and have the meanings set forth, in the sale and investment solicitation process attached hereto as Schedule “A” (the “SISP”).

APPROVAL OF SALE AND INVESTMENT SOLICITATION PROCESS

3. **THIS COURT ORDERS** that the SISP is hereby approved.

4. **THIS COURT ORDERS** that the Monitor and the Applicants are hereby authorized and directed to carry out the SISP in accordance with its terms and the provisions of this Order, and are hereby authorized and directed to take such steps and execute such documents (including, without limitation, any confidentiality agreements) as the Monitor and the Applicants consider necessary or reasonably incidental to the SISP; provided that the Monitor and the Applicants shall seek the approval of this Court before completing or closing any Transaction(s) in connection with the SISP.

5. **THIS COURT ORDERS** that Applicants, the Monitor, and their respective agents, employees, legal counsel, advisors, and affiliates shall have no liability whatsoever with respect to any and all losses, claims, damages, or liabilities of any nature or kind to any person or entity as a result of implementing the SISP, performing their duties under the SISP or this Order, or otherwise in connection with the SISP (including, without limitation, through the disclosure of any information and documentation regarding the Applicants, the Assets, or the Business) except to the extent that any such losses, claims, damages, or liabilities result from the gross negligence or wilful misconduct of the Applicants or the Monitor, as determined by this Court.

6. **THIS COURT ORDERS** that, pursuant to section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), S.C. 2000, c. 5, the Monitor and the Applicants are hereby authorized to disclose personal information of identifiable individuals (“**Personal Information**”) to Phase 1 Qualified Bidders and Phase 2 Qualified Bidders, and to their respective Qualified Advisors (each, a “**Recipient**”), but only to the extent that such disclosure is necessary or desirable to implement the SISP or a Transaction. Each Recipient to whom Personal Information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Opportunity in accordance with the terms hereof and the NDA and, if the Opportunity is no longer being considered by the Recipient, if the Recipient does not complete a Transaction under the SISP or otherwise at the request of the Monitor or the Applicants, such Recipient shall return all such information to the Monitor and the Applicants or alternatively destroy such information and provide confirmation of its destruction if so requested by the Monitor or the Applicants. The Successful Bidder(s) shall maintain and protect the privacy of such Personal Information and, upon the closing of any Transaction(s), shall be entitled to use the Personal Information provided to them that is related to the Assets or the Business subject to the Transaction(s) in a manner that is in all material respects identical to the prior use of such information by the Applicants, and shall return all other Personal Information to the Applicants and the Monitor or alternatively destroy such information and provide confirmation of its destruction if so requested by the Applicants or the Monitor.

7. **THIS COURT ORDERS** that the Applicants and the Monitor are hereby authorized to disclose to any Recipient any information or documentation contained in the Applicants’ records (including, without limitation, confidential or commercially sensitive information or documentation) regarding the Assets and/or parties with whom the Applicants transact (collectively, “**Confidential Information**”); provided that the Applicants and the Monitor shall only disclose such Confidential Information that the Applicants and the Monitor determine is reasonably necessary to permit a Phase 1 Qualified Bidder or Phase 2 Qualified Bidder to conduct due diligence with respect to a potential Transaction or that is otherwise necessary to implement the SISP or a potential Transaction.

8. **THIS COURT ORDERS** that each Recipient to whom Confidential Information is disclosed pursuant to the SISP shall maintain and protect the confidentiality of such Confidential Information and limit the use of such Confidential Information to its evaluation of the Opportunity

in accordance with the terms of the SISP and the applicable NDA and, if the Opportunity is no longer being considered by the Recipient, if the Recipient does not complete a Transaction under the SISP or otherwise at the request of the Applicants or the Monitor, such Recipient shall return all such Confidential Information to the Applicants and the Monitor or alternatively destroy such Confidential Information and provide confirmation of its destruction if so requested by the Applicants or the Monitor. The Successful Bidder(s) shall maintain and protect the confidentiality of such Confidential Information and, upon the closing of any Transaction(s), shall be entitled to use the Confidential Information provided to them that is related to the Assets or the Business subject to the Transaction(s) in a manner that is in all material respects identical to the prior use of such Confidential Information by the Applicants and the Monitor and shall return all other Confidential Information to the Applicants and the Monitor or alternatively destroy such Confidential Information and provide confirmation of its destruction if so requested by the Applicants or the Monitor.

9. **THIS COURT ORDERS** that in carrying out the implementation of the SISP, the Monitor shall have all the benefits and protections granted to the Monitor under the Initial Order and any other order of this Court in the within proceeding.

GENERAL

10. **THIS COURT ORDERS** that the Applicants and the Monitor may from time to time apply to this Court for advice and directions in the discharge of their respective powers and duties hereunder.

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 to 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 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 Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

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

Schedule “A”

Sierra Custom Foods Inc. Sale and Investment Solicitation Process

Introduction

1. On May 21, 2024, Eastern Meat Solutions Inc. (“**Eastern Meat**”), Sierra Custom Foods Inc. (“**Sierra Foods**”), Sierra Supply Chain Services Inc. (“**Sierra Services**”), Sierra Realty Corporation (“**Sierra Realty**”), RVB Holdings Inc. (“**RVB Holdings**”), Vanden Broek Holdings (2008) Inc. (“**VBH**”), Sierra Realty Calgary Corporation (“**Sierra Calgary**”), and Eastern Meat Solutions (USA) Corp. (“**EMS US**” and 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 by order dated May 31, 2024, the “**Initial Order**”) of the Honourable Justice Penny of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”).
2. Pursuant to an order of the Court dated May 31, 2024 (the “**SISP Order**”), the Court approved the sale and investment solicitation process outlined herein (the “**SISP**”) and authorized and directed the court-appointed monitor of the Applicants, Deloitte Restructuring Inc., (the “**Monitor**”) and the Applicants to conduct the SISP.

The Opportunity

3. The Monitor, with the assistance of the Applicants, shall conduct the SISP to solicit proposals to purchase or invest in some or all of the assets and/or the business of Sierra Foods (the “**Opportunity**”).
4. The Opportunity may include one or more transactions involving the recapitalization, investment in, arrangement or reorganization of Sierra Foods and/or the food processing business carried out by Sierra Foods (the “**Business**”) as a going concern or a sale of some or all of the assets of Sierra Foods (the “**Assets**”) as a going concern or otherwise, or some combination thereof (each, a “**Transaction**”).
5. This document describes the SISP, including the manner in which interested parties: (i) may gain access to due diligence materials concerning Sierra Foods, the Business, and the Assets; (ii) the manner in which an interested party may become a Phase 1 Qualified Bidder or Phase 2 Qualified Bidder and the requirements to submit a Qualified Bid (as each term is defined below); (iii) the process for the ultimate selection of a Successful Bidder(s) (as defined below); and (iv) the process for obtaining such approvals (including the approval of the Court) as may be necessary or appropriate in respect of a Successful Bid(s).
6. The SISP contemplates a two-stage process that involves the submission by interested parties of non-binding letters of intent in Phase 1 and binding offers by Phase 2 Qualified Bidders in Phase 2 (as each term is defined below).

7. For the purposes of the SISP, (i) “Business Day” means any day (other than Saturday or Sunday) that banks are open for business in Toronto, Ontario. If any deadline or other date referred to in the SISP falls on a day that is not a Business Day, then such date shall be extended until the next Business Day; and (ii) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase, “without limitation”.

Conduct of the SISP and Timeline

8. The Monitor shall implement the SISP with the assistance of the Applicants. The SISP Order and the SISP shall exclusively govern the process for soliciting and selecting Qualified Bids.
9. The following table sets out the key milestones under the SISP, subject to amendment by the Monitor, pursuant to and in accordance with the SISP:

Milestone	Deadline
Commencement Date	The first Business Day following the date on which the SISP Order is granted
Phase 1 Bid Deadline	5:00 PM Eastern Standard Time (EST) on the date that is four (4) weeks from the Commencement Date
Phase 2 Bid Deadline	To be specified in the Phase 2 Bid Process Letter but anticipated to be approximately six (6) weeks after the Phase 1 Bid Deadline
Optional Auction Process	If determined to be necessary or desirable by the Monitor and the Applicants in their sole discretion, an auction may be held as soon as practicable after the Phase 2 Bid Deadline
Settle and execute a binding agreement(s) with respect to the Successful Bid(s)	To be specified in Phase 2 Bid Process Letter
Date by which Approval Motion is heard	To be specified in Phase 2 Bid Process Letter, but no later than September 30, 2024
Closing of the Transaction(s) with Successful Bidder(s)	Forthwith upon the Court approving the Transaction(s)

In considering any amendment to the deadline dates referenced above, the Monitor shall consult with the Bank of Montreal (the “**DIP Lender**”) and once the Monitor has determined that any of the deadline dates referenced above should be amended, such amendment will be communicated to all Known Potential Bidders (as defined below), Phase 1 Qualified Bidders, and Phase 2 Qualified Bidders, as appropriate, and any such amendment will be posted on the website maintained by the Monitor for the CCAA proceeding at www.insolvencies.deloitte.ca/easternmeat.

The Monitor has also established a dedicated email address: easternmeatsolutions@deloitte.ca for all inquiries in respect of the SISP or the Opportunity.

Notification of the Opportunity

10. As soon as practicable following issuance of the SISP Order, the Monitor and the Applicants, shall:
 - (a) cause a notice of the SISP (the “**Notice**”), containing such relevant information as the Monitor and the Applicants consider appropriate, to be published in such publications in Canada and the United States as the Monitor and the Applicants consider appropriate. On or about the same date, the Monitor and the Applicants will issue a press release setting out relevant information from the Notice with Canada Newswire designating dissemination in Canada and major financial centres in the United States;
 - (b) prepare an initial list of persons who may have an interest in the Opportunity (the “**Known Potential Bidders**”), which shall include the following; (i) parties that have communicated to the Monitor or the Applicants an interest in the Opportunity; (ii) strategic parties across Canada, the United States, or other jurisdictions that the Monitor or the Applicants believe may be interested in the Opportunity; and (iii) any party suggested by a stakeholder of the Applicants that the Monitor or the Applicants reasonably determine may be interested in the Opportunity;
 - (c) prepare a template non-disclosure agreement that each interested party will be required to execute in order to participate in the SISP, which, among other things, shall include a provision whereby the Potential Bidder agrees to accept and be bound by the terms of the SISP and SISP Order;
 - (d) prepare a non-confidential teaser letter (the “**Teaser**”) describing the Opportunity and inviting interested parties to participate in the SISP, which, together with the template non-disclosure agreement, shall, commencing on the Commencement Date, be distributed by the Monitor and/or the Applicants to Known Potential Bidders and to any party that requests same from the Monitor or the Applicants as soon as possible following such request; and
 - (e) post in the Data Room (as defined below) such due diligence information related to the Opportunity, the Business, and/or the Assets as the Monitor and the Applicants consider appropriate in the circumstances.

Participation Requirements

11. A party that wishes to participate in the SISP (a “**Potential Bidder**”) must deliver to the Monitor at the address specified in **Appendix “A”** (including by email transmission):
 - (a) a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder, full disclosure of the direct and indirect principals and shareholders of the Potential Bidder, the funding available to the Potential Bidder and any relevant transactional experience that the Potential Bidder believes will assist the Monitor and the Applicants in assessing the ability of the Potential Bidder to close a Transaction; and
 - (b) a duly authorized and executed non-disclosure agreement in form and substance satisfactory to the Monitor and the Applicants (a “**NDA**”).
12. A Potential Bidder that has executed and delivered to the Monitor and the Applicants an NDA and provided the documents and information described above, and that the Monitor and the Applicants, in their reasonable judgment, determine is likely, based on the availability of funding, experience and other considerations, to be able to consummate a Transaction pursuant to the SISP will be deemed a “**Phase 1 Qualified Bidder**”, and be promptly notified of such determination by the Monitor or the Applicants.
13. At any time during Phase 1 or Phase 2, the Monitor and the Applicants may, in their sole discretion: (i) restrict the access of a Phase 1 Qualified Bidder or Phase 2 Qualified Bidder (as defined below) to any confidential information regarding Sierra Foods, the Business or the Assets if, in the reasonable judgment of the Monitor and the Applicants, such access could negatively impact the SISP, the Applicants, the Business, the Assets, or the ability to maintain the confidentiality of any such confidential information or such disclosure is not reasonably necessary to conduct due diligence with respect to a proposed Transaction; (ii) provide greater access to any confidential information regarding Sierra Foods, the Business or the Assets to one or more Phase 1 Qualified Bidders or Phase 2 Qualified Bidders than the access to such confidential information provided to other Phase 1 Qualified Bidders or Phase 2 Qualified Bidders; and (iii) eliminate a Phase 1 Qualified Bidder or Phase 2 Qualified Bidder from the SISP, whereupon such party will no longer be a Phase 1 Qualified Bidder or Phase 2 Qualified Bidder pursuant to the SISP.

Phase 1

14. The Monitor and the Applicants will provide each Phase 1 Qualified Bidder (and, at the request of a Phase 1 Qualified Bidder and subject to the terms of the NDA, its Qualified Advisors, as defined below), with access to an electronic data room of due diligence information (the “**Data Room**”).

15. The Monitor and the Applicants will be under no obligation to provide identical access to information regarding Sierra Foods, the Business or the Assets, in the Data Room or otherwise, to each Phase 1 Qualified Bidder or Phase 2 Qualified Bidder. The Monitor and the Applicants and their affiliates, advisors, agents, or representatives make no representation or warranty as to the information: (i) contained in the Data Room; (ii) provided through the due diligence process in Phase 1 or Phase 2; or (iii) otherwise made available pursuant to the SISP (including to any Potential Bidder, Phase 1 Qualified Bidder or Phase 2 Qualified Bidder), except to the extent expressly contemplated in any definitive Transaction agreement (each, a “**Definitive Transaction Agreement**”) with a Successful Bidder duly executed and delivered by the Applicants and approved by the Court.
16. A Phase 1 Qualified Bidder that wishes to have the opportunity to submit a Qualified Bid as part of Phase 2 must deliver a non-binding letter of intent (a “**LOI**”) to the Monitor at the address specified in **Appendix “A”** (including by email transmission) by no later than the Phase 1 Bid Deadline or such other date or time as may be agreed by the Monitor and the Applicants.
17. A LOI will be considered a “**Qualified LOI**” only if it:
 - (a) is submitted by a Phase 1 Qualified Bidder and received by the Monitor and the Applicants on or before the Phase 1 Bid Deadline (or such other date or time as may be agreed by the Monitor and the Applicants);
 - (b) indicates if the Phase 1 Qualified Bidder proposes a Transaction to purchase some or all of the Assets (a “**Sale Proposal**”) or to recapitalize, invest in, arrange or reorganize Sierra Foods, the Assets or the Business or to manage some or all of the Assets or the Business (an “**Investment Proposal**”) or some combination of a Sale Proposal and an Investment Proposal (a “**Hybrid Proposal**”);
 - (c) if the LOI contemplates a Sale Proposal, it contains or specifies the following information:
 - (i) the identity of each person or entity (including any person that controls such entity) that will be directly or indirectly sponsoring or participating in the proposed Transaction and the complete terms of any such participation, an overview of the corporate structure of the purchaser and any previous relevant experience or history of comparable transactions;
 - (ii) the purchase price (or range if not finally determined) in Canadian dollars, including details of any liabilities to be assumed by the Phase 1 Qualified Bidder and any key assumptions underlying the purchase price range. The Monitor and the Applicants may, in their discretion, consider the lower end of a purchase price range for the purpose of assessing the LOI;
 - (iii) the Assets that are expected to be subject to the Transaction and any of the Assets expected to be excluded;

- (iv) the allocation of the purchase price (or range if not finally determined) between the Assets that are expected to be subject to the Transaction;
 - (v) specific indication of the sources of funding for the Phase 1 Qualified Bidder and preliminary evidence of the availability of such funding (including, but not limited to, the sources of funding of the purchase price, preliminary evidence of the availability of such funding, steps necessary and associated timing to obtain such funding and any related contingencies, as applicable), or such other form of financial disclosure and credit-quality support or enhancement that will allow the Monitor and the Applicants to make a reasonable judgment as to the Phase 1 Qualified Bidder's financial or other capabilities to consummate the Transaction contemplated by its LOI;
 - (vi) a description of the conditions and approvals required for the Phase 1 Qualified Bidder to submit a final and binding offer, including any anticipated corporate, security holder, internal, regulatory or governmental approvals required to close the Transaction, an estimate of the anticipated time frame and any anticipated impediments for obtaining such approvals;
 - (vii) specific statements concerning the treatment of employees and plans for the ongoing involvement and roles of the employees of Sierra Foods;
 - (viii) an outline of any additional due diligence required to be conducted by the Phase 1 Qualified Bidder in order to submit a final and binding offer;
 - (ix) all conditions to closing the Transaction that the Phase 1 Qualified Bidder may wish to impose; and
 - (x) such other information as may reasonably be requested by the Monitor and the Applicants;
- (d) if the LOI contemplates an Investment Proposal, it contains or specifies the following information:
- (i) the identity of each person (including any person that controls such person) that will be directly or indirectly sponsoring or participating in the proposed Transaction and the complete terms of any such participation, an overview of the corporate structure of the party that will enter into the proposed Transaction and any previous relevant experience or history of comparable transactions;
 - (ii) the structure of the proposed Transaction, including the aggregate amount in Canadian dollars of debt and/or equity to be invested in Sierra Foods, the Business or the Assets;
 - (iii) the proposed treatment of existing stakeholders following the closing of the Transaction;

- (iv) the key assumptions underlying the valuation of the Business and the Assets and the amount of the proposed investment;
 - (v) specific indication of the sources of funding for the Phase 1 Qualified Bidder and preliminary evidence of the availability of such funding (including, but not limited to, the sources of funding for the investment, preliminary evidence of the availability of such funding, steps necessary and associated timing to obtain such funding and any related contingencies, as applicable), or such other form of financial disclosure and credit-quality support or enhancement that will allow the Monitor and the Applicants to make a reasonable judgment as to the Phase 1 Qualified Bidder's financial or other capabilities to consummate the Transaction contemplated by its LOI;
 - (vi) a description of the conditions and approvals required for the Phase 1 Qualified Bidder to submit a final and binding offer, including any anticipated corporate, security holder, internal or regulatory approvals required to close the Transaction, an estimate of the anticipated time frame and any anticipated impediments for obtaining such approvals;
 - (vii) a description of the proposed treatment of Sierra Foods' material contracts, liabilities and employees (including plans for the ongoing involvement and roles of Sierra Foods' employees);
 - (viii) an outline of any additional due diligence required to be conducted by the Phase 1 Qualified Bidder in order to submit a final and binding offer;
 - (ix) all conditions to closing the Transaction that the Phase 1 Qualified Bidder may wish to impose, including any approvals or consents required from any regulatory or governmental body, stakeholder or other third party; and
 - (x) such other information as may reasonably be requested by the Monitor and the Applicants; and
- (e) if the LOI contemplates a Hybrid Proposal, it contains or specifies: (i) the information set out in subparagraph 17(c) above with respect to the portion of the Hybrid Proposal that constitutes a "Sale Proposal"; (ii) the information set out in subparagraph 17(d) above with respect to the portion of the Hybrid Proposal that constitutes an "Investment Proposal"; and (iii) such other information as may be reasonably requested by the Monitor and the Applicants.

18. The Monitor and the Applicants may waive compliance with any one or more of the requirements specified above, in whole or in part, and deem such non-compliant LOI to be a Qualified LOI, provided that doing so shall not constitute a waiver by the Monitor and the Applicants of the requirements of any of the foregoing requirements or an obligation on the part of the Monitor or the Applicants to designate any other LOI as a Qualified LOI. The Monitor and the Applicants will be under no obligation to negotiate identical terms with, or extend identical terms to, each Phase 1 Qualified Bidder.

Assessment of Qualified LOIs and Continuation or Termination of SISP

19. Following the Phase 1 Bid Deadline, the Monitor and the Applicants, in consultation with the DIP Lender will assess the Qualified LOIs received during Phase 1, if any, and will determine whether there is a reasonable prospect of obtaining a Qualified Bid. The Monitor and the Applicants may request clarification from a Phase 1 Qualified Bidder of the terms of its Qualified LOI.
20. In assessing the Qualified LOIs, the Monitor and the Applicants will consider such factors as they may consider relevant in their sole discretion, including, among other things, the following:
 - (a) the form and amount of consideration being offered, including any purchase price or investment amount adjustments and/or any non-cash consideration;
 - (b) the demonstrated financial capability of the Phase 1 Qualified Bidder to consummate the proposed Transaction;
 - (c) the conditions to closing of the proposed Transaction;
 - (d) the estimated time required to complete the proposed Transaction; and
 - (e) the estimated recoveries for stakeholders under the proposed Transaction relative to a bankruptcy or liquidation.
21. If the Monitor and the Applicants determine, in consultation with the DIP Lender, that: (a) no Qualified LOI has been received; or (b) there is no reasonable prospect of a Qualified LOI resulting in a Qualified Bid, the Monitor and the Applicants may, in their sole and absolute discretion, designate one or more LOIs as a Qualified LOI. If no Qualified LOI is received or designated by the Monitor and the Applicants, the Monitor or the Applicants after consulting with the DIP Lender, may apply to the Court for further advice and directions including with respect to the SISP.
22. If one or more Qualified LOIs are received or designated by the Monitor and the Applicants and the Monitor and the Applicants, exercising their reasonable judgment, determine that there is a reasonable prospect that a Qualified LOI may become a Qualified Bid, the Monitor and the Applicants, in consultation with the DIP Lender, may continue the SISP into Phase 2. The Monitor and the Applicants reserve the right to modify the terms of Phase 2 set out below based on the results of Phase 1, including the number of Qualified LOIs received, the extent to which Qualified LOIs or LOIs designated by the Monitor and the Applicants as Qualified LOIs relate to some or all of the same Assets or aspect of the Business and any material adverse impact on Sierra Foods, the Business or the Assets that may occur during Phase 2.
23. Following the Phase 1 Bid Deadline, the Monitor and the Applicants specifically reserve the right to negotiate with any Phase 1 Qualified Bidder with respect to any provision of its LOI or to request or agree to any changes in any such LOI. The Monitor and the Applicants may choose to take such steps with respect to one, or more than one, Phase 1

Qualified Bidder but the Monitor and the Applicants shall have no obligation to negotiate identical terms with, or extend identical terms to, each Phase 1 Qualified Bidder. The Monitor and the Applicants reserve the right to request some, but not all, Phase 1 Qualified Bidders to submit a revised LOI reflecting improved terms or other amendments requested by the Monitor and the Applicants. The Monitor and the Applicants will be under no obligation following the Phase 1 Bid Deadline to provide each Phase 1 Qualified Bidder the opportunity to improve the terms of any LOI.

24. Following the Phase 1 Bid Deadline, the Monitor and the Applicants will assess the Qualified LOIs, in consultation with the DIP Lender. If the Monitor and the Applicants determine that a Phase 1 Qualified Bidder that has submitted a Qualified LOI or that has submitted a LOI that has been designated by the Monitor and the Applicants as a Qualified LOI: (i) has a *bona fide* interest in completing a Sale Proposal, Investment Proposal, or a Hybrid Proposal, as applicable; and (ii) has the financial capability (based on availability of funding, experience and other considerations) to consummate a Transaction based on the financial information provided, then such Phase 1 Qualified Bidder may be invited to participate in Phase 2 (a “**Phase 2 Qualified Bidder**”), provided that the Monitor and the Applicants may, in their reasonable judgment, limit the number of Phase 2 Qualified Bidders taking into account the factors outlined above. Only Phase 2 Qualified Bidders invited by the Monitor and the Applicants to participate in Phase 2 shall be permitted to proceed to Phase 2 of the SISP.
25. Without limiting the provisions governing amendment of the SISP set out in paragraph 43, and notwithstanding the process and timeline for Phase 1, the process to identify and designate Phase 2 Qualified Bidders described above and the terms upon which Phase 2 may be continued as described below, the Monitor and the Applicants may at any time before or after the Phase 1 Deadline determine, in consultation with the DIP Lender, that Phase 2 is not required and may proceed to execute a Definitive Transaction Agreement (which shall be subject to Court approval) with respect to a Transaction contemplated in a Qualified LOI submitted at any time on or before the Phase 1 Bid Deadline.

Phase 2

26. If the Monitor and the Applicants proceed with the second phase of the SISP (“**Phase 2**”), the Monitor will deliver to each Phase 2 Qualified Bidder a letter (the “**Bid Process Letter**”) that establishes the procedures and deadline dates under Phase 2. Together with or promptly following delivery of the Bid Process Letter, the Monitor will post to the Data Room a template form of a Definitive Transaction Agreement to be utilized in connection with any Sale Proposal (the “**Template APA**”). The Monitor may, in its discretion, also post to the Data Room a form of template Definitive Transaction Agreement to be utilized in connection with any Investment Proposal or Hybrid Proposal (the “**Template Investment Agreement**”);
27. Each Phase 2 Qualified Bidder (and, at the request of a Phase 2 Qualified Bidder and subject to the terms of the NDA, its Qualified Advisors), will be granted further access to such due diligence materials and information relating to Sierra Foods, the Assets, and the Business as the Monitor and the Applicants in their reasonable judgment determine

appropriate. In addition, selected due diligence materials and information relating to Sierra Foods, the Assets, and/or the Business may be withheld from a Phase 2 Qualified Bidder if, in the reasonable judgment of the Monitor and the Applicants, such information constitutes proprietary or sensitive competitive information or the Phase 2 Qualified Bidder's access to such information could negatively impact the SISP, Sierra Foods, the Business, the Assets, the ability of the Monitor and the Applicants to maintain the confidentiality of any such confidential information or such disclosure is not reasonably necessary to conduct due diligence with respect to a proposed Transaction. For the purposes of the SISP, "**Qualified Advisors**" means (a) the directors, officers, employees, affiliates, agents, consultants and advisors (including lawyers, financial advisors and accountants) for each Phase 1 Qualified Bidder and Phase 2 Qualified Bidder; or (b) lenders to a Phase 1 Qualified Bidder or Phase 2 Qualified Bidder, provided that each such lender: (i) is reasonably acceptable to the Monitor and the Applicants; and (ii) has executed or is bound by an NDA.

28. A Phase 2 Qualified Bidder that wishes to enter into a Transaction must deliver to the Monitor and the Applicants a final binding Sale Proposal, Investment Proposal, or Hybrid Proposal that complies with the requirements set out below (a "**Final Bid**"), at the address specified in **Appendix "A"** hereto (including by email transmission) so as to be received by the Monitor by no later than the Phase 2 Bid Deadline or such other date or time as may be designated by the Monitor.
29. A Final Bid will be considered a "**Qualified Bid**" only if: (a) it is submitted by a Phase 2 Qualified Bidder; and (b) the Final Bid complies with, among other things, the following requirements:
 - (a) it includes all of the requirements applicable to Qualified LOIs described above and the Bid Process Letter and it is on substantially the same terms or improved terms as the Qualified LOI submitted by such Phase 2 Qualified Bidder. Without limiting the foregoing, if the Final Bid involves (i) a Sale Proposal, it contains or specifies: the information set out in subparagraph 17(c) above; (ii) an Investment Proposal, it contains or specifies the information set out in subparagraph 17(d) above; and (iii) a Hybrid Proposal, it contains or specifies the information set out in subparagraph 17(c) above with respect to the portion of the Hybrid Proposal that constitutes a Sale Proposal and the information set out in subparagraph 17(d) above with respect to the portion of the Hybrid Proposal that constitutes an Investment Proposal;
 - (b) it includes the Phase 2 Qualified Bidder's proposed Definitive Transaction Agreement, including the purchase price, investment amount and other key economic terms expressed in Canadian dollars, together with all exhibits and schedules thereto and such ancillary agreements as may be required by the Phase 2 Qualified Bidder, the proposed order pursuant to which the Transaction will be approved by the Court and (i) if the Final Bid involves a Sale Proposal, a comparison of the Transaction agreement to the Template APA disclosing all amendments thereto; and (ii) if the Final Bid involves an Investment Proposal or Hybrid Proposal, a comparison to any Template Investment Agreement posted to the Data Room;

- (c) it includes a letter stating that the Phase 2 Qualified Bidder's offer is irrevocable until the earlier of: (i) the approval by the Court of a Successful Bid; and (ii) forty-five (45) days following the Phase 2 Bid Deadline, provided that if such Phase 2 Qualified Bidder is selected as the Successful Bidder, its offer will remain irrevocable until the closing of the Transaction with the Successful Bidder;
- (d) it includes written evidence of a firm, irrevocable commitment for all required funding, or other evidence of the financial ability of such Phase 2 Qualified Bidder to consummate the proposed Transaction, that will allow the Monitor and the Applicants to make a reasonable determination as to the Phase 2 Qualified Bidder's financial and other capabilities to consummate the Transaction contemplated by its Final Bid;
- (e) it describes the Assets to be included as well as the Assets to be excluded, divested or disclaimed prior to closing of the Transaction, if any;
- (f) it includes full details of the proposed number of employees who will become employees of the Phase 2 Qualified Bidder and provisions setting out the terms and conditions of employment for continuing employees;
- (g) it includes details of any liabilities to be assumed by the Phase 2 Qualified Bidder;
- (h) it is not conditional upon, among other things:
 - (i) the outcome of unperformed due diligence by the Phase 2 Qualified Bidder;
or
 - (ii) obtaining funding;
- (i) it fully discloses the identity of each entity that will be entering into the Transaction or providing requisite funding (including through the issuance of debt in connection with such Final Bid), or that is participating or benefiting from such Final Bid, and such disclosure shall include: (i) in the case of a Phase 2 Qualified Bidder formed for the purpose of entering into the proposed Transaction, the identity of each of the actual or proposed direct or indirect, and legal or beneficial equity holders of such Phase 2 Qualified Bidder and the terms and participation percentage of such equity holder's interest in such Final Bid; and (ii) the identity of each entity that has or will receive a benefit from such Final Bid from or through the Phase 2 Qualified Bidder or any of its equity holders and the terms of such benefit;
- (j) it outlines any anticipated regulatory and other approvals required to close the Transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;
- (k) it identifies with particularity the contracts the Phase 2 Qualified Bidder wishes to assume and reject, contains full details of the Phase 2 Qualified Bidder's proposal for the treatment of related cure costs (and provides adequate assurance of future performance thereunder); and it identifies with particularity any executory contract

or unexpired lease the assumption and assignment of which is a condition to closing the Transaction;

- (l) it provides a timeline to closing the Transaction with critical milestones;
- (m) it includes evidence, in form and substance reasonably satisfactory to the Monitor and the Applicants, of authorization and approval from the Phase 2 Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the Transaction contemplated by the Final Bid;
- (n) it is accompanied by an irrevocable commitment from the Phase 2 Qualified Bidder to provide a non-refundable deposit (the "**Deposit**") in the form of a wire transfer (to a bank account specified by the Monitor) in an amount equal to not less than 10% of the aggregate purchase price and/or investment amount under the Transaction within five Business Days of the Phase 2 Qualified Bidder being selected as the Successful Bidder
- (o) it contains other information reasonably requested by the Monitor and the Applicants;
- (p) it is received by the Phase 2 Bid Deadline or such other date or time as may be designated by the Monitor; and
- (q) it includes an acknowledgement and representation from the Phase 2 Qualified Bidder that: (a) the Transaction is on an "as is, where is" basis; (b) it has had the opportunity to conduct any and all due diligence regarding Sierra Foods, the Assets and the Business prior to submitting its Final Bid and that it is making the Final Bid notwithstanding that it may not have received the same due diligence materials and information relating to Sierra Foods, the Assets and the Business as any other Phase 1 Qualified Bidder or Phase 2 Qualified Bidder, and that, if applicable, notwithstanding that it has not received information or documents representing proprietary or sensitive competitive information with respect to Sierra Foods, the Assets or the Business; (c) it has relied solely upon its own independent review, investigation and/or inspection of Sierra Foods, the Assets and the Business in making its Final Bid; and (d) it did not rely upon any written or oral statements, representations, promises, warranties or guarantees whatsoever, whether express or implied (by operation of law or otherwise) made by the Monitor or the Applicants or their affiliates, advisors, agents or representatives, regarding any matter or thing, including Sierra Foods, the Assets, the Business the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in the Definitive Transaction Agreement.

30. The Monitor and the Applicants may waive compliance with any one or more of the requirements specified above and deem such Final Bid to be a Qualified Bid, provided that doing so shall not constitute a waiver by the Monitor or the Applicants of the requirements

of the foregoing paragraph or an obligation on the part of the Monitor or the Applicants to designate any other Final Bid as a Qualified Bid. The Monitor and the Applicants will be under no obligation to negotiate identical terms with, or extend identical terms to, each Phase 2 Qualified Bidder.

Evaluation of Qualified Bids

31. The Monitor and the Applicants, in consultation with the DIP Lender, will review each Final Bid received. For the purpose of evaluating a Final Bid, the Monitor and the Applicants may request clarification of the terms of any Final Bid.
32. The criteria utilized by the Monitor and the Applicants to evaluate a Final Bid may include, but are not limited to, items such as: (a) the purchase price or investment amount and net value (including assumed liabilities and other obligations to be performed by the Phase 2 Qualified Bidder); (b) the firm, irrevocable commitment for funding the Transaction; (c) the claims likely to be created by such Final Bid in relation to other Final Bids; (d) the counterparties to the Transaction; (e) the terms of the proposed Transaction documents, including, if applicable, the Phase 2 Qualified Bidder's amendments to the Template APA or Template Investment Agreement; (f) other factors affecting the speed, certainty and value of the Transaction (including any regulatory approvals required to close the Transaction); (g) planned treatment of stakeholders; (h) the Assets included or excluded from the Final Bid; (i) proposed treatment of employees; (j) any transition services required from the Monitor and the Applicants post-closing and any related restructuring costs; and (k) the likelihood and timing of consummating the Transaction.
33. If one or more Qualified Bids is received or so designated by the Monitor and the Applicants, the Monitor and the Applicants, in consultation with the DIP Lender, and exercising their reasonable judgment may select the most favourable Qualified Bid(s) (each, a "**Successful Bid**"), whereupon the Monitor and the Applicants shall proceed to negotiate and settle the terms of a Definitive Transaction Agreement, with the applicable Phase 2 Qualified Bidder(s) who submitted a Successful Bid (each, a "**Successful Bidder**"). The terms of any such Definitive Transaction Agreement must be acceptable to the Monitor and the Applicants in their sole discretion. The Monitor and the Applicants may aggregate separate Final Bids from unaffiliated Phase 2 Qualified Bidders to create one Successful Bid.
34. Following the Phase 2 Bid Deadline, the Monitor and the Applicants specifically reserve the right to negotiate with any Phase 2 Qualified Bidder with respect to any provision of its Final Bid or to request or agree to any changes in any such Final Bid. The Monitor and the Applicants may choose to take such steps with respect to one or more Phase 2 Qualified Bidders, but the Monitor and the Applicants shall have no obligation to negotiate identical terms with, or extend identical terms to, each Phase 2 Qualified Bidder. The Monitor and the Applicants reserve the right to request some, but not all, Phase 2 Qualified Bidders submit a revised Final Bid reflecting improved terms or other amendments requested by the Monitor and the Applicants. The Monitor and the Applicants will be under no obligation to provide to each Phase 2 Qualified Bidder the opportunity to improve the terms

of any Final Bid submitted to the Monitor and the Applicants following the Phase 2 Deadline.

Optional Auction Process

35. If the Monitor and the Applicants receive at least two Qualified Bids and determine, in their sole discretion, in consultation with the DIP Lender, that an auction is necessary or desirable in the circumstances to maximize value, the Monitor and the Applicants may conduct and administer an auction in accordance with the terms of this SISP (the “**Auction**”). If the Monitor and the Applicants proceed with the Auction, the Monitor will deliver to each Phase 2 Qualified Bidder who submitted a Qualified Bid (each, a “**Qualified Bidder**”) a letter that establishes the procedures and deadlines under the Auction (the “**Auction Process Letter**”). If the Monitor and the Applicants proceed with the Auction, the Auction Process Letter shall be delivered to each Qualified Bidder and the Auction will be scheduled by the Monitor and the Applicants as soon as practicable after the Phase 2 Bid Deadline. Only Qualified Bidders shall be eligible to participate in the Auction.

Phase 2 Guidelines

36. If the Monitor and the Applicants determine that no Qualified Bid has been received at the end of Phase 2, the Monitor and the Applicants, after consulting with the DIP Lender, may, in their sole and absolute discretion, designate one or more Final Bids as a Qualified Bid. If no Qualified Bid is received or designated by the Monitor and the Applicants, the Monitor and the Applicants, after consulting with the DIP Lender, may apply to the Court for further advice and directions, including with respect to the SISP.

Approval Motion for Successful Bid(s)

37. The Monitor or the Applicants will bring a motion before the Court (the “**Approval Motion**”) for an order approving the Successful Bid(s) and authorizing the Monitor and the Applicants to enter into any and all necessary agreements with respect to the Successful Bid(s) and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid(s).
38. The Approval Motion will be held on a date to be scheduled by the Court upon motion by the Monitor or the Applicants. The Approval Motion may be adjourned or rescheduled by the Monitor or the Applicants, on notice to the Successful Bidder, by an announcement of the adjourned date at the Approval Motion and without the need for any further notice thereof, provided that in no circumstance shall the Approval Motion be adjourned or rescheduled beyond September 30, 2024 without prior consultation with the DIP Lender and the consent of the Successful Bidder.
39. All Qualified Bids (other than the Successful Bid(s)) will be deemed rejected on the date of approval of the Successful Bid(s) by the Court.

Deposits

40. All cash Deposits will be retained by the Monitor. If there is a Successful Bid, the Deposit paid by the Successful Bidder whose bid is approved at the Approval Motion will be applied in partial satisfaction of the consideration to be paid or provided by the Successful Bidder under the Successful Bid upon closing of the approved Transaction and will be non-refundable. The Deposits of Phase 2 Qualified Bidders not selected as the Successful Bidder(s) will be returned to such parties within 5 Business Days of the date upon which the Successful Bid(s) is approved by the Court. If there is no Successful Bid, then, subject to the following paragraph, all Deposits will be returned to the Phase 2 Qualified Bidders within 5 Business Days of the date upon which the SISP is terminated in accordance with its terms.
41. If a Successful Bidder breaches its obligations under the terms of the SISP, its Deposit plus interest shall be forfeited as liquidated damages and not as a penalty.

Approvals

42. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required pursuant to the CCAA proceeding or any statute or as otherwise required at law in order to implement a Successful Bid.

Amendments & Stalking Horse Agreement

43. The Monitor and the Applicants, in consultation with the DIP Lender, shall have the right at any time to: (i) make material amendments to the SISP, including, without limitation, the requirements criteria and timelines set out herein (including for certainty by extending the Phase 1 Bid Deadline, the Phase 2 Bid Deadline or pursuant to the Bid Process Letter); and (ii) make non-material amendments to the SISP, in each case if, in the Monitor's and the Applicants' reasonable judgment, such material or non-material amendment will enhance the procedure for conducting the SISP or maximize the value of a Transaction pursuant to the SISP. The Monitor and the Applicants shall advise the Service List in the CCAA proceeding of any material amendment to the SISP and shall have no obligation to advise the Service List of any non-material amendments. Without limiting the foregoing and notwithstanding the process and timeline for Phase 1 and the continuation of the SISP into Phase 2, the Monitor and the Applicants, in consultation with the DIP Lender, may at any time prior to or during Phase 1 or Phase 2: (i) subject to Court approval, enter into a stalking horse agreement involving a Transaction with respect to some or all of the Assets or the Business with a party identified through the SISP or otherwise; (ii) subject to Court approval, enter into a Definitive Transaction Agreement with respect to a Transaction involving some or all of the Assets or the Business with a party identified through the SISP or otherwise and suspend or terminate the SISP; (iii) remove any non-material Assets from the SISP; provided that such removal is determined by the Applicants and the Monitor to be in the best interests of the Applicants and their stakeholders generally; or (iv) subject to Court approval, remove any material Assets from the SISP; provided that such removal is

determined by the Applicants and the Monitor to be in the best interests of the Applicants and their stakeholders generally.

44. The SISP does not, and will not be interpreted to, create any contractual or other legal relationship between the Monitor, the Applicants, and any Phase 1 Qualified Bidder or Phase 2 Qualified Bidder or any other person, other than as specifically set forth in a Definitive Transaction Agreement that may be signed and approved by the Court.

“As Is, Where Is”

45. Any Transaction will be on an “as is, where is” basis as at the time of closing and without surviving representations or warranties of any kind, nature, or description by the Monitor and the Applicants or any of their affiliates, advisors, agents or representatives, except to the extent otherwise expressly provided under a definitive agreement with respect to a Transaction with a Successful Bidder executed and delivered by the Applicants and approved by the Court. None of the Monitor, the Applicants, or their respective affiliates, advisors, agents or representatives makes any representation or warranty as to title, description, fitness for purpose, merchantability, quantity, conditions or quality of any of the Assets, the Business or the accuracy or completeness of the information provided to any party pursuant to the SISP or otherwise, including the information contained in any of the Teaser and the Data Room. Each party that participates in the SISP shall be deemed, at its own expense, to have relied entirely on its own inspection and investigation with respect to the Assets, the Business and otherwise with respect to the Applicants. It shall be the Successful Bidder's sole responsibility to obtain, at its own expense, any consents or transfers of licenses or permits necessary to close a Transaction and any further documents or assurances which are necessary or desirable in the circumstances. Without limiting the generality of the foregoing, any and all conditions, warranties and representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario), or any similar legislation in force outside of Ontario, do not apply to any Transaction and shall be waived by the Successful Bidder.

Free of Any and All Claims and Interests

46. As part of the Approval Motion with respect to any Successful Bid that results from a Sale Proposal, the Monitor or the Applicants will seek an order vesting in the Successful Bidder all of the right, title and interest of Sierra Foods to those Assets subject to the Successful Bid free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests on or against such Assets (collectively, the “**Claims and Interests**”). Such Claims and Interests will attach only to the net proceeds of the sale of such Assets (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in a definitive agreement with a Successful Bidder.

No Obligation to Conclude a Transaction

47. The highest or any Final Bid received pursuant to the SISP will not necessarily be accepted. In addition, at any time during the SISP, the Monitor and the Applicants, in consultation

with the DIP Lender, may terminate the SISP in their sole and absolute discretion, and shall provide notice of such a decision to all Phase 1 Qualified Bidders or, if Phase 2 has commenced, to all Phase 2 Qualified Bidders.

Advice and Directions from the Court

48. At any time during the SISP, the Monitor or the Applicants may apply to the Court for advice and directions with respect to the discharge of their respective powers and duties hereunder.

Confidentiality and Communication Restrictions

49. All communication regarding the SISP, including with respect to a LOI, a Sale Proposal, an Investment Proposal, a Hybrid Proposal or a Final Bid, shall be directed solely to the Monitor or its counsel unless otherwise directed by the Monitor or its counsel. The Monitor and the Applicants reserve the right to disqualify any party from participating in the SISP that breaches the foregoing prohibition on communication with any current or former employees or management of the Applicants or any stakeholder of any of the Applicants without the prior written consent of the Monitor and the Applicants.
50. If deemed necessary by the Monitor and the Applicants in order to determine if separate bids from Phase 1 Qualified Bidders or Phase 2 Qualified Bidders may be combined, the Monitor and the Applicants may share with participants and prospective participants in the SISP information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Phase 1 Qualified Bidders, Phase 2 Qualified Bidders, Final Bids, Qualified Bids and the details of any bids submitted or the details of any confidential discussions or correspondence between the Monitor or the Applicants and such other bidders or Potential Bidders in connection with the SISP.
51. The Monitor and the Applicants may, in their sole discretion, consult with significant stakeholders of the Applicants (including, without limitation, the DIP Lender) and/or legal and financial advisers to such parties or to other parties with a material interest in the CCAA proceeding regarding the status of the SISP to the extent and on such confidentiality terms considered appropriate by the Monitor and the Applicants, provided that no such party consulted by the Monitor and the Applicants is a participant or prospective participant in the SISP.
52. The Applicants, with the consent of the Monitor, may engage such other consultants, agents or experts and such other persons from time to time as may be reasonably necessary to assist the Applicants in carrying out this SISP.
53. Participants in the SISP are responsible for all costs, expenses and liabilities that they incur in connection with the SISP including in connection with a LOI, a Sale Proposal, an Investment Proposal, a Hybrid Proposal, a Final Bid and any Transaction approved by the Court.
54. The Applicants shall co-operate fully with the Monitor in the exercise of its powers and duties and discharge of its obligations under the SISP and provide the Monitor with the

assistance, information and documentation that is reasonably necessary to enable the Monitor to adequately carry out the Monitor's functions herein.

55. The Applicants and Monitor shall keep confidential the names, details and all other non-public information related to Potential Bidders and shall only use such information to conduct this SISP, or as is reasonably necessary to seek directions from or make submissions to the Court or to obtain or otherwise make submissions regarding the approval of any Qualified Bid.

Appendix “A”

Monitor’s Address

Deloitte Restructuring Inc.
Bay Adelaide East
8 Adelaide Street West, Suite 200
Toronto, Ontario M5H 0A9

Attention: Jorden Sleeth; Todd Ambachtsheer
Email: jsleeth@deloitte.ca; tambachtsheer@deloitte.ca

With a copy to:

Dentons Canada LLP
77 King St W, Suite 400
Toronto, ON M5K 0A1

Attention: Robert Kennedy; Valerie Cross
Email: robert.kennedy@dentons.com; valerie.cross@dentons.com

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., SIERRA CUSTOM FOODS INC., SIERRA SUPPLY CHAIN SERVICES INC., SIERRA REALTY CORPORATION, RVB HOLDINGS INC., VANDEN BROEK HOLDINGS (2008) INC., SIERRA 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

SISP APPROVAL ORDER

Thornton Grout Finnigan LLP

TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7

Rebecca L. Kennedy (LSO# 61146S)

Email: rkennedy@tgf.ca

D.J. Miller (LSO#34393P)

Email: djmiller@tgf.ca

Adam Driedger (LSO #77296F)

Email: adriedger@tgf.ca

Tel: (416) 304-1616

Fax: (416) 304-1313

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., SIERRA CUSTOM FOODS INC., SIERRA SUPPLY CHAIN SERVICES INC., SIERRA REALTY CORPORATION, RVB HOLDINGS INC., VANDEN BROEK HOLDINGS (2008) INC., SIERRA REALTY CALGARY CORPORATION AND EASTERN MEAT SOLUTIONS (USA) CORP.

Applicants

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto, Ontario

MOTION RECORD
(Returnable May 31, 2024 at 10:00 a.m.)

THORNTON GROUT FINNIGAN LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7

Rebecca L. Kennedy (LSO# 61146S)
Email: rkennedy@tgf.ca

D.J. Miller (LSO#34393P)
Email: djmiller@tgf.ca

Adam Driedger (LSO #77296F)
Email: adriedger@tgf.ca

Tel: (416) 304-1616
Fax: (416) 304-1313

Lawyers for the Applicants