

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

THE HONOURABLE MR.	)	THURSDAY, THE 25TH
	)	
JUSTICE MICHAEL A. PENNY	)	DAY OF NOVEMBER, 2021

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 **BOREAL CAPITAL PARTNERS LTD.**,  
JRB-331 SHEDDON HOLDINGS LTD., 2123068 ONTARIO  
LIMITED, JRB-109 REYNOLDS HOLDINGS LTD., JRB-339  
CHURCH HOLDINGS LTD., JRB-147 CHURCH HOLDINGS  
LTD. (each an “**Applicant**” and collectively, the “**Applicants**”)

**INITIAL ORDER**

THIS APPLICATION, made by 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 judicial videoconference via Zoom in Toronto, Ontario due to the COVID-19 pandemic.

ON READING the affidavit of Timothy Price sworn November 24, 2021 (the “**Price Affidavit**”) and the Exhibits thereto, and the pre-filing report of the proposed monitor, Ernst & Young Inc., dated November 24, 2021, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants and the partnerships listed on Schedule “A” hereto (the “**Partnerships**” and collectively with the Applicants, the “**Boreal Entities**”), Halmont Properties Corporation (“**Halmont**”) as a secured creditor, and Trisura Guarantee Insurance Company as a secured creditor, no one else appearing although duly served as appears from the

affidavit of service of Puya Fesharaki sworn November 25, 2021 and on reading the consent of Ernst & Young Inc. to act as the monitor (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.

## **APPLICATION**

2. THIS COURT ORDERS AND DECLARES that the Applicants are each a company to which the CCAA applies. Although not Applicants, the Partnerships shall enjoy the benefits of the protections and authorizations provided by this Order.

## **POSSESSION OF PROPERTY AND OPERATIONS**

3. THIS COURT ORDERS that the Boreal Entities 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 Boreal Entities 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 consultants, 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.

4. THIS COURT ORDERS that the Boreal Entities shall be entitled to continue to utilize the central cash management system currently in place 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 Boreal Entities 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 Boreal Entities, 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 Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

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

- (a) the fees and disbursements of any Assistants retained or employed by any of the Applicants in respect of these proceedings, at their standard rates and charges; and
- (b) with the consent of the Monitor, amounts owing for goods or services actually provided to any of the Applicants prior to the date of this Order by third parties, if, in the opinion of the Applicants, such third party is critical to the Business and ongoing operations of the Applicants.

6. 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 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.

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

- (a) all goods and services 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
- (b) 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.

8. 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; (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**

9. THIS COURT ORDERS that the Applicants 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 pursue all avenues of refinancing, restructuring, selling and reorganizing the Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing, restructuring, sale or reorganization, 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**

10. THIS COURT ORDERS that until and including December 3, 2021, 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 any of the Boreal Entities, the CRO (as defined below) or the Monitor, or affecting the Business or the Property, except with the written consent of the Boreal Entities, the CRO 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 Boreal Entities, the CRO or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

## **NO EXERCISE OF RIGHTS OR REMEDIES**

11. 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 any of the Boreal Entities, the CRO or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Boreal Entities, the CRO and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants or the CRO to carry on any business which the Boreal Entities and the CRO 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**

12. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the Boreal Entities, except with the written consent of the Boreal Entities, the CRO and the Monitor, or leave of this Court.

### **CONTINUATION OF SERVICES**

13. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Boreal Entities or the CRO 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 the Boreal Entities, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Boreal Entities or the CRO, and that the Boreal Entities and the CRO shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Boreal Entities or the CRO in accordance with normal payment practices of the Boreal Entities or the CRO or such other practices as may be agreed upon by the supplier or service provider and each of the Boreal Entities, the CRO and the Monitor, or as may be ordered by this Court.

### **NON-DEROGATION OF RIGHTS**

14. 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 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 any of the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

15. 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 Boreal Entities with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Boreal Entities 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 in respect of the Boreal Entities, if one is filed, is sanctioned by this Court or is refused by the creditors of the Boreal Entities or this Court.

### **CRO APPOINTMENT**

16. THIS COURT ORDERS that the appointment of Kesmark Estates Ltd. (“**Kesmark**”) as the General Partner of each of the Partnerships is hereby ratified and Kesmark is hereby appointed as the chief restructuring officer of the Boreal Entities (the “**CRO**”) pursuant to the terms of this Order to continue to act as the General Partner of each of the Partnerships and manage and operate the business of the Applicants and the Partnerships, and in doing so, is authorized and empowered to exercise the duties, services and powers set out in Schedule “B” attached hereto (collectively, the “**CRO Duties**”).

17. THIS COURT ORDERS that in exercising the CRO Duties:

- (a) the CRO shall not be or be deemed to be a director or employee of the Applicants;
- (b) the CRO shall not, as a result of the performance of the CRO Duties in accordance with the terms herein, be deemed to be in Possession (as defined below) of any of the Property within the meaning of any Environmental Legislation (as defined below);
- (c) the CRO shall not have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the date of this Order except to the extent such losses, claims, damages or liabilities result from the negligence or wilful misconduct on the part of the CRO; and
- (d) any obligations of the Applicants to the CRO herein shall be treated as unaffected and may not be compromised in any Plan or proposal filed under the *Bankruptcy and Insolvency Act*, R.S.C, 1985, c. B-3, as amended (the “**BIA**”) in respect of any of the Applicants.

## **APPOINTMENT OF MONITOR**

18. THIS COURT ORDERS that Ernst & Young Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Boreal Entities with the powers and obligations set out in the CCAA or set forth herein and that the Boreal Entities and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Boreal Entities pursuant to this Order, and shall cooperate 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.

19. 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 Boreal Entities' receipts and disbursements;
- (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 Boreal Entities, to the extent required by the Boreal Entities, in their dissemination, to the DIP Lender (as defined below) and its counsel of financial and other information as agreed to between the Boreal Entities and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the Boreal Entities in their preparation of the Boreal Entities' cash flow statements and 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 as agreed to by the DIP Lender and the Boreal Entities;
- (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 Boreal Entities, to the extent that is necessary to adequately assess the Boreal Entities' 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; and
- (g) perform such other duties as are required by this Order or by this Court from time to time.

20. 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.

21. 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 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.

22. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Boreal Entities and the DIP Lender with information provided by the Boreal Entities in response to reasonable requests for information made in writing by such creditor 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 Boreal Entities 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 Boreal Entities may agree.

23. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out 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.

24. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Boreal Entities shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Boreal Entities as part of the costs of these proceedings. The Boreal Entities are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Boreal Entities on a biweekly basis.

25. 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.

26. THIS COURT ORDERS that the Monitor and counsel to the Monitor, the Boreal Entities' and the DIP Lender 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 \$100,000, 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. The Administration Charge shall have the priority set out in paragraphs 33 and 35 hereof.

#### **DIP FINANCING**

27. THIS COURT ORDERS that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from Halmont (in such capacity, the "**DIP Lender**") in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed the principal amount of \$2.6 million unless permitted by further Order of this Court.

28. THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicants and the DIP Lender dated as of November 23, 2021 (the "**Commitment Letter**"), filed.

29. 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 "**Definitive Documents**"), as are contemplated by the Commitment Letter 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 Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

30. 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, including, without limiting the foregoing, the real property identified in Schedule "C" hereto (the "**Real Property**"), which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 33 and 35 hereof.

31. 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 Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon five days 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 Commitment Letter, Definitive 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 Commitment Letter, the Definitive Documents or 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.

32. THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by any of the Applicants under the CCAA, or any proposal filed by any of the Applicants under the BIA, with respect to any advances made under the Definitive Documents.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

33. THIS COURT ORDERS that the priorities of the Administration Charge and the DIP Lender's Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$100,000);

Second – DIP Lender's Charge.

34. THIS COURT ORDERS that the filing, registration or perfection of 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.

35. 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, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

36. 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 obtains the prior written consent of the Monitor and the beneficiaries of the Charges, or further Order of this Court.

37. THIS COURT ORDERS that the Charges, the Commitment Letter, and the Definitive Documents 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 order(s) issued pursuant to BIA, or any bankruptcy 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 Commitment Letter or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which it is 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 Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the Commitment Letter or the Definitive 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.

38. THIS COURT ORDERS AND DECLARES that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the Commitment Letter, the Definitive Documents or the DIP Lender's Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "**Variation**") whether by subsequent order of this Court, on or pending an appeal from this Order, such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender whether under this Order (as made prior to the Variation), under the Commitment Letter and the Definitive Documents, with respect to any advances made prior to the DIP Lender being given notice of the Variation and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Lender's Charge) for all advances so made.

#### **SERVICE AND NOTICE**

39. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in The Globe and Mail 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 any of the Applicants of more than \$1000, 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.

40. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<[www.ey.com/ca/boreal](http://www.ey.com/ca/boreal)>'.

41. 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 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 or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

#### **GENERAL**

42. 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 powers and duties hereunder.

43. 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.

44. 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.

45. 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.

46. THIS COURT ORDERS that any interested party (including the Applicants 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.

47. 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.

#### **REGISTRATION ON TITLE**

48. THIS COURT ORDERS AND DIRECTS that, as soon as practicable, the Land Registry Office for the Land Titles Division of Halton County (No. 20) accept this Order for registration on title to the Real Property described in Schedule "C" hereto, and HEREBY DIRECTS that the Land Registrar register the DIP Lender's Charge on title to the Real Property in the form prescribed in the *Land Titles Act*.



A handwritten signature in blue ink, appearing to read "Perry J.", is written over a horizontal line.



**Schedule “A”**  
**Boreal Entities**

1. BOREAL CAPITAL PARTNERS LTD.
2. BOREAL CAPITAL PARTNERS LP
3. JRB-331 SHEDDON HOLDINGS LTD.
4. JRB-331 SHEDDON HOLDINGS LP
5. 2123068 ONTARIO LIMITED
6. JRB-159 TRAFALGAR HOLDINGS LP
7. JRB-109 REYNOLDS HOLDINGS LTD.
8. JRB-109 REYNOLDS HOLDINGS LP
9. JRB-339 CHURCH HOLDINGS LTD.
10. JRB-339 CHURCH HOLDINGS LP
11. JRB-147 CHURCH HOLDINGS LTD.
12. JRB-147 CHURCH HOLDINGS LP

**Schedule “B”  
CRO Duties**

1. Full power and exclusive authority on behalf of the Boreal Entities to manage, conduct, control, administer and operate the business and affairs of the Boreal Entities.
2. Take such measures necessary or appropriate for the business of the Boreal Entities or ancillary thereto.
3. Acquire, own, manage, administer, convert, develop, operate, sell, exchange, transfer, dispose of or otherwise deal with any and all assets of the Boreal Entities as may be necessary, convenient or beneficial for the Boreal Entities and in general to engage in any and all phases of the business of the Boreal Entities.
4. Solicit interest and refinance the indebtedness, or conduct a sale process with respect to the Property.
5. Open and operate one or more bank accounts, with full and exclusive signing authority on behalf of the Boreal Entities in order to deposit, disburse and distribute funds of the Boreal Entities.
6. Incur expenses and enter into, perform and carry out contracts or commitments of any kind, assume obligations and execute, deliver, acknowledge and file documents in furtherance of the business of the Boreal Entities.
7. Pay all taxes, fees, legal costs and other expenses of the Boreal Entities.
8. Act on behalf of the Boreal Entities with respect to any and all actions or other proceedings brought by or against the Boreal Entities and pay, collect, compromise or otherwise adjust, contest or settle any and all claims or demands of or against the Boreal Entities.
9. Execute any and all deeds, documents and instruments and to do all other acts as may be necessary or desirable to carry out the intent and purpose of the CRO Duties.
10. Lead day to day operations of the Boreal Entities, their respective real property development projects, including with respect to the completion and sale of the projects.

**Schedule "C"**  
**Real Property**

1. 331 Sheddon Avenue, Oakville, Ontario being: PIN 24808-0078(LT) legally described as PT PPK H, PL 1; PT 1, 20R21211; SUBJECT TO AN EASEMENT IN GROSS AS IN HR1633076; SUBJECT TO AN EASEMENT AS IN HR1734483; TOWN OF OAKVILLE
2. 159 Trafalgar Road, Oakville, Ontario being: PIN 24812-0006(LT) legally described as PT LT 5, BLK 90, PL 1, (AKA MAP R. W. KERR DPS) AS IN 172522; OAKVILLE
3. 109 Reynolds Street, Oakville, Ontario being: PIN 24812-0260(LT) legally described as LOT A, BLK 32, PLAN 1 EXCEPT PT 1 ON 20R13596;(AKA MAP R.W. KERR DPS); OAKVILLE.
4. 339 Church Street, Oakville, Ontario being: PIN 24812-0045(LT) legally described as LT E, BLK 31, PL 1, (AKA MAP R.W.KERR DPS); EXCEPT PT 2, 20R4783; S/T INTEREST IF ANY IN 536515; OAKVILLE
5. 147 Church Street, Oakville, Ontario being: PIN 24813-0006(LT) legally described as PT LT E, BLK 1, PL 1, AS IN 473561; S/T 473561; TOWN OF OAKVILLE

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 **BOREAL CAPITAL PARTNERS LTD., et al**  
(each an “**Applicant**” and collectively, the “**Applicants**”)

Court File No. CV-21-00672654-00CL

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

Proceedings commenced at Toronto, Ontario

**INITIAL ORDER**

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