

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

THE HONOURABLE) WEDNESDAY, THE 12TH DAY
JUSTICE W.D. BLACK) OF JUNE, 2024

MILESTONE DISTRIBUTION 2024 LTD.

Applicant

- and -

MILESTONE MARBLE & GRANITE LTD.

Respondent

IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED and SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, as amended

**ORDER
(appointing Receiver)**

THIS MOTION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**"), for an order, *inter alia* (i) appointing Albert Gelman Inc. as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Milestone Marble & Granite Ltd. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor; (ii) approving the Sales Process substantially in the form attached as Schedule "B" hereto; and, (iii) approving the stalking horse asset purchase agreement between the Applicant, as buyer, and the Receiver, as vendor, (the "**Stalking Horse APA**") substantially in the form attached as Exhibit

“P” to affidavit of Laura Moscone sworn May 30, 2024 (the “**Moscone Affidavit**”) was heard this day by judicial videoconference, administered by the office of this Honourable Court at 330 University Avenue, Toronto, Ontario.

ON READING the Moscone Affidavit and the exhibits thereto and the pre-filing report of the proposed Receiver dated June 8, 2024 and the appendices thereto (“**Proposed Receiver’s Report**”);

AND ON HEARING the submissions of counsel for Applicant, the proposed Receiver and the other parties listed on the Participant Information Sheet, no one else appearing for the other parties listed on the service list although duly served as appears from the affidavit of service of Amanda Adamo sworn June 3, 2024, and on reading the consent of Albert Gelman Inc. to act as the Receiver.

SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, Albert Gelman Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the “**Property**”).

RECEIVER’S POWERS

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

- a. to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- b. to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- c. to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- d. to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- e. to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- f. to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- g. to settle, extend or compromise any indebtedness owing to the Debtor;

- h. to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- i. to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- j. to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- k. to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$75,000 provided that the aggregate consideration for all such transactions does not exceed \$300,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* and/or section 31 of the Ontario *Mortgages Act*, as the case may be shall not be required.

- l. to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- m. to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- n. to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- o. to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- p. to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- q. to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- r. to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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

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

access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver'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 the Receiver'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 Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on

any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current 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 Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of 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 Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

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

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

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

FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

APPROVAL OF STALKING HORSE SALE PROCESS

25. **THIS COURT ORDERS** that the stalking horse sale process set out in **Schedule "B"** to this order in respect of the Debtor's assets and/or business (the "Sale Process") is hereby approved.

26. **THIS COURT ORDERS** that the Receiver is authorized and directed to take such steps as is deemed necessary or advisable to carry out the Sale Process and perform its duties and obligations under the Sale Process; and, to take such steps and execute such documentation as may be necessary or incidental to the Sale Process, provided that any definitive agreement to be executed in respect of the sale of all or part of the Property shall require further approval of this Court.

27. **THIS COURT ORDERS** that the Receiver, and its assistants, affiliates, partners, employees, representatives and agents shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature of kind, to any person in connection with or as a result of the Sale Process, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct in performing their obligations under the Sale Process as determined by this Court.

APPROVAL OF STALKING HORSE APA

28. **THIS COURT ORDERS** that the execution, delivery, and entry into by the Receiver of the Stalking Horse APA between the Receiver and Milestone Distribution 2024 Ltd., is confirmed, authorized and approved. For greater certainty, the Stalking Horse APA is approved only as a bid in the Sale Process (*as defined herein*) and the transaction contemplated therein is subject to prior Court approval.

SERVICE AND NOTICE

29. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the “**Guide**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at www.ontariocourts.ca/scj/practice/practice-directions/toronto/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 Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: <https://www.albertgelman.com/corporate-solutions/other-engagements/>.

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

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

GENERAL

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

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

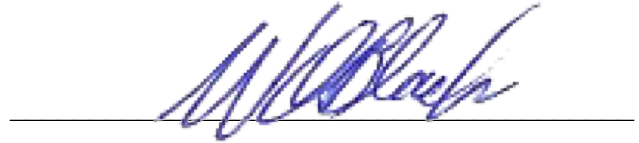
34. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals,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

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

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

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

38. **THIS COURT ORDERS** that this order is effective from 12:01am (Toronto time) on today's date and is enforceable without the need for entry and filing, provided that any party may nonetheless submit a formal order for original signing, entry and filing, as the case may be.

A handwritten signature in blue ink is positioned above a solid horizontal line. The signature is cursive and appears to read 'W. B. [unclear]'. The line extends across the width of the signature.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ____ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

DATED the ____ day of _____, 20__.

[RECEIVER'S NAME], solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

Schedule B

Procedure for Stalking Horses Sale Process

INTRODUCTION

1. On June 12, 2024, on application by Milestone Distribution 2024 Ltd. (the “**Stalking Horse Bidder**”), the Ontario Superior Court of Justice, Commercial List (the “**Court**”) granted an order (the “**Order**”), among other things, (i) appointing Albert Gelman Inc. as receiver (the “**Receiver**”) of the property, assets and undertakings of the Debtor (collectively, the “**Assets**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 and (ii) authorizing the Receiver to undertake a sale process (“**Sale Process**”) for the sale of the Debtor’s Assets on an “*as is, where is*” basis. The Sale Process will be conducted by the Receiver in the manner set forth herein and in accordance with the Order.
2. Among other things, the Order will also: (a) approve the procedures set out in this Schedule (the “**Bidding Procedures**”) for the solicitation of offers (each, a “**Bid**”) for the acquisition of the Assets; and (b) approve the form of stalking horse agreement (as same may be amended from time to time pursuant to its terms and the Order, the “**Stalking Horse Agreement**”) to be entered into between the Receiver, as vendor, and the Stalking Horse Bidder, as purchaser, for the purposes of serving as the stalking horse bid in the Sale Process (the “**Stalking Horse Bid**”). For the avoidance of doubt, the implementation of the transaction contemplated by the Stalking Horse Agreement is conditional upon the Stalking Horse Bid being selected as a Successful Bid (as defined below) in accordance with the Bidding Procedures and Court approval of the Stalking Horse Agreement and the transactions contemplated therein on a subsequent motion to be brought by the Debtor following the completion of the Sale Process.

Bidding Procedures

Opportunity

3. The Sale Process is intended to solicit interest in and opportunities for a sale of all of the Assets of the Debtor (the “**Opportunity**”).
4. Any sale of the Assets will be on an “*as is, where is*” basis and without surviving representations or warranties of any kind, nature, or description by the Receiver, the Debtor or any of their respective agents, employees, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Debtor in and to the Assets to be acquired will be sold free and clear of, *inter alia*, all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, except as otherwise provided in such Court orders and definitive documents.
5. The Stalking Horse Agreement constitutes a Binding Offer by the Stalking Horse Bidder (who shall be deemed to be a Binding Offer Bidder (each as defined below)) for all purposes and at all times under this Sale Process and will serve as the Stalking Horse Bid for purposes of this Sale Process and the Bidding Procedures and the Stalking Horse Bidder

shall have the right to participate in the Auction (as defined below), if any. Notwithstanding the Stalking Horse Agreement and proposed transactions therein, all interested parties are encouraged to submit bids to acquire the Assets. A copy of the Stalking Horse Agreement will be made available to all Qualified Bidders and a form of such purchase agreement, to be uploaded to the VDR (each as defined below), may be used as the basis for any Binding Offer made in the Sale Process.

6. The Bidding Procedures describe the manner in which prospective bidders may gain access to due diligence materials concerning the Debtor and the Assets, the manner in which bidders may participate in the Sale Process, the requirement of and the receipt and negotiation of bids received, the ultimate selection of a Successful Bidder (as defined below) and the requisite approvals to be sought from the Court in connection therewith.
7. The Receiver may at any time and from time to time, modify, amend, vary or supplement the Bidding Procedures, without the need for obtaining an order of the Court or providing notice to Potential Bidders, Qualified Bidders, Binding Offer Bidders or the Successful Bidder(s) provided that such modification, amendment, variation or supplement is expressly limited to changes that do not alter, amend or prejudice the rights of such bidders (including the rights of the Stalking Horse Bidder, except with the authorization of the Stalking Horse Bidder) and are necessary or useful in order to give effect to the substance of the Sale Process, the Bidding Procedures or the Order. Notwithstanding the foregoing, the dates or time limits indicated in the table contained below may be extended by the Receiver, as the Receiver deems necessary or appropriate, or by order of the Court.
8. The Receiver will post on the Receiver's website and serve on the service list maintained in these proceedings, as soon as practicable, any such modification, amendment, variation or supplement to these Bidding Procedures and inform the bidders impacted by such modifications.
9. The Sale Process will be conducted by the Receiver in the manner set forth herein and in accordance with the Order. In the event of a dispute as to the interpretation or application of the Order or these Bidding Procedures, the Court will have exclusive jurisdiction to hear and resolve such dispute. For the avoidance of doubt, all bidders shall be deemed to have consented to the jurisdiction of the Court in connection with any disputes relating to the Sale Process, including the qualification of bids, the construction and enforcement of the Sale Process, and closing of a Successful Bid, as applicable.
10. Participants in the Sale Process are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, the Auction and any further negotiations or other actions whether or not they lead to the consummation of a transaction.

11. A summary of the key dates pursuant to the Sale Process is as follows:

Milestone	Date
Go to market	No later than June 14, 2024
Bid Deadline	July 16, 2024
Auction, if needed	July 18, 2024
Hearing of the Sale Approval Motion / Transaction Execution Date	Subject to availability of the Court
Closing of Transaction (outside date)	No later than August 14, 2024

Solicitation of Interest: Notice of the Sale Process

12. As soon as reasonably practicable after Court approval of the Sale Process:

- a. the Receiver will prepare a list of potential bidders, including (i) parties that have approached the Debtor or the Receiver indicating an interest in the Opportunity and (ii) strategic and financial parties who the Receiver believes may be interested in the Opportunity;
- b. the Receiver, with the assistance of the Debtor, will prepare (i) a process summary (the “**Teaser Letter**”) describing the Opportunity and the contemplated process under the Sale Process and inviting recipients of the Teaser Letter to express their interest in the Opportunity; and (ii) a non-disclosure agreement in form and substance satisfactory to the Receiver, which shall enure to the benefit of any purchaser of the Assets or any part thereof (an “**NDA**”).

13. As soon as reasonably practicable, but, in any event, by no later than five (5) business days after the Court approval of the Sale Process, the Receiver shall (i) publish a notice of the Sale Process (and such other relevant information which the Receiver considers appropriate) (the “**Notice**”) in the National Post and/or in one or more trade industry and/or insolvency-related publications as may be considered appropriate by the Receiver.

14. The Receiver will cause the Teaser Letter and NDA to be sent to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Receiver as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Virtual Data Room

15. A confidential virtual data room or rooms (collectively the “**VDR**”) in relation to the Opportunity will be made available by the Receiver to Potential Bidders (as defined below) that have executed the NDA. The VDR will be made available as soon as practicable.

Qualified Bidders

16. Any party who wishes to participate in the Sale Process (a "**Potential Bidder**") must provide to the Receiver and counsel to the Receiver, at the addresses specified in **Appendix "B"** hereto (including by email transmission), an NDA executed by it, acceptable to the Receiver, and written confirmation of the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.
17. A Potential Bidder (who has delivered the executed NDA and letter as set out above) will be deemed a "**Qualified Bidder**" if the Receiver, in its reasonable judgment, determines such person is likely, based on the availability of financing, experience and other considerations, to be able to consummate a sale or liquidation transaction pursuant to the Sale Process. All Qualified Bidders will be granted access to the VDR. For the avoidance of doubt, the Stalking Horse Bidder is, and will be deemed to be, a Qualified Bidder. The Receiver will provide to each Qualified Bidder a copy of the Stalking Horse Agreement and any material amendment thereto.
18. The Debtor, the Receiver and their respective advisors make no representation or warranty as to the information contained in the VDR, Teaser Letter or otherwise made available pursuant to the Sale Process.
19. At any time during the Sale Process, the Receiver may, in its reasonable judgment, eliminate a Qualified Bidder from the Sale Process, in which case such bidder will be eliminated from the Sale Process and will no longer be a "Qualified Bidder" for the purposes of the Sale Process.
20. Potential Bidders must rely solely on their own independent review, diligence, investigation and/or inspection of all information and of the Assets in connection with their participation in the Sale Process and any transaction they enter into with the Receiver.

Due Diligence

21. The Receiver shall, subject to competitive and other business considerations, afford each Qualified Bidder such access to due diligence materials and information relating to the Assets as is available to the Receiver and as the Receiver may deem appropriate.
22. The Receiver will designate one or more representatives of the Receiver to be solely

responsible for coordinating and responding to all requests for information and due diligence access from Qualified Bidders and the manner in which such requests must be communicated. Neither the Receiver, nor the Debtor through the Receiver, will be obligated to furnish any information relating to the Assets to any person other than to Qualified Bidders. Further, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Qualified Bidders if the Receiver determines such information to represent proprietary or sensitive competitive information.

Formal Binding Offers

23. Any Qualified Bidder (other than the Stalking Horse Bidder) that wishes to make a formal offer to acquire all or substantially all of the Assets, whether through an asset purchase (a “**Sale Proposal**”) or wishes to propose a liquidation of the assets (a “**Liquidation Proposal**”), must submit a binding offer (a “**Binding Offer**”) by submitting a marked version compared to the Stalking Horse Agreement, a copy of which will be posted in the VDR in form and substance satisfactory to the Receiver (the “**Binding Offer Bidder**”) to the Receiver, no later 5 p.m. EST on July 16, 2024 (the “**Binding Offer Deadline**”).

24. A Binding Offer will be considered if it:

- (a) is submitted in the form of asset purchase agreement template provided by the Receiver, accompanied by a blacklined version of the same showing all changes from the Stalking Horse Agreement (provided that a Liquidation Proposal is not required to be submitted on such template);
- (b) provides for net cash proceeds on closing no less than the aggregate of: (A) the amount of cash equal in value to (i) the cash payable under the Stalking Horse Agreement together with (ii) value of the ‘credit bid’ component of the Stalking Horse Agreement, plus (B) the amount of cash payable to cover the Expense Reimbursement as defined in the Stalking Horse Agreement (\$15,000), plus (C) a minimum overbid amount of \$10,000 (the amounts set forth in this paragraph 24(b), the “Minimum Purchase Price”);
- (c) is submitted on or before the Binding Offer Deadline by a Qualified Bidder;
- (d) is made by way of binding, definitive transaction document(s) that is/are executed by the Binding Offer Bidder;
- (e) identifies any executory contracts and leases of the Debtor that the Binding Offer Bidder will assume and clearly describes, for each contract or on an aggregate basis, how all monetary defaults and non-monetary defaults will be remedied, as applicable;
- (f) is not subject to any financing condition, diligence condition or internal or board approval;
- (g) is unconditional, other than upon the receipt of the Approval Order(s) (as defined below) and satisfaction of any other conditions expressly set forth in the Binding

Offer;

- (h) contains or identifies the key terms and provisions to be included in any Approval Order;
- (i) contains the Binding Offer Bidder's proposed treatment of employees of the Debtor (for example, anticipated employment offers and treatment of post-employment benefits);
- (j) includes acknowledgments and representations of the Binding Offer Bidder that it: (i) has had an opportunity to conduct any and all due diligence regarding the Opportunity prior to making its Binding Offer; (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its Binding Offer; and (iii) did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Opportunity or the completeness of any information provided in connection therewith, other than as expressly set forth in the Binding Offer or other transaction document submitted with the Binding Offer;
- (k) includes evidence satisfactory to the Receiver of funds available to pay the Minimum Purchase Price on closing;
- (l) does not provide for any break or termination fee, expense reimbursement or similar type of payment, it being understood and agreed that no bidder will be entitled to any bid protections;
- (m) includes:
 - (i) the specific purchase price in Canadian dollars and a description of any non-cash consideration;
 - (ii) a description of the Assets that is expected to be subject to the transaction and any of the Assets expected to be excluded;
 - (iii) a specific indication of the sources of capital for the Binding Offer Bidder and the structure and financing of the transaction; and
 - (iv) a description of those liabilities and obligations (including operating liabilities) which the Binding Offer Bidder intends to assume and which such liabilities and obligations it does not intend to assume and are to be excluded as part of the transaction;
- (n) includes payment of a deposit in the amount of not less than 10% of the cash purchase price payable on closing (the "**Deposit**") by wire transfer to the Receiver;
- (o) is accompanied by an acknowledgement that if the Binding Offer Bidder is selected as a Successful Bidder, that the Deposit will be non-refundable subject

to approval of such Successful Bid by the Court and the terms described in paragraph 38 below;

- (p) contemplates and reasonably demonstrates a capacity to consummate a closing of the transaction set out therein on the date that is ten (10) days from the date of the issuance of the Approval Order approving such bid, or such earlier date as is practical for the parties to close the contemplated transaction, following the satisfaction or waiver of the conditions to closing and in any event no later than June 30, 2024 unless otherwise agreed to be extended by the Receiver, in writing, or by order of the Court (the “**Outside Date**”); and
 - (q) includes such other information as reasonably requested or identified as being necessary or required by the Receiver.
25. By submitting an offer for consideration as a Binding Offer, it is deemed that such Binding Offer: (i) may be accepted by the Receiver by countersigning the Binding Offer, and (ii) is irrevocable and capable of acceptance until the earlier of (A) two (2) business days after the date of closing of the applicable Successful Bid; and (B) the Outside Date.
26. The Receiver, in its reasonable judgment, may waive compliance with any one or more of the requirements specified above and consider such non-compliant Binding Offer. For the avoidance of doubt, the completion of any Binding Offer shall be subject to the approval of the Court.
27. In the circumstance that a Binding Offer, does not provide for net cash proceeds on closing that are at least equal to the Minimum Purchase Price, the Receiver may elect that such Binding Offer nevertheless be considered as a potential Successful Bid and be entitled to participate in the Auction.

Selection of Successful Bid

28. The Receiver may, following the receipt of any Binding Offer, seek clarification with respect to any of the terms or conditions of such Binding Offer and/or request and negotiate one or more amendments to such Binding Offer prior to determining if the Binding Offer should be considered.
29. The Receiver may negotiate with Binding Offer Bidders in any manner it considers appropriate in its business judgment with a view to maximizing the value of the Assets, including at the Auction (as defined below).
30. The Receiver will (i) review and evaluate each relevant Binding Offer; and (ii) identify the highest and otherwise best Binding Offer (the “**Successful Bid**”, and the Binding Offer Bidder making such Successful Bid, the “**Successful Bidder**”). The Receiver may consider any commercial factor in evaluating Binding Offers, including, but not limited to, speed, certainty, value and preservation of employment. In the event that no Binding Offer (other than the Stalking Horse Bid) is selected as the Successful Bid, the Receiver will promptly seek Court approval of the Stalking Horse Agreement and the transactions contemplated therein.

31. If the Receiver determines that more than one Binding Offer (other than the Stalking Horse Bid) should be considered, the Receiver may, without being obligated to do so, conduct an auction (the “**Auction**”) to select the highest and/or best Binding Offer in accordance with the procedure set out below.
- (a) The Auction will commence at a time to be designated by the Receiver and may, in the discretion of the Receiver, be held virtually via videoconference, teleconference or such other reasonable means as the Receiver deems appropriate. The Receiver will consult with the parties permitted to attend the Auction to arrange for the Auction to be so held. Subject to the terms hereof, the Receiver may postpone the Auction.
 - (b) The identity of each Binding Offer Bidder participating in the Auction will be disclosed, on a confidential basis, to other Binding Offer Bidders participating in the Auction.
 - (c) Except as otherwise permitted in the Receiver’s discretion, only the Receiver and the Binding Offer Bidders, and, in each case, their respective professionals and representatives, will be permitted to attend the Auction. Only Binding Offer Bidders (including, for greater certainty, the Stalking Horse Bidder) are eligible to participate in the Auction.
 - (d) Binding Offer Bidders will participate in the Auction through a duly authorized representative.
 - (e) Except as otherwise set forth herein, the Receiver may waive and/or employ and announce at the Auction additional rules that are reasonable under the circumstances for conducting the Auction, provided that such rules are: (i) not inconsistent with the Order, the Sale Process, the Bidding Procedures, the BIA, or any order of the Court issued in connection with these proceedings; (ii) disclosed to each Binding Offer Bidder; and (iii) designed, by the Receiver, in its reasonable judgment, to result in the highest and otherwise best offer.
 - (f) The Receiver may arrange for the actual bidding at the Auction to be transcribed or recorded. Each Binding Offer Bidder participating in the Auction will designate a single individual to be its spokesperson during the Auction.
 - (g) Each Binding Offer Bidder participating in the Auction must confirm on the record, at the commencement of the Auction and again at the conclusion of the Auction, that it has not engaged in any collusion with the Debtor or any other person, without the consent of the Receiver, regarding the Sale Process, that has not been disclosed to all other Binding Offer Bidders. For greater certainty, communications between the Stalking Horse Bidder and either the Debtor or the Receiver with respect to and in preparation of the Stalking Horse Agreement, the Sale Process and the Bidding Procedures, prior to the issuance of the Order and the commencement of the Sale Process will not represent collusion nor communications prohibited by this paragraph.

- (h) Prior to the Auction, the Receiver will identify the highest and best of the Binding Offers received and such Binding Offers will constitute the opening bid for the purposes of the Auction (the “**Opening Bid**”). Subsequent bidding will continue in minimum increments valued at not less than \$25,000.00 cash in excess of the Opening Bid. Each Binding Offer Bidder will provide evidence of its financial wherewithal and ability to consummate the transaction at the increased purchase price.
- (i) All Binding Offer Bidders will have the right, at any time, to request that the Receiver announce, subject to any potential new bids, the then-current highest and best bid and, to the extent requested by any Binding Offer Bidder, use reasonable efforts to clarify any and all questions such Binding Offer Bidder may have regarding the Receiver’s announcement of the then-current highest and best bid.
- (j) Each participating Binding Offer Bidder will be given reasonable opportunity to submit an overbid at the Auction to any then-existing overbids. The Auction will continue until the bidding has concluded and there is one remaining Binding Offer Bidder. The Receiver shall determine which Binding Offer Bidders have submitted the highest and otherwise best Binding Offer of the Auction, which shall be a Successful Bid. The Receiver may consider any commercial factor in evaluating Binding Offers, including speed, certainty, value and preservation of employment. At such time and upon the conclusion of the bidding, the Auction will be closed, and the Binding Offer Bidder with the highest and otherwise best Binding Offer of the Auction will be a Successful Bidder.
- (k) Upon selection of a Successful Bidder(s), if any, the Successful Bidder(s), if any, shall deliver to the Receiver an amended and executed transaction document that reflects their final bid and any other modifications submitted and agreed to during the Auction, prior to the filing of the motion material for the hearing to consider the Approval Motion.
- (l) Any bids submitted after the conclusion of the Auction will not be considered.
- (m) The Receiver shall be at liberty to modify or to set additional procedural rules for the Auction as it sees fit, including to conduct the Auction by way of written submissions.

32. A Successful Bid, if any, will be selected by no later than 5:00 p.m. (Eastern Time) on July 18, 2024 (or such later date immediately thereafter if the Auction is conducted and not completed in one day). If the applicable Successful Bid is terminated for any reason prior to the Outside Date, the Receiver may elect to, or by further order of the Court, seek to complete the transactions contemplated by the Stalking Horse Bid and will promptly seek to close the transaction contemplated by such Stalking Horse Bid, which will be deemed to be a Successful Bid. The Receiver will be deemed to have accepted such Stalking Horse Bid only when the Receiver has made such election.

Approval of Successful Bid

33. The Receiver will apply to the Court (the “**Approval Motion**”) for one or more orders: (i) approving the Successful Bid(s) and authorizing the taking of such steps and actions and completing such transactions as are set out therein or required thereby; and (ii) granting a vesting order(s) to the extent that such relief is contemplated by the Successful Bid(s) so as to vest title to any purchased assets and/or shares in the name of the applicable Successful Bidder(s) (collectively, the “**Approval Order(s)**”). The Approval Motion will be held on a date to be scheduled by the Debtor and confirmed by the Court upon application by the Debtor. With the consent of the Receiver, the Approval Motion may be adjourned or rescheduled by the Debtor without further notice, by an announcement of the adjourned date at the Approval Motion or in a notice to the service list maintained in the NOI Proceedings prior to the Approval Motion. The Debtor will consult with the Receiver and the applicable Successful Bidder regarding the motion material to be filed by the Debtor for the Approval Motion.
34. All Binding Offers (other than the Successful Bid(s)) will be deemed rejected on and as of the date of the closing of the applicable Successful Bid(s)), with no further or continuing obligation of the Receiver to any unsuccessful Binding Offer Bidders, including the Stalking Horse Bidder.

Deposits

35. The Deposit(s):
- (a) will, upon receipt from the Binding Offer Bidder(s), be retained by the Receiver and deposited in a non-interest-bearing trust account;
 - (b) received from the Successful Bidder(s) will:
 - (i) be applied to the purchase price to be paid by the applicable Successful Bidder whose Successful Bid is the subject of the Approval Order(s), upon closing of the approved transaction; and
 - (ii) otherwise be held and refunded in accordance with the terms of the definitive documentation in respect of the applicable Successful Bid, provided that all such documentation will provide that the Deposit will be retained by the Debtor and forfeited by the Successful Bidder, if its Successful Bid fails to close by the Outside Date and such failure is attributable to any failure or omission of the Successful Bidder to fulfil its obligations under the terms of its Successful Bid; and
 - (c) received from the Binding Offer Bidder(s) that are not a Successful Bidder will be fully refunded to the Binding Offer Bidder(s) that paid the Deposit(s), as applicable, as soon as practical following the closing of the applicable Successful Bid.

“As is, Where is”

36. Any sale (or sales), including in the case of liquidation, of the Assets or the Business or

portions thereof will be on an “as is, where is” basis except for representations and warranties that are customarily provided in purchase agreements for a company subject to NOI Proceedings. Any such representations and warranties provided for in the definitive documents will not survive closing.

Confidentiality

37. For greater certainty, other than as required in connection with any Auction or Approval Motion, neither the Debtor nor the Receiver will disclose: (i) the identity of any Potential Bidder or Qualified Bidder (other than the Stalking Horse Bidder); or (ii) the terms of any bid, Sale Proposal, Liquidation Proposal, or Binding Offer (other than the Stalking Horse Agreement), to any other bidder or any of its affiliates, except to the extent the Receiver, with the consent of such applicable parties is seeking to combine separate bids into Aggregated Bids. Potential Bidders, Qualified Bidders (including the Stalking Horse Bidder), Binding Offer Bidders and each of their respective affiliates shall not communicate with, or contact, directly or indirectly, any other Potential Bidder, Qualified Bidder (including the Stalking Horse Bidder), Binding Offer Bidder, or their respective affiliates, without the express written consent of the Receiver, and such communications or discussions are to take place under the supervision of the Receiver.

Further Orders

38. At any time during the Sale Process, the Debtor or the Receiver may apply to the Court for advice and directions with respect to any aspect of this Sale Process including, but not limited to, the continuation of or termination of the Sale Process or with respect to the discharge of its powers and duties hereunder.

Additional Terms

39. In addition to any other requirement of the Sale Process:

- (a) Any consent, approval or confirmation to be provided by the Stalking Horse Bidder, the Debtor and/or the Receiver is ineffective unless provided in writing and any approval required pursuant to the terms hereof is in addition to, and not in substitution for, any other approvals required by the BIA or as otherwise required at law in order to implement a Successful Bid. For the avoidance of doubt, a consent, approval or confirmation provided by email will be deemed to have been provided in writing for the purposes of this paragraph.
- (b) Prior to seeking Court approval for any transaction or bid contemplated by this Sale Process, the Receiver will provide a report to the Court on the Sale Process, parts of which may be filed under seal, including in respect of any and all bids received.

40. This Sale Process does not, and will not be interpreted to create any contractual or legal relationship between the Receiver and any other party, other than as specifically set forth in the NDA or any other definitive agreement executed.

41. Notwithstanding anything to the contrary herein, the Receiver shall have no liability whatsoever to any person or entity, including without limitation any Potential Bidder, Qualified Bidder (including the Stalking Horse Bidder), Binding Offer Bidder, Known Potential Bidder, Successful Bidder, or any other creditor or stakeholder, or any Applicant, as a result of implementation or otherwise in connection with this Sale Process, except to the extent that any such liabilities result from the gross negligence or willful misconduct of the Receiver, as determined by the Court, and all such persons or entities shall have no claim against the Receiver in respect of the Sale Process for any reason whatsoever.

APPENDIX "B"

The Receiver:

ALBERT GELMAN INC., solely in its capacity as the Court-appointed_receiver of the Debtor

250 Fernand Dr. – Suite 403
Toronto, Ontario M3C 3G8

Attention: Adam Zeldin
Email: azeldin@albertgelman.com

with a copy to:

RECONSTRUCT LLP
200 Bay Street, Suite 2305 – PO Box 120
Toronto, Ontario M5J 2J3

Attention: Caitlin Fell
Email: cfell@reconstructllp.com

MILESTONE DISTRIBUTION 2024 LTD

- and -

MILESTONE MARBLE & GRANITE LTD.

Applicant

Respondents

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

Court File No.: CV-24-00720368-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

Proceedings commenced at **TORONTO**

ORDER (appointing Receiver)

LOOPSTRA NIXON LLP

130 ADELAIDE ST W – SUITE 2800

TORONTO, ON M5H 3P5

R. GRAHAM PHOENIX (LSO No.: 52650N)

SHAHRZAD HAMRAZ (LSO No.: 85218H)

T. 416.746.4710

F. 416.746.8319

E. GPHOENIX@LN.LAW / SHAMRAZ@LN.LAW

COUNSEL TO THE APPLICANT