

Court / Estate File Nos: 31-3051650
31-3051654
31-3051653
31-3051656
31-3051657

ORGANIC GARAGE (CANADA) LTD. ET AL.

**FIRST REPORT OF KPMG INC.,
IN ITS CAPACITY AS PROPOSAL TRUSTEE**

March 11, 2024

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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
ORGANIC GARAGE (CANADA) LTD, 2412383 ONTARIO INC., 2347018 ONTARIO INC.,
2507158 ONTARIO INC., AND 2581751 ONTARIO INC.**

**FIRST REPORT OF KPMG INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE**

March 11, 2024

I. INTRODUCTION

1. On March 5, 2024 (the “**Filing Date**”), Organic Garage (Canada) Ltd. (“**Organic Garage**”), 2412383 Ontario Inc. (“**Junction LeaseCo**”), 2347018 Ontario Inc. (“**Bathurst LeaseCo**”), 2507158 Ontario Inc. (“**Oakville LeaseCo**”) and 2581751 Ontario Inc. (“**Liberty LeaseCo**” and together with Organic Garage, Junction LeaseCo, Bathurst LeaseCo and Oakville LeaseCo, , the “**Debtors**”) each filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) R.S.C. 1985, c. B.-3, as amended (the “**BIA**”). Attached hereto as **Appendix “A”** are copies of each of the Certificates of Filing of a Notice of Intention to Make a Proposal issued by the Office of the Superintendent of Bankruptcy for each of the Debtors.
2. KPMG Inc. (“**KPMG**” or the “**Proposal Trustee**”) consented to act as proposal trustee in the NOI proceedings of each of the Debtors.
3. KPMG LLP, an affiliate of the Proposal Trustee, was previously retained by ECS Law Professional Corporation, on behalf of Oragin Foods Inc. (“**Oragin**”), the parent company of Organic Garage, pursuant to an engagement letter dated on August 18, 2023, to provide certain financial advisory services to Oragin in respect of its liquidity challenges.
4. The principal purpose of these NOI proceedings is to create a stabilized environment to provide the Debtors the opportunity to carry out a sale process for their business and assets, or to restructure their business, so that they can present a proposal to their creditors.
5. This report (the “**First Report**”) is being filed by the Proposal Trustee in connection with the Debtors’ motion returnable March 14, 2024 for certain relief, including approval of a formal sale solicitation process (the “**SSP**”).

II. PURPOSE OF REPORT

6. The purpose of the First Report is to provide the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) with information pertaining to:
 - (a) additional background information in respect of the Debtors’ operations, creditors and causes of financial difficulties;

- (b) the Debtors' cash flow projections (the "**Cash Flow Forecast**") for the period from March 4, 2024 to and including May 5, 2024 (the "**Forecast Period**");
- (c) the sale transaction contemplated under the Stalking Horse Asset Purchase Agreement dated March 7, 2024 (the "**Stalking Horse APA**") entered into between each of Organic Garage, Bathurst LeaseCo, Oakville LeaseCo and Liberty LeaseCo (collectively, the "**Vendors**"), as vendors, and MAAB Global Ltd. ("**MAAB**" or the "**Stalking Horse Bidder**"), as purchaser, and the salient terms thereof, for the sale of the Purchased Assets (as defined Stalking Horse APA) which, subject to the approval of this Court, is proposed to act as the stalking horse offer (the "**Stalking Horse Bid**") in the proposed SSP;
- (d) the Debtors' proposed post-filing strategy, including an outline of the SSP to be carried out by the Proposal Trustee and a description of the bidding procedures (the "**Bidding Procedures**") to be used in connection therewith;
- (e) the proposed key employee retention plan (the "**KERP**") to be extended by Organic Garage to certain senior management personnel;
- (f) the proposed priority of the Administration Charge and the Director's Charge (each as defined herein);
- (g) an extension of the time for the Debtors to file a proposal to April 30, 2024 (the "**Extension**");
and
- (h) the recommendation by the Proposal Trustee that this Court issue an order (the "**SSP Order**") approving, among other things:
 - i. the Stalking Horse APA solely for the purpose of acting as the Stalking Horse Bid in the SSP;
 - ii. the SSP and the Bidding Procedures, and authorizing and directing the Proposal Trustee, in consultation with the Debtors' and their advisors, to implement same;
 - iii. that the NOI proceedings for the Debtors (collectively, the "**NOI Proceedings**") be administratively consolidated and continued under one title of proceedings, bearing Court/Estate File No. 31-3051650;
 - iv. the KERP and sealing the unredacted copy of the KERP;

- v. each of the Administration Charge and the Director’s Charge (each as defined herein), and the proposed priority ranking of such charges; and
- vi. the Debtors’ request for the Extension.

III. TERMS OF REFERENCE

- 7. In preparing this First Report, KPMG has relied on information and documents provided by the Debtors and their advisors, including unaudited financial information, the Debtors’ books and records, and discussions with the Debtors’ representatives and their legal counsel (collectively, the “**Information**”). In accordance with industry practice, except as otherwise described in the First Report, KPMG has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, KPMG has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards (“GAAS”) pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, KPMG expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
- 8. Future orientated financial information contained in the Cash Flow Forecast is based on the Debtors’ estimates and assumptions regarding future events. Actual results will vary from the information presented even if the hypothetical assumptions occur, and variations may be material. Accordingly, the Proposal Trustee expresses no assurance as to whether the Cash Flow Forecast will be achieved.
- 9. Capitalized terms not otherwise defined herein are as defined in the affidavit of Matt Lurie, the chief executive officer and director of each of the Debtors, sworn March 8, 2024 (the “**Lurie Affidavit**”) and filed in support of the Debtors’ motion returnable March 14, 2024. This First Report should be read in conjunction with the Lurie Affidavit, as certain information contained in the Lurie Affidavit has not been included herein in order to avoid unnecessary duplication.
- 10. Materials filed in these NOI proceedings will be made available by KPMG on its website for this case at: kpmg.com/ca/organicgarage (the “**Case Website**”).
- 11. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

IV. BACKGROUND

12. Information with respect to the Debtors' business, operations and causes of insolvency are detailed extensively in the Lurie Affidavit. The information contained herein is not intended to be an exhaustive review of all matters relating to the business of the Debtors and accordingly, the Proposal Trustee recommends that readers review the materials filed by the Debtors in respect of its motion.

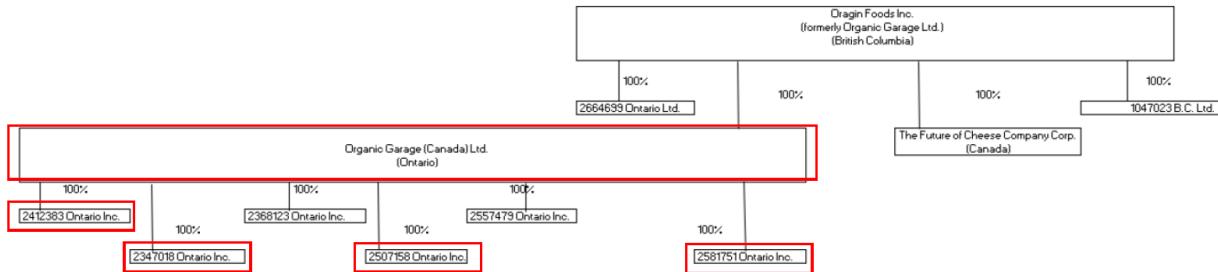
Corporate Overview

13. Organic Garage is an independent, Ontario-based natural and organic grocery chain with four (4) retail stores operating in the Greater Toronto Area. Organic Garage's focus is to provide its customers with organic products at affordable prices. Organic Garage was formed under the laws of the Province of Ontario and is a wholly owned subsidiary of Oragin. Organic Garage's registered head office is located in Toronto, Ontario.
14. The leases for each of Organic Garage's stores are held by its wholly owned subsidiaries, four (4) of which are included in these NOI Proceedings as follows:
 - (a) Junction LeaseCo – formed under the laws of the Province of Ontario. Junction LeaseCo is the tenant under the lease for the grocery store located at 43 Junction Road, Toronto, Ontario (the "**Junction Store**");
 - (b) Bathurst LeaseCo – formed under the laws of the Province of Ontario. Bathurst LeaseCo is the tenant under the lease for the grocery store located at 8020 Bathurst Street, Vaughan, Ontario (the "**Bathurst Store**");
 - (c) Oakville LeaseCo – formed under the laws of the Province of Ontario. Oakville LeaseCo is the tenant under the lease for the grocery store located at 579 Kerr St, Oakville, Ontario (the "**Oakville Store**"); and
 - (d) Liberty LeaseCo – formed under the laws of the Province of Ontario. Liberty LeaseCo is the tenant under the lease for the grocery store located at 42 Hanna Avenue, Toronto, Ontario (the "**Liberty Store**").
15. Organic Garage's remaining two subsidiaries, 2368123 Ontario Inc. and 2557479 Ontario Inc., are either inactive or contain no material assets, and are not included in these NOI Proceedings.

16. As at the date of this First Report, Organic Garage employed approximately 100 employees, comprised of approximately 20 full-time employees who are store managers, assistant managers or in head office functions. The remaining employees are part-time and employed at retail locations. Further, the Proposal Trustee understands that as of the Filing Date, Organic Garage's workforce was not unionized¹ and Organic Garage does not maintain a pension plan for its employees.

Oragin Foods Inc.

17. Oragin acquired Organic Garage in 2016 through a plan of arrangement under the British Columbia *Business Corporations Act*. Oragin is a reporting issuer in the Provinces of British Columbia, Alberta, and Ontario, and is listed on the NEX (a subsidiary of the TSX-V), the OTC QX, and the Frankfurt stock exchange. Oragin is subject to a cease trade order and is currently suspended from trading on all three exchanges.
18. Oragin's primary assets include its equity interests in its subsidiaries, including Organic Garage. Oragin also has a subsidiary with operations which was formed during an amalgamation agreement with the Future of Cheese Company Corp. ("Future of Cheese") on February 17, 2021. Other inactive subsidiaries of Oragin include 2664669 Ontario Inc. and 1047023 B.C. Ltd, neither of which hold any material assets or liabilities.
19. An organizational chart for Oragin, with the Debtors in these NOI Proceedings outlined in red, is set forth below:



20. Due to the failure in completing certain required interim filings, on or about January 6, 2023, Oragin was issued a cease trade order (the "CTO") which remains in effect as at the date of this report.

¹ The employees in respect of the Junction Store recently voted to unionize. As at the Filing Date, no collective bargaining agreement has been negotiated or finalized.

21. None of Oragin, the Future of Cheese, 2368123 Ontario Inc., 2557479 Ontario Inc., 2664669 Ontario Inc. and 1047023 B.C. Ltd are debtors in these NOI Proceedings.

Historical Financial Results

22. The Debtors' unaudited and internal operating results for fiscal 2022 and 2023 are summarized in the table below:

Organic Garage (Canada) Ltd. et al Historical Operating Results Summary - Unaudited (in \$000s CAD)		Year ended 31-Jan-23	Year ended 31-Jan-24
Sales		22,358	22,094
Cost of sales		15,589	16,012
Gross profit		6,769	6,082
Total SG&A expenses (excl. interest and depreciation)		6,747	6,595
EBITDA		21	(513)

23. For the year ended January 31, 2023, the Debtors generated minimal earnings before interest, taxes, depreciation and amortization (“EBITDA”) of approximately \$21,000. In the year ended January 31, 2024, the Debtors incurred EBITDA losses of approximately \$513,000. The Proposal Trustee understands management implemented a number of cost-saving initiatives over the past 2 years in an effort to reduce the cash burn. Despite these efforts, the Debtors have not been able to return to profitability.
24. The Proposal Trustee understands that the market in which the Debtors operate in has been negatively impacted by the COVID-19 pandemic which has led to, among other things, significant supply chain pressures. In particular, wholesale vendors have significantly decreased the fill rates for grocery orders leading to reduced inventory at the Debtors’ stores, which ultimately resulted in revenue losses for the Debtors. Primarily due to these reasons, the Debtors have experienced lower margins and deterioration of profitability over the past couple years.
25. Set out below is an unaudited summary of the Debtors’ assets as at January 31, 2024:

Organic Garage (Canada) Ltd. et al Summary of Assets as at January 31, 2024 - Unaudited (in \$CAD)	
Current Assets	
Cash	133,296
Accounts receivable	42,213
Inventory	1,402,296
Lease receivable	150,520
Prepaid and other current assets	111,050
Total current assets	1,839,374
Fixed Assets	
Right of Use Assets	6,861,081
	5,703,739
Total Assets	14,404,195

- 26. As at January 31, 2024, the book value of the Debtors' current assets (which primarily consisted of inventory) and fixed assets (which is comprised of leasehold improvements, store fixtures and refrigeration equipment) was \$1.8 million and \$6.8 million, respectively. The Proposal Trustee notes that the book value is not necessarily representative of the realizable value of these assets, particularly the fixed assets, in a forced liquidation scenario.
- 27. As noted below, the Debtors estimate that they collectively had unsecured obligations totaling approximately \$2.7 million as at the Filing Date.

Causes of Insolvency

- 28. As detailed above and in the Lurie Affidavit, the Debtors have incurred significant net losses over the past 12 months due to a number of factors, including the impact of unsustainable supply chain pressures.
- 29. On October 25, 2019, Oragin issued two unsecured convertible debentures (together, the "**Convertible Debentures**") for total net proceeds of \$2,925,000, and total face value of \$3,000,000, including an original issue discount of \$75,000. The Convertible Debentures matured on October 25, 2022 (the "**Maturity Date**"), upon which date the holders (the "**Holders**") of the Convertible Debentures issued notices of default to Oragin for failure to repay the debt.
- 30. The Proposal Trustee understands the Debtors are not borrowers or guarantors of the Convertible Debentures. Accordingly, the Holders are not included on the Debtors' creditor listings.
- 31. Based on discussions with the management of the Debtors, the Proposal Trustee understands that prior to and following the Maturity Date, Oragin engaged in discussions with the Holders with the

objective of coming to mutually beneficial terms with regard to the repayment of the Convertible Debentures. However, despite these efforts, Oragin and the Holders were unable to conclude on terms that were mutually agreeable.

32. The Proposal Trustee further understands that Oragin made efforts to secure financing and/or a sale of Organic Garage to repay the Holders, in whole or in part, but these efforts did not ultimately result in a transaction. Moreover, Oragin was unable to raise equity capital due to the CTO.
33. As a result of financial losses, coupled with an inability to raise additional equity capital, the Debtors exhausted their liquidity and elected to each file an NOI to restructure the business.
34. In November 2023, one of the Holders filed an application (the “**Oragin Bankruptcy Application**”) for a bankruptcy order in respect of Oragin. The Proposal Trustee understands the Oragin Bankruptcy Application is scheduled to be heard on March 25 and 26, 2024.

Creditors

35. A copy of the creditor lists included in each of the Debtors’ NOI filings are attached hereto as **Appendix “B”**.
36. As reflected in Appendix “B”, the Debtors estimate that they collectively have unsecured obligations totaling approximately \$2.7 million as at the Filing Date.
37. As noted in the Lurie Affidavit, Organic Garage has a limited number of other creditors with registered security interests in the personal property registration system, certain of which appear to relate to leasing and/or financing of equipment. One of the registrations is from Royal Bank of Canada relating to an operating line of credit. The Proposal Trustee understands no amounts were outstanding on the line of credit as at the Filing Date. However, there is an outstanding balance under a credit card facility in the amount of approximately \$100,000.
38. The Debtors advised the Proposal Trustee that all employee related amounts are current, and all required remittances of employee withholdings and sales taxes (HST and PST) have been made when due.
39. The Proposal Trustee understands the Debtors intend to pay the accrued pre-filing vacation pay (approximately \$5,000 in total) to its employees during these NOI Proceedings. The Debtors have provided for this payment in the Cash Flow Forecast.

V. OBJECTIVES OF THE NOI PROCEEDINGS

40. The Proposal Trustee understands that the primary objectives of these NOI proceedings are to:
- (a) ensure the Debtors have the necessary stability to maintain operations as a going concern;
 - (b) implement the SSP with a view to providing a forum for prospective purchasers to present a bid superior to that contemplated by the Stalking Horse Bid on a timeline to meet the financial and timing exigencies of these circumstances; and
 - (c) effect a going concern sale of the business of the Debtors, either to the Stalking Horse Bidder or another party/parties as a result of the SSP, with a view to maximizing value for the benefit of its stakeholders, including, among others, employees, creditors, and partners.

VI. THE STALKING HORSE APA

41. The Vendors, the Stalking Horse Bidder, and their respective counsel, in consultation with the Proposal Trustee, have negotiated the terms and provisions of the Stalking Horse APA pursuant to which the Stalking Horse Bidder is proposed to, on an ‘as is, where is’ basis, acquire the Purchased Assets, subject to higher or otherwise better offers, and approval of the Court.
42. The material terms of the Stalking Horse APA, a copy of which is attached hereto as **Appendix “C”**, are as follows:
- (a) Purchaser: MAAB Global Ltd.;
 - (b) Purchased Assets: comprised of:
 - i. all of the Vendors’ right, title and interest in and to all equipment of the Vendors used in connection with the operation of the business, including, without limitation, furniture, display equipment, refrigeration equipment, shelving and storage, deli cutters and slicers, commercial scales, prepared food department supplies and equipment and appliances;
 - ii. all intellectual property owned by the Vendors and primarily used in connection with the business; and
 - iii. the Assigned Contracts;

- (c) Assigned Contracts: consist primarily of real property leases for the Liberty Store, the Bathurst Store and the Oakville Store (collectively, the “**Leases**”), as same may be modified by the Stalking Horse Bidder prior to April 5, 2024. The Stalking Horse Bidder shall be responsible for payment of any cure costs relating to the Assigned Contracts;
- (d) Assignment of Leases: the Stalking Horse APA has a condition precedent in favour of the Stalking Horse Bidder relating to the successful negotiated assignment of the Leases, on terms satisfactory to the Purchaser, acting reasonably, on or before April 5, 2024 (the “**Lease CP**”);
- (e) Purchase Price: the total purchase price is \$275,000 (the “**Purchase Price**”);
- (f) Deposit: a refundable deposit in the amount of \$101,000 (the “**Deposit**”). The Deposit may be used by the Debtors as a non-revolving loan (as discussed further below), if required. The Deposit was sent by the Stalking Horse Bidder on March 11, 2024 and is expected to be received by the Debtors’ counsel in short order. The Deposit will be held in trust by the Debtors’ counsel;
- (g) Closing Date: ten (10) days after the date on which the Court issues an order (the “**Approval and Vesting Order**”) approving the transactions contemplated under the Stalking Horse APA and not later than the Outside Date;
- (h) Expense Reimbursement: up to \$15,000 for repayment of professional fees and expenses incurred by the Stalking Horse Bidder relating to the transaction contemplated by the Stalking Horse APA;
- (i) Assignment Order: the Stalking Horse Bidder may request that, concurrently with the application for the Approval and Vesting Order, the Vendors seek an order (the “**Assignment Order**”) in respect of any Leases for which the consent of the necessary contract parties cannot be obtained. The issuance of the Assignment Order is not a condition precedent to the obligation of the Purchaser to complete the transaction contemplated by the Stalking Horse APA;
- (j) Outside Date: April 30, 2024;
- (k) Termination: the Stalking Horse APA may be terminated prior to the Closing Date upon the occurrence of, but not limited to, one of the following:

- i. by mutual agreement of the Vendors and the Stalking Horse Bidder;
 - ii. by the Vendors or the Stalking Horse Bidder if the closing of the transaction has not occurred by the Outside Date, provided that the failure to close by such deadline is not caused by a breach of Stalking Horse APA by the party proposing to terminate the Stalking Horse APA; or
 - iii. by the Vendors or the Stalking Horse Bidder if there has been a material breach of the Stalking Horse APA by the other party where such breach has not been cured within five (5) business days.
- (l) Financing: the Stalking Horse APA does not contain any financing conditions and the Proposal Trustee understands that the Stalking Horse Bidder has made satisfactory arrangements in respect of necessary financing to complete the transaction should it be selected as the Successful Bidder.
43. As noted above, the Stalking Horse APA contains the Lease CP, which provides the Stalking Horse Bidder with the right to terminate the Stalking Horse APA on or before April 5, 2024 if it cannot negotiate the assignment of the Leases on terms acceptable to the Stalking Horse Bidder. The Proposal Trustee notes that the Lease CP is reasonable in the circumstances as the Stalking Horse Bidder has not had an opportunity to discuss the Leases with the applicable landlords as at the date of the Stalking Horse APA, but the Proposal Trustee understands the Stalking Horse Bidder intends to engage with the relevant parties as soon as practical hereafter. In the event the Lease CP is not satisfied or waived the Stalking Horse Bidder by April 5, 2024, the Proposal Trustee will deliver notice forthwith to update the service list for the NOI Proceedings and any Potential Bidder (as defined below) in SSP.
44. As further noted above, the Deposit has been made available to the Debtors by the Stalking Horse Bidder to contribute towards the Debtors' ongoing working capital requirements during NOI proceedings, pursuant to a proposed senior secured, super-priority facility (the "**Deposit Facility**"). The Stalking Horse Bidder informed the Debtors that its willingness to provide such financing was predicated on entering into the Stalking Horse APA.
45. Prior to any Advance being funded under the Deposit Facility, the Vendors shall seek to obtain a Court order granting a priority charge (the "**Deposit Charge**") in favour of the Stalking Horse Bidder against the assets, properties and undertaking of the Vendors. The Deposit Charge shall secure all of

the obligations of the Vendors under the Deposit Facility and shall rank in priority to all other Encumbrances on the assets of the Vendors, subject only to the Administration Charge and the Director's Charge. The Proposal Trustee notes that based on the Cash Flow Forecast, the Debtors are not projected to require interim financing during the Forecast Period. Accordingly, the Debtors are not seeking approval of the Deposit Facility or the Deposit Charge on the within motion.

46. The Stalking Horse APA provides for payment of the Expense Reimbursement to the Stalking Horse Bidder in the event MAAB is not the Successful Bidder pursuant to the SSP. The Proposal Trustee notes that the Stalking Horse APA does not contemplate a break fee and that the Expense Reimbursement represents approximately 5.5% of the Purchase Price.
47. The Proposal Trustee has reviewed recent comparable stalking horse agreements wherein bid protections have been approved in transactions of this nature, and notes that the proposed Expense Reimbursement is within the range of market parameters (as a percentage of purchase price), which typically range between 1.0% to 7.0% of the purchase price with an average of 3.7%. The Proposal Trustee is of the view that the proposed Expense Reimbursement is fair and reasonable in the circumstances given the time and expense incurred by the Stalking Horse Bidder to date, and will not unduly "chill" bidding on the Purchased Assets as part of the proposed SSP (as described in further detail below).
48. Based on preliminary discussions with an appraisal firm specializing in liquidations, the Proposal Trustee understands the Purchase Price is near the higher end of the forced liquidation value for the Purchased Assets, as noted in the Lurie Affidavit. The Proposal Trustee has engaged a liquidator to provide an appraisal report in respect of the equipment located at the Debtors' stores, which report should be delivered to the Proposal Trustee prior to the Binding Offer Deadline.
49. The Stalking Horse APA sets a "floor price" for the Purchased Assets and based on the foregoing is near the high end of realizations that would be achieved in a liquidation of same. The SSP, as discussed below, will provide for a fair and transparent marketing process that should allow the Debtors to maximize realizations by seeking higher or otherwise better offers for the Purchased Assets.

VII. THE SALE SOLICITATION PROCESS

50. As set out in the Lurie Affidavit, the Debtors, with the assistance of their advisors and in consultation with the Proposal Trustee, have concluded that a restructuring focusing on completing a sale of the

assets and business of the Debtors pursuant to the proposed SSP, will maximize value for all stakeholders.

Bidding Procedures²

51. Given the Debtors' limited liquidity, the Debtors, in consultation with the Proposal Trustee, developed the SSP to promote a competitive, fair, and expedient sale process that seeks to maximize the value of the Debtors' business and/or assets.
52. The purpose of the SSP is to identify one or more purchasers for the Debtors' business and/or assets, which may include one or more of a liquidation proposal for the Debtors' fixed assets (a "**Liquidation Proposal**"), or a sale of all of the Debtors' assets (including the Purchased Assets) or a portion thereof as a going concern or otherwise (a "**Sale Proposal**"). In order to provide interested parties with an opportunity to bid on the Debtors' business and/or assets, the Proposal Trustee proposes to aggressively market the Debtors' business and assets to prospective purchasers for a period of approximately 35 days. As noted below, the proposed timelines are reasonable in the circumstances and reflective of the Debtors' limited liquidity and the Cash Flow Forecast.
53. The following table summarizes the key dates and timelines pursuant to the SSP:

Date	Event
On or about March 6, 2024	Proposal Trustee to distribute a Teaser Letter to Known Potential Bidders, and upon execution of the NDA, access to the VDR
April 10, 2024 at 5:00 p.m. (EST)	Binding Offer Deadline (unless terminated early in accordance with the terms of the Sales process)
Auction, if needed	Date and time to be designated by the Proposal Trustee
By no later than April 12, 2024	Selection of Successful Bidder
By April 23, 2024 or the earliest date available thereafter	Sale Approval Motion to approve and authorize the sale transaction(s) to the Successful Bidder(s)

² Terms used but not otherwise defined in this section have the meaning ascribed to them in the Bidding Procedures.

As soon possible but no later than April
30, 2024

Closing of Successful Bid

54. The key features of the Bidding Procedures, a copy of which is attached hereto as **Appendix “D”**, are outlined below:

- (a) **Notice**: in advance of the date of the within motion, commencing on March 6, 2024, the Proposal Trustee distributed: (i) an offering summary describing the transaction opportunity and outlining the proposed Binding Offer Deadline to a list of interested parties (the “**Known Potential Bidders**”), which list has been developed by the Proposal Trustee and Organic Garage. Any Known Potential Bidder interested in exploring the opportunity further will be provided with a form of non-disclosure agreement (the “**NDA**”) by the Proposal Trustee. Within five (5) business days after the granting of the SSP Order, the Proposal Trustee will provide Known Potential Bidders that execute an NDA with a copy of the Bidding Procedures. The Proposal Trustee 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 Proposal Trustee as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.
- (b) **Diligence**: Any party that wishes to participate in the SSP (a “**Potential Bidder**”) will be required to provide the Proposal Trustee: with (i) an executed NDA and (ii) a letter detailing the identity of the Potential Bidder, its direct and indirect principals, and contact information for such Potential Bidder. Potential Bidders that wish to commence due diligence on the Purchased Assets will be provided, by the Proposal Trustee, with a copy of the Stalking Horse APA and any material amendment thereto, as well as access to a virtual data room (the “**VDR**”) that contains confidential financial and other information relating to the Debtors and its operations.
- (c) **Qualified Bidder**: A Potential Bidder (who has delivered the executed NDA and letter as set out above) will be deemed a "Qualified Bidder" if the Proposal Trustee, in its reasonable judgment, and in consultation with the Debtors, 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 SSP. The Stalking Horse Bidder is considered a “Qualified Bidder” pursuant to the Bidding Procedures.

- (d) **Binding Offers:** Any Qualified Bidder (in such capacity, a “**Binding Offer Bidder**”), other than the Stalking Horse Bidder, that wishes to make a formal bid must submit a binding offer (a “**Binding Offer**”), in the case of a Sale Proposal or a Partial Sale Proposal, in the form of a markup to the Stalking Horse APA to show any amendments and modifications thereto, or in the case of a Liquidation Proposal, in a form of liquidation agreement in form and substance satisfactory to the Proposal Trustee, in consultation with the Debtors. In addition to the foregoing, a Binding Offer must comply with, among other things:
- i. form of consideration for the proposed sale must be in cash;
 - ii. includes evidence, satisfactory to the Proposal Trustee, in consultation with the Debtors, of the ability to close the transaction within the timeframes contemplated by the SSP;
 - iii. includes a written statement that such offer be binding and irrevocable unless and until the earlier of: (i) two (2) business days after the date of closing of the Successful Bid; and (ii) the Outside Date;
 - iv. provides for net cash proceeds on closing that exceeds the Purchase Price by at least \$40,000, which represents the sum of: (i) the Expense Reimbursement; and (ii) a minimum overbid amount of \$25,000;
 - v. be accompanied by a deposit of not less than 25% of the cash purchase price payable on closing;
 - vi. in the case of a Sale Proposal, (i) identifies any executory contracts and leases of the Debtors that the Qualified Bidder will assume and (ii) contains the Qualified Bidder’s proposed treatment of employees of the Debtors;
 - vii. in the case of a Liquidation Proposal, includes the scope of the Debtors’ assets to be included in the liquidation, including goods, lease designation rights, and receivables and any related exclusions;
 - viii. 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; and

- ix. be received by the Proposal Trustee on or prior to 5:00 p.m. (prevailing Eastern Time) on April 10, 2024 (the “**Binding Offer Deadline**”).
- (e) Early Termination: If the Proposal Trustee concludes, in its sole discretion, that there are no active participants in the SSP or no prospect that a Binding Offer that is superior to the Stalking Horse Bid will be submitted by the Binding Offer Deadline, the Proposal Trustee may terminate the SSP before the Binding Offer Deadline, *so long as* such termination occurs no more than 10 days prior to the Binding Offer Deadline.
- (f) Auction: If the Proposal Trustee determines that more than one Binding Offer (other than the Stalking Horse Bid) should be considered, the Proposal Trustee may, without being obligated to do so, conduct an auction (the “**Auction**”) to select the highest and/or best Binding Offer. Significant aspects of the Auction include the following:
 - i. the Auction will commence at a date and time to be designed by the Proposal Trustee;
 - ii. only the Proposal Trustee, the Debtors, the Stalking Horse Bidder, and any other Binding Offer Bidders, along with their respective representatives and advisors, will be entitled to attend the Auction;
 - iii. prior to the Auction, the Proposal Trustee will identify which of the Binding Offer(s) will constitute the opening bid (the “**Opening Bid**”) at the Auction;
 - iv. bidding at the Auction will begin with the Opening Bid and continue in bidding increments (each a “**Subsequent Bid**”) providing a net incremental value of at least an additional \$25,000 cash in excess of the Opening Bid;
 - v. 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. At such time and upon the conclusion of the bidding, the Auction will be closed, and the Proposal Trustee shall declare the final remaining Binding Offer Bidder the successful bidder (the “**Successful Bidder**” and such bid, the “**Successful Bid**”). The Proposal Trustee, in consultation with the Debtors, may consider any commercial factor in evaluating Binding Offers, including speed, certainty, value and preservation of employment; and

- vi. upon selection of a Successful Bidder, the Proposal Trustee will require the Successful Bidder to deliver, as soon as practicable, an amended and executed transaction document that reflects the Successful Bid.
- 55. In the event the Proposal Trustee does not receive a Binding Offer (other than the Stalking Horse Bid), the Stalking Horse Bid will be deemed the Successful Bid, the Debtors will promptly seek Court approval of the Stalking Horse APA and the transactions contemplated therein.
- 56. The Bidding Procedures provide that the Proposal Trustee, in consultation with the Debtors, 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 Qualified Bidders, Binding Offer Bidders or the Successful Bidder provided that the Proposal Trustee determines that such modification, amendment, variation or supplement is expressly limited to changes that do not materially 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 that are necessary or useful in order to give effect to the substance of the SSP and the Bidding Procedures. The Proposal Trustee will post on the Case Website, as soon as reasonably practicable, any such modification, amendment, variation or supplement to the Bidding Procedures and inform the bidders impacted by such modifications.
- 57. Among other things, the Bidding Procedures provide for an orderly and appropriately competitive process through which potential acquirers may submit bids for the Debtors' business and/or assets. Additionally, the Bidding Procedures will allow the Proposal Trustee, in consultation with the Debtors, to conduct the Auction, if required, in a fair and transparent manner that will encourage participation by financially capable bidders with demonstrated ability to consummate a timely transaction.
- 58. In the Proposal Trustee's view, the SSP and the Bidding Procedures are consistent with market practice, provide a reasonable opportunity for potential purchasers to submit higher or otherwise better offers to the Stalking Horse APA, and are reasonable and appropriate in the circumstances.

VIII. CASH FLOW FORECAST

- 59. The Debtors, in consultation with the Proposal Trustee, have prepared the Cash Flow Forecast for the purpose of projecting their estimated liquidity needs during the Forecast Period. A copy of the Cash

Flow Forecast, notes and a report containing prescribed representations of the Debtors regarding the preparation of the Cash Flow Forecast are attached hereto as **Appendix “E”**.

60. The Cash Flow Forecast assumes that the Debtors’ key suppliers continue to support and fulfill product orders after the Filing Date, and that foot traffic at the stores is not materially impacted by the commencement of the NOI Proceedings.
61. The Cash Flow Forecast has been prepared by the Debtors on a conservative basis using probable and hypothetical assumptions set out in the notes to the Cash Flow Forecast. Due to the integrated nature of the Debtors’ operations, the Cash Flow Forecast is presented on a consolidated basis and includes the receipts and disbursements of the Debtors. The Cash Flow Forecast reflects the Debtors estimates of receipts and disbursements on a weekly basis over the Forecast Period.
62. The Proposal Trustee’s review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to Information supplied to it by the Debtors. Since the hypothetical assumptions need not be supported, the Proposal Trustee’s procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. The Proposal Trustee also reviewed the support provided by management of the Debtors for the probable and hypothetical assumptions, and the preparation and presentation of the Cash Flow Forecast.
63. Based on the Proposal Trustee’s review, nothing has come to its attention that causes it to believe that, in all material respects:
 - (a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;
 - (b) as at the date of this First Report, the probable assumptions developed by the Debtors are not suitably supported and consistent with the restructuring plan of the Debtors or do not provide a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions; or
 - (c) the Cash Flow Forecast does not reflect the probable and hypothetical assumptions.
64. As at March 4, 2024, the Debtors had \$434,104 of available cash on hand. The Cash Flow Forecast projects that the Debtors will generate cash receipts of approximately \$2.2 million and cash disbursements of approximately \$2.7 million, for a net operating cash outflow of \$409,612 over the Forecast Period. As such, the Debtors are projected to have a cash balance of approximately \$25,000 at the end of the Forecast Period, excluding any proceeds generated from the closing of a transaction through the SSP.

65. The Proposal Trustee notes that the Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

IX. PROCEDURAL CONSOLIDATION

66. In order to create efficiency, the Debtors are seeking an order procedurally consolidating the NOI Proceedings of each of the five Debtors (the “**Procedural Consolidation**”).
67. As previously discussed, Organic Garage has four active subsidiaries which hold the premises lease for each of the Organic Garage stores. In a going concern sale of the Debtors’ business, a purchaser(s) would also acquire the lease agreements held by the subsidiaries of Organic Garage. Since the business and assets of all Debtors are subject to the same SSP, the Proposal Trustee believes Procedural Consolidation would be reasonable to promote efficiency of the SSP for the benefit of all stakeholders.
68. Furthermore, the day-to-day business activities of the Debtors, such as payroll functions, payments, and inventory stocking are conducted jointly and therefore, a Procedural Consolidation would allow the Proposal Trustee and the Debtors to avoid any duplicative efforts and reduce costs.

X. KEY EMPLOYEE RETENTION PLAN

69. In order to ensure the continued participation of key employees who are critical for the execution of the SSP (the “**Key Employees**”), the Debtors are seeking approval of the KERP whereby the Key Employees will receive retention payments upon the occurrence of certain milestones.
70. The Proposal Trustee understands that beneficiaries of the KERP are either critical to the implementation of the SSP and/or for the continuation of operations during the NOI Proceedings. The Key Employees would be, among other things, processing payroll, updating cashflow forecast, managing store operations and managing supplier inquiries. Additionally, the Proposal Trustee understands the Key Employees will be required to take on additional responsibility related to the management and supervision of store operations during the SSP.
71. The aggregate amount payable under the KERP is \$40,000, to be allocated to the participating Key Employees in accordance with the KERP terms. The Proposal Trustee is of the view that KERP amounts are reasonable to ensure the continued operations of the Debtors’ business during the NOI Proceedings and the successful completion of the SSP.

72. The Debtors are also seeking the sealing of Confidential Exhibit “1” of the Lurie Affidavit, which contains the letters detailing the KERP. The Proposal Trustee supports the sealing of Exhibit Confidential Exhibit “1” of the Lurie Affidavit to avoid any negative effects to the Debtors’ operations should this information be publicly available, and to protect the privacy of the Key Employees who are the beneficiaries of the KERP. A redacted copy of the KERP is attached as Exhibit “D” of the Lurie Affidavit.

XI. PROPOSED PRIORITY CHARGES

73. The Debtors are seeking approval for two priority charges (collectively the “**Charges**”) on the current and future assets, undertakings and properties of the Debtors wherever located, including all proceeds thereof, that rank in the following order:

- (a) First, the Administration Charge (to the maximum amount of \$150,000); and
- (b) Second, the Director’s Charge (to the maximum amount of \$140,000).

Administration Charge

74. The Debtors are seeking a priority charge up to a maximum of \$150,000 (the “**Administration Charge**”) in favour of the Debtors’ counsel, the Proposal Trustee and its counsel, as security for the professional fees and disbursements incurred prior to and after the commencement of the NOI Proceedings. The approval of the Administration Charge is typical in proceedings of this nature.

75. The Debtors’ counsel, the Proposal Trustee and its counsel received retainers in the aggregate amount of \$125,000.

76. The amount of the Administration Charge sought by the Debtors was determined in consultation with the Proposal Trustee.

77. Given the foregoing, the Proposal Trustee is of the view that the proposed Administration Charge is reasonable in the circumstances.

Director’s Charge

78. The Debtors are seeking a priority charge to indemnify its sole director and officer (the “**Director and Officer**”), against obligations and liabilities that he may incur as the director or officer of the Debtors after the commencement of these NOI Proceedings (the “**Director’s Charge**”).

79. The amount of the Director's Charge has been calculated by the Debtors taking into consideration sales taxes, employee payroll and related expenses (including source deductions) as well as other employment related liabilities that attract potential liability for the Director and Officer.
80. As noted in the Lurie Affidavit, the Debtors currently do not have director and officer insurance, and as such, due to the potential for personal liability, the Director and Officer is unwilling to continue his services and involvement in the NOI Proceedings without the protection of the Director's Charge. As the Debtors will require the participation and experience of the Director and Officer to facilitate the successful completion of the NOI Proceedings, including participating in the SSP, the Proposal Trustee believes that the Director's Charge is required and reasonable in the circumstances.

XII. DEBTORS' REQUEST FOR EXTENSION

81. The Debtors are seeking an extension of the time to file a proposal to April 30, 2024 to permit the Proposal Trustee time to undertake the SSP described above.
82. The Proposal Trustee supports the Debtors' request for the Extension for the following reasons:
 - (a) the Debtors are acting in good faith and with due diligence in taking steps to facilitate a sale of its operations;
 - (b) it is the Proposal Trustee's view that an extension will not prejudice or adversely affect any group of creditors;
 - (c) the Cash Flow Forecast indicates that the Debtors are forecast to have sufficient liquidity to continue to fund operations through the period ending April 30, 2024;
 - (d) at least 25 days will be required to establish whether there is any serious interest from Known Potential Bidders in acquiring the Debtors' business and/or assets in connection with the SSP; and
 - (e) given their limited resources, this would permit the Debtors to avoid the costs incurred in re-attending before this Court prior to April 4, 2024 solely for the purpose of seeking a short extension of the stay until after the Binding Offer Deadline.
83. While it is too early to say whether a viable proposal will be presented by the Debtors to their creditors, in the Proposal Trustee's view, the Debtors' request for the Extension is appropriate in the

circumstances, as the current extension request properly reflects the timeframe by which the Proposal Trustee will be able to provide this Court with a meaningful update on the progress of the SSP.

XIII. CONCLUSIONS AND RECOMMENDATIONS

84. For the reasons set out in the First Report, the Proposal Trustee is of the view that the relief requested by the Debtors is both appropriate and reasonable in the circumstances and the Proposal Trustee recommends that this Court make an order, among other things:

- (a) approving the Stalking Horse APA solely for the purpose of acting as the Stalking Horse Bid in the SSP;
- (b) approving the SSP and the Bidding Procedures, and authorizing and directing the Proposal Trustee, in consultation with the Debtors, to implement the same;
- (c) approving the Procedural Consolidation in respect of the NOI Proceedings commenced by each of the Debtors;
- (d) approving the KERP for certain critical employees of the Debtors, and sealing the unredacted copy of the KERP at Confidential Exhibit “1” to the Lurie Affidavit;
- (e) granting the Administration Charge and the Director’s Charge, and proposed priority ranking of the Charges; and
- (f) approving the Debtors’ request for the Extension.

All of which is respectfully submitted on this 11th day of March 2024.

**KPMG Inc.
in its capacity as Proposal Trustee of
Organic Garage (Canada) Ltd., 2412383 Ontario Inc., 2347018 Ontario Inc., 2507158 Ontario Inc.
and 2581751 Ontario Inc.
and not in its personal capacity**

Per



Pritesh Patel
CIRP, LIT
Senior Vice President



Tahreem Fatima
CPA
Manager

Appendix “A”



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-3051650
Estate No. 31-3051650

In the Matter of the Notice of Intention to make a proposal of:

Organic Garage (Canada) Ltd.

Insolvent Person

KPMG INC.

Licensed Insolvency Trustee

Date of the Notice of Intention: March 05, 2024

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: March 05, 2024, 12:57

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-3051653
Estate No. 31-3051653

In the Matter of the Notice of Intention to make a proposal of:

2347018 Ontario Inc.

Insolvent Person

KPMG INC.

Licensed Insolvency Trustee

Date of the Notice of Intention: March 05, 2024

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: March 05, 2024, 12:44

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada



Industry Canada
**Office of the Superintendent
of Bankruptcy Canada**

Industrie Canada
**Bureau du surintendant
des faillites Canada**

District of Ontario
Division No. 09 - Toronto
Court No. 31-3051654
Estate No. 31-3051654

In the Matter of the Notice of Intention to make a proposal of:

2412383 Ontario Inc.

Insolvent Person

KPMG INC.

Licensed Insolvency Trustee

Date of the Notice of Intention: March 05, 2024

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: March 05, 2024, 12:51

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada



Industry Canada
**Office of the Superintendent
of Bankruptcy Canada**

Industrie Canada
**Bureau du surintendant
des faillites Canada**

District of Ontario
Division No. 09 - Toronto
Court No. 31-3051656
Estate No. 31-3051656

In the Matter of the Notice of Intention to make a proposal of:

2507158 Ontario Inc.

Insolvent Person

KPMG INC.

Licensed Insolvency Trustee

Date of the Notice of Intention: March 05, 2024

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: March 05, 2024, 12:53

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada



Industry Canada
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of Bankruptcy Canada

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Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-3051657
Estate No. 31-3051657

In the Matter of the Notice of Intention to make a proposal of:

2581751 Ontario Inc.

Insolvent Person

KPMG INC.

Licensed Insolvency Trustee

Date of the Notice of Intention: March 05, 2024

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: March 05, 2024, 12:55

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

Appendix “B”

List of Creditors

In the Matter of the Proposal of
Organic Garage (Canada) Ltd.
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Ad Mill Group	635 Hood Road Markham ON L3R4N6		18,736.44
Agropur Cooperative Fine Cheese Division	4600 Armand-Frappier St.Hubert QC J3Z1G5		5,427.72
Aliments Koyo Inc	51 Scottfield Drive Toronto ON M1S5R4		11,736.88
Allegion Canada Access Inc	P.O. Box 9218 Postal Station A Toronto ON		5,211.66
Alliance Import Export Inc.	P.O Box 352 Magog QC J1X3W9		2,277.00
Allmart Distributing	8905 Highway 50 Unit 1 Vaughan ON L4H5A1		12,273.23
Allseas Fisheries Corp.	55 Vansco Road Toronto ON M8Z5Z8		4,026.57
AMJ Health Food Distributors	69 Westmore Dr. Unit # 11 Etobicoke ON M9V3Y6		17,735.72
Arla Foods	675 Rivermede Road Concord ON L4K2G9		7,767.84
Atrium Innovations Inc.	1-150 Via Renzo Drive Richmond Hill ON L4S0J7		4,314.81
Axel Kraft International Ltd.	99 Engelhard Drive Aurora ON L4G3V1		2,701.76
Beland Organic Foods	19-2390 Boul Louis XIV Quebec QC G1C5Y8		6,808.50
BeverageWorld	590 South Service Rd. StoneyCreek ON L8E2W1		1,994.95
Blue Giant Equipment Corp.	410 Admiral Boulevard Mississauga ON L5T2N6		435.05
Body Plus	P.O. Box 5 StationD Scarborough ON M1R4Y7		5,647.53

List of Creditors

In the Matter of the Proposal of
Organic Garage (Canada) Ltd.
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Brooker's Natural Meats	1166 17th Sideroad Schomberg ON L0G1T0		9,780.43
Burnbrae Farms	3356 County Road #27 Lyn ON K0E1M0		24,175.01
Business Systems	5800 Coopers Ave Mississauga ON L4Z 2B9		937.01
Butler Operation	4778 Bloomington Road Stouffville ON L4A 4A4		10,526.17
Camcarb	155 Signet Drive Toronto ON M9L1V1		2,391.11
Canada Bread	# T6249 PO Box 6100 Station F Toronto ON M4Y 2Z2		5,635.42
Canadawide Distributeur de Fruits	1370 rue de Beauharnois Ouest bureau 200 Montreal QC H4N 1J5		12,863.50
Canadian American Boxed Meat Corp.	6905 Kenderry Gate Units #2&3 Mississauga ON L5T 2Y8		12,837.31
Canadian Wild Fruit	2385 Hwy 11 S Gravenhurst ON P1P0C8		521.00
CanPrev	70 North Wind Place Toronto ON M1S3R5		6,762.51
Canuck Express LTD.	39 Manstor Road. Etobicoke ON M9C1B1		1,415.34
Casa Bonita	700 Progress Road Unit 13 Scarborough ON M1H2Z7		1,415.66
Centennial Food Group	50 Leek Crescent Richmond Hill ON L4B4J3		461.10
Cheeky Bee	23 Main Street P.O. Box 99 Warkworth ON K0K3K0		1,867.54
Cintas Canada Limited	40004 PO Box 4372 STN A Toronto ON M5W0J2		1,647.89

List of Creditors

In the Matter of the Proposal of
Organic Garage (Canada) Ltd.
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Consolidated Bottle Corporation	77 Union Street Toronto ON M6N3N2		472.34
Crossroads Refrigeration Limited	617 Enfield Road Burlington ON L7T2X9		47,084.50
Culinary Solutions	2426 Kwinter Road Oakville ON L6M0H5		4,043.64
Cultivar Foods	5653 McAdam Road Mississauga ON L4Z1N9		5,599.40
Del Monte	LOCKBOX 914500 PO BOX 4090 STN A Toronto ON M5W0E9		17,589.00
DND Goup Inc	10-8707 Dufferin Street Suite#355 Vaughan ON L4J0A6		17,230.40
DSM Foods Inc.	1681 Langstaff Road #8 Vaughan ON L4K5T3		18,824.33
Ecoideas Innovations Inc.	630 Newpark Boulevard Newmarket ON L3X2S2		10,525.58
EcoTrend Ecologics Ltd.	125 West 3rd Avenue Vancouver BC V5Y1E6		2,240.11
Enviroprise Ltd.	465 Davis Dr. Unit 309 Newmarket ON L3Y7T9		5,654.52
Epic Blend	3333 McQueen Road West Kelowna BC V4T1B7		485.76
Ethical Bean Coffee	1315 Kootenay Street Vancouver BC V5K4Y3		2,569.56
Find Your Weigh Inc.	26 Evita Court Thornhill ON L4J8K6		3,769.87
Flora	7400 Fraser Park Drive Burnaby BC V5J5B9		5,687.23
Fontaine Sante	450 Rue Deslauriers St-Laurent QC H4N1V8		7,356.26

List of Creditors

In the Matter of the Proposal of
Organic Garage (Canada) Ltd.
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Freeman Herbs Inc.	4075 North Service Rd Lincoln ON L3J1J4		10,561.82
FreshSpoke Inc.	8000 Yonge Street 2ndFloor Innisfil ON L9S1L5		435.20
Genuine Health	491 College Street Suite 200 Toronto ON M6G1A5		3,860.89
Gourmet Trading Co.	3570 Platinum Drive Unit#5 Mississauga ON L5M2R7		5,154.11
Grainfields Bakery	682 Denison Street Markham ON L3R1C1		8,075.63
Great Canadian Meat Company, The	1390 Hopkins St. Whitby ON L1N2C3		756.72
Green Meadow Eggs	11168 Springerhill Road R.R. 4 Aylmer ON		1,928.25
Harvest to Gather	966 Concession 6 Woodhouse Road Simcoe ON N3Y4K4		22,785.83
Healthology	1273 North Service Road East Oakville ON L6H1A7		2,179.27
Hewitt's Dairy Ltd.	P.O Box 400 128 King Street E. Hagersville ON N0A1H0		58,390.53
Hope Produce	11168 Springerhill Road Aylmer ON N5H2R3		26,453.00
Husky Foods	155 Rainbow Creek Dr. Vaughan ON L4H0A4		3,135.03
ID Foods	1800 Autoroute Laval QC H7S2E7		2,538.89
Imperial Dade Canada Inc.	P.O. BOX 12372 ST:A TORONTO ON M5W0K5		4,100.68
Ingemar Sales Inc.	3-1052 Deta Rd. Mississauga ON L5E2R5		5,543.77

List of Creditors

In the Matter of the Proposal of
Organic Garage (Canada) Ltd.
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Instacart	T42940C P.O. Box 4286 Postal STN A Toronto ON M5W5W9		305,495.08
Jofemar USA, Inc.	2200 NW 102nd Ave. Unit #3 Doral FL 33172 USA		575.98
Jonluca Neal	21 Keyes Court Vaughan ON L4H0W6		175,505.74
Joy of the Mountains	P.O. Box 1058 Lumby BC V0E2G0		1,930.52
Kasseler Food Products Inc.	1031 Brevik Place Mississauga ON L4W3R7		8,856.69
Kost Klip Manufacturing Ltd	VH1048 PO Box 9520 STNTerminal Vancouver BC V6B4G3		293.95
Lactalis Canada Inc.	405 The West Mall 10thFloor Etobicoke ON M9C 5J1		1,540.30
Legacy Distributors Inc.	625 Zenway Blvd. Unit 5 Woodbridge ON L4H4J8		3,328.50
Lennie Ciglen	601 Magnetic Dr. Unit 30 Toronto ON M3J3J2		3,128.65
LIDD Consultants Inc	360 rue St-Jacques Suite1600 Montréal QC H2Y1P5		17,116.68
Live Organic Food Products Ltd.	48 Ingram Dr. NorthYork ON M6M2L6		12,704.46
M.N.R. Disbtributors Inc.	12725 Warden Ave. Stouffville ON L4A7X5		4,882.34
Mad Mexican Prepared Food Products Inc.	64 Crockford Blvd. Scarborough ON M1R3C3		8,698.74
Marlin Digital Imagine Inc.	30 East Beaver Creek Rd. #101 Richmond Hill ON L4B1J2		487.40
Maslina Products	300 St-Francois-Xavier ste 216 Delson QC J5B1Y1		717.82

List of Creditors

In the Matter of the Proposal of
Organic Garage (Canada) Ltd.
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
McLean Meats Inc.	250 Frobisher Dr. Waterloo ON N2V2L8		11,523.50
Merrylynd Organics	2936 Hwy 28 Douro ON K0L2H0		837.00
Midland Food Products	195 Rexdale Blvd Toronto ON M9W1P7		3,145.27
Mike and Mike's	1 Royal Gate Blvd. Unit F Woodbridge ON L4L8Z7		65,252.90
Naked Natural Foods	815 - 207 West Hastings Street Vancouver BC V6B1H7		7,590.00
National Produce Marketing Inc.	55 Plywood Place Toronto ON M8Z5J3		2,177.00
Natural Factors	1550 United Blvd. Coquitlam BC V3K6Y2		14,171.90
Nature's Way of Canada Ltd.	4-15 Garland Avenue Dartmouth NS B3B0A6		3,321.99
Natusoy Foods Ltd.	1835 Meyerside Dr. Unit 1 & 2 Mississauga ON L5T1G4		13,769.93
New Chapter	PO Box 9503 STNA Toronto ON M5W2K3		637.09
Newport Gourmet Foods Inc.	145 Sun Pac Blvd. Brampton ON L6S 5Z6		7,681.72
NJ Bread Co.	525 Loomis Rd. Codrington ON K0K1R0		3,377.19
Nutri Spring Farms Ltd.	801 Collinson Road Dundas ON L9H5E2		2,516.17
Oakville Hydro	P.O. Box 1900, 861 Redwood Square Oakville ON L6J5E3		5,961.04
Oasis Made	2957-6758 Quebec Inc. Oasis Bags Vaudreuil-Dorion QC J7V5V5		19,153.50

List of Creditors

In the Matter of the Proposal of
Organic Garage (Canada) Ltd.
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
ONFC	5800 Keaton Cresent Mississauga ON L5R3K2		396,921.42
Ontario Pride Eggs Inc.	860 Trillium Drive Kitchener ON N2R1K4		9,519.28
Ontario Seed Co. Ltd.	PO BOX 7 Waterloo ON N2J3Z6		842.59
Organic Connections Ltd.	Box 78 Wainfleet ON L0S1V0		832.46
Organic Oven	31 Melanie Drive Unit#7 Brampton ON L6T5H8		739.45
Organika Health Products Inc.	13480 Verdun Place Richmond BC V6V1V2		2,607.52
Orkin Canada Corporation	5840 Falbourne Street Mississauga ON L5R4B5		5,515.38
Ozery's Pita Break Inc.	11 Director Court Unit#1 Woodbridge ON L4L4S5		6,367.70
Paper Tec International Inc.	60 HARTLEYWOOD DRIVE SCARBOROUGH ON M1S 3N2		543.41
Paradise Fields	3355 Golf Club Road Binbrook ON L0R1P0		14,668.50
Peak Performance Products	6135 Danville Road Mississauga ON L5T2H7		1,909.70
Pemanna Logistics	1784 Jack Glenn St Oshawa ON L1K0W3		1,884.28
Pfenning's Organic Vegetables Inc.	1209 Waterloo Street Baden ON N3A1T1		13,521.51
Planet Foods	4040E 80 Ave. SE Calgary AB T2C2J7		14,992.42
Protech Plumbing & Drain Services	15 Fairlin Drive Etobicoke ON M9B4J1		1,686.18

List of Creditors

In the Matter of the Proposal of
Organic Garage (Canada) Ltd.
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Pure Blue Water Company Inc.	7540 Mill Lane Caledon ON L7E 0M7		854.40
Pureresource Natural Products	#5 - 5068 Whitelaw Road RR6 Guelph ON N1H6J3		22,378.78
Purity Life Health Products	6 Commerce Crescent Acton ON L7J2X3		77,608.71
Raw Elements	8473 Wellington RD 50 Rockwood ON N0B2K0		10,207.53
Redhaven Consulting Inc.	205-1155 West 11th Avenue Vancouver BC V6H1K4		9,040.00
RHSM Canada	395 Valermo Drive Toronto ON M8W2L4		1,269.25
Rowe Beef Co.	3066 Jarrow Ave. Mississauga ON L4X2C7		32,801.58
Saputo Dairy Products Canada G.P.	2365 Ch.De La Cote-De-Liesse St-Laurent QC H4N2M7		6,150.19
Seacore Seafood	81 Aviva Park Drive Woodbridge ON L4L9C1		3,683.90
Sellers Publishing, Inc.	161 John Roberts Road SouthPortland ME USA		1,215.15
Sequel Naturals / Vega	101-3001 Wayburne Burnaby BC V5G4W3		9,250.68
Shasha Bread Co. Inc.	20 Plastics Avenue Etobicoke ON M8Z4B7		3,263.31
SIR Solutions	3565 Rue Jarry E. Montreal QC H1Z4K6		18,197.02
Smart Secure Technologies	4711 Yonge Street 10th Floor Toronto ON M2N6K8		5,017.20
Smythe LLP	475 Howe St Vancouver BC V6C2B3		12,600.00

List of Creditors

In the Matter of the Proposal of
Organic Garage (Canada) Ltd.
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Socialdrop Inc.	860 Magnetic Drive Toronto ON M3J3J2		13,334.00
Solar Gold Dried Fruit	18 Ballyronan Rd. Toronto ON M3B1V3		4,007.00
Star Marketing East	3289 - 190 St. Surrey BC V3Z1A7		11,221.50
STM Display Sales Inc.	2230 Meadowpine Blvd Mississauga ON L5N6H6		4,808.15
Sundai	143 Johnston Ave Toronto ON M2N 1H1		1,073.50
Sunflower Kitchen Inc.	770 Birchmount Rd Unit 20 Scarborough ON M1K5H3		31,138.28
Sustainables Canada Inc.	63 Medulla Ave Unit 1 Etobicoke ON M8Z5L6		339.00
Sweets From The Earth	101 Canarctic Dr Toronto ON M3J2N7		3,717.96
Tall Grass	375 West 5th Avenue Vancouver BC V5Y1J6		3,323.41
teaBOT	786 King Street West Toronto ON M5V1N6		19,039.66
TeraGo	P.O Box 8956 Postal Station A Toronto ON M5W2C5		2,467.75
TFB & Associates Limited	3100 Steeles Ave. East Suite 205 Markham ON L3R8T3		2,192.75
Tootsi Impex Inc.	8800 Henri Bourassa Ouest St.Laurent QC H4S1P4		39,267.48
Toppits	301 Chrislea Road Vaughan ON L4L8N4		2,738.92
Tree Of Life	6185 McLaughlin Road Mississauga ON L5R3W7		17,386.63

List of Creditors

In the Matter of the Proposal of
Organic Garage (Canada) Ltd.
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Trillium Pure Water Co. Inc.	43 Waller Avenue Toronto ON M6S1B8		12,968.61
TSX Trust Company	301-100 Adelaide Street West Toronto ON M5H4H1		8,501.89
TWPA BATHURST	Room 205 Ontario Food Terminal - 165 The Queensway Etobicoke ON M8Y 1H8		10,027.50
TWPA JUNCTION	Room 205 Ontario Food Terminal - 165 The Queensway Etobicoke ON M8Y 1H8		13,758.80
TWPA LIBERTY	Room 205 Ontario Food Terminal - 165 The Queensway Etobicoke ON M8Y 1H8		8,944.50
TWPA OAKVILLE	Room 205 Ontario Food Terminal - 165 The Queensway Etobicoke ON M8Y 1H8		7,875.00
Uber Castor Canada Inc.	66 Wellington Street West Suite 5300 TD Bank Tower Toronto ON M5K1E6		32,024.08
UNFI Canada Inc.	8755 Keele Street Concord ON L4K2N1		389,575.06
Unifirst	2290 Dunwin Drive Mississauga ON L5L1C7		2,501.02
United Staffing Services Inc.	3359A Bloor Street West Etobicoke ON M8X1G2		5,503.12
Universal Misting Systems Inc.	33 Littleleaf Drive Toronto ON M1B1Y6		866.65
VA Electrical Contracting Inc.	65 Kilbride Dr Whitby ON L1R2B5		694.95
Vegan Broker Inc.	Unit 9-1111 Finch Avenue West Toronto ON M3J2E5		11,125.45
Waste Reduction Group Inc.	Suite 101 - 214 Merton Street Toronto ON M4S1A6		5,626.79

List of Creditors

In the Matter of the Proposal of
Organic Garage (Canada) Ltd.
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Winford Foods Ltd.	5-45 Basaltic Rd Vaughan ON L4K1G5		5,046.21
Yerba Buena's Ltd. / Sopa	318 Salem Ave. Toronto ON M6H3C7		4,111.80
Yorkshire Valley Farms	80 Galaxy Bvd Unit #5 Etobicoke ON M9W4Y8		19,492.49
Zara's Gourmet Kitchen	111 Finchdene Square Unit #4 Scarborough ON M1X1B5		10,784.10
Total			2,603,317.34

List of Creditors

In the Matter of the Proposal of
2347018 Ontario Inc.
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
8000 Bathurst Street Realty Inc. c/o M&R Holdings	320 Pharmacy Avenue Unit 1 Toronto ON M1W 2T8		5,982.83
Total			5,982.83

2347018 Ontario Inc.
Insolvent Person

List of Creditors

In the Matter of the Proposal of
2412383 Ontario Inc.
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
2216198 Ontario Inc. /Rio Can	74 Advance Road Toronto ON M9Z 2T7		43,411.22
Total			43,411.22

2412383 Ontario Inc.
Insolvent Person

List of Creditors

In the Matter of the Proposal of
2507158 Ontario Inc.
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Szeto, Ping Hay c/o Gip Sing International Ltd.	PH72 - 4168 Finch Ave E Scarborough ON M1S 5H6		15,539.26
Total			15,539.26

2507158 Ontario Inc.
Insolvent Person

List of Creditors

In the Matter of the Proposal of
2581751 Ontario Inc.
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
8841896 Canada Inc. C/O Kevric Ontario Real Estate Corporation Inc.	800 de la Gauchetiere West, Suite 240 Montreal QC H5A 1K6		8,503.82
Total			8,503.82

2581751 Ontario Inc.
Insolvent Person

Appendix “C”

STALKING HORSE ASSET PURCHASE AGREEMENT

This Agreement is made as of the 7th day of March, 2024 (the “**Effective Date**”)

AMONG:

ORGANIC GARAGE (CANADA) LTD., a corporation incorporated pursuant to the laws of the Province of Ontario (the “**Company**”)

- and -

2347018 ONTARIO INC., a corporation incorporated pursuant to the laws of the Province of Ontario (“**Bathurst LeaseCo**”)

- and -

2507158 ONTARIO INC., a corporation incorporated pursuant to the laws of the Province of Ontario (“**Oakville LeaseCo**”)

- and -

2581751 ONTARIO INC., a corporation incorporated pursuant to the laws of the Province of Ontario (“**Liberty LeaseCo**” and together with the Company, Bathurst LeaseCo and Oakville LeaseCo, collectively, the “**Vendors**”)

- and -

MAAB GLOBAL LTD., a corporation incorporated pursuant to the laws of the Province of Ontario (the “**Purchaser**”)

RECITALS:

A. On March 5, 2024, the Vendors, together with 2412383 Ontario Inc. (collectively, the “**OG Group**”), initiated proceedings (the “**NOI Proceedings**”) under the *Bankruptcy and Insolvency Act* R.S.C., 1985, c. B-3 (the “**BIA**”) by filing Notices of Intention to Make a Proposal under section 50.4(6) of the BIA. KPMG Inc. was appointed as the proposal trustee in the NOI Proceedings (in such capacity, the “**Proposal Trustee**”).

B. In connection with the NOI Proceedings, the Vendors intend to seek the approval of the Court to implement a sale process (the “**Sale Process**”) pursuant to which this Agreement will serve as the Stalking Horse Bid (as defined herein) to acquire the Purchased Assets (as defined herein).

C. In the event that this Agreement is selected as the Successful Bid (as defined herein) in the Sale Process, the Purchaser will acquire the Purchased Assets subject to, and in accordance with, the terms and conditions set forth in this Agreement and obtaining Court approval of the Transaction (as defined herein).

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the Parties hereby acknowledge and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless something in the subject matter or context is inconsistent therewith, the terms defined herein shall have the following meanings:

“**Advances**” has the meaning set out in Section 3.4(a).

“**Affiliate**” has the meaning given to the term “affiliate” in the *Business Corporations Act*, R.S.O. 1990, c.B-16.

“**Agreement**” means this asset purchase agreement, as may be amended and restated from time to time in accordance with the terms hereof, with the consent of the Proposal Trustee, and “**Article**” and “**Section**” mean and refer to the specified article, section and subsection of this Agreement.

“**Applicable Law**” means, in respect of any Person, property, transaction or event, any: (i) domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order; (ii) judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings, instruments or awards of any Governmental Authority; and (iii) policies, practices, standards, guidelines and protocols having the force of law, that applies in whole or in part to such Person, property, transaction or event.

“**Approval and Vesting Order**” means an order by the Court, in form and substance satisfactory to the Purchaser, acting reasonably, among other things, approving and authorizing this Agreement and the Transaction.

“**Assigned Contracts**” means the Contracts listed in **Schedule “B”**, as the same may be modified by the Purchaser prior to the Bid Deadline in accordance with the terms hereof (and including as such Assigned Contracts may be amended, restated, supplemented or otherwise modified from time to time).

“**Assignment and Assumption Agreements**” means the assignment and assumption agreements for the Assigned Contracts, in a form reasonably satisfactory to the Vendors and the Purchaser.

“**Assignment Order**” means an order of the Court assigning to the Purchaser the rights and obligations of the Vendors under the Assigned Contracts for which a consent, approval or waiver necessary for the assignment of such Assigned Contract has not been obtained, and which will include, if necessary, a mechanism for the resolution of any disputed Cure Costs.

“**Assumed Liabilities**” means: (a) Liabilities specifically and expressly designated by the Purchaser as assumed Liabilities in **Schedule “C”**, as the same may be modified by the Purchaser prior to the Bid Deadline in accordance with the terms hereof; and (b) all Liabilities which relate to the Business under any Assigned Contracts, solely in respect of the period from and after the Closing Time and not relating to any default existing prior to or as a consequence of Closing.

“**Authorization**” means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person’s property or business and affairs or from any Person in connection with any easements, contractual rights or other matters.

“Bathurst Lease” means the lease agreement dated as of March 14, 2013 between Bathurst LeaseCo, as tenant, and 8000 Bathurst Street Realty Inc., as landlord, relating to the premises located at 8020 Bathurst St. #1, Vaughan, Ontario.

“BIA” has the meaning set out in the recitals hereto.

“Bid Deadline” has the meaning set out in the Sale Process.

“Business” means the business conducted by the Company, being an organic and all natural grocery store.

“Business Day” means a day on which banks are open for business in Toronto, Ontario, but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario.

“Cash Purchase Price” has the meaning set out in Section 3.3(b).

“Claims” means any civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, audit, chose in or cause of action, suit, default, assessment, litigation, prosecution, third party action, arbitral proceeding or proceeding, complaint or allegation, by or before any Person.

“Closing” means the closing and consummation of the Transaction.

“Closing Date” means the date that is ten (10) days after the date upon which the conditions set forth in Article 8 have been satisfied or waived, other than any conditions set forth in Article 8 that by their terms are to be satisfied or waived at the Closing (or such other earlier or later date as may be agreed by the Vendors and the Purchaser in writing).

“Closing Time” means 12:01 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place.

“Contracts” means all pending and executory contracts, agreements, leases, understandings and arrangements (whether oral or written) to which any Vendor is a party, or by which such entity is bound or in which such entity has, or will at Closing have, any rights or by which any of its property or assets are or may be affected.

“Company” means Organic Garage (Canada) Ltd., an incorporation incorporated pursuant to the laws of the Province of Ontario.

“Court” has means the Ontario Superior Court of Justice (Commercial List).

“Cure Costs” means, in respect of the Assigned Contracts, all amounts, costs, fees and expenses: (i) required to be paid to remedy all of the Vendors’ monetary defaults in relation to the Assigned Contracts, other than those arising by reason only of the Vendors’ bankruptcy, insolvency or failure to perform a non-monetary obligation; (ii) necessary to secure a counterparty’s or any other necessary Person’s consent to the assignment of the Assigned Contracts; or (iii) as may be required pursuant to the Approval and Vesting Order or the Assignment Order, as applicable, and which for greater certainty, may be an amount agreed to by the Purchaser and the counterparty to an Assigned Contract.

“Deposit” has the meaning set out in Section 3.3(a).

“Deposit Charge” has the meaning set out in Section 6.8(c).

“Deposit Facility” has the meaning set out in Section 3.4.

“Discharge” means, in relation to any Encumbrance against any Person or upon any asset, undertaking or property, the full, final, irrevocable, complete and permanent waiver, release, discharge, cancellation, termination and extinguishment of such Encumbrance against such Person or upon such asset, undertaking or property and all proceeds thereof.

“Excluded Contracts” means all Contracts that are not Assigned Contracts.

“Effective Date” has the meaning set out in the preamble hereto.

“Employee” means any individual who is employed by a Vendor immediately prior to the Closing Date.

“Encumbrance” means any security interest, lien, Claim, charge, right of retention, deemed trust, judgement, writ of seizure, write of execution, notice of seizure, notice of execution, notice of sale, hypothec, reservation of ownership, pledge, encumbrance, mortgage or right of a third party (including any contractual rights such as purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual right) or encumbrance of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease).

“Excise Tax Act” means the *Excise Tax Act*, R.S.C, 1985, c. E-15.

“General Conveyance” means a general conveyance evidencing the conveyance to the Purchaser of the Company’s interest in and to the Purchased Assets, in form and substance satisfactory to the Parties, acting reasonably.

“Governmental Authority” means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

“GST” means all goods and services tax imposed under Part IX of the *Excise Tax Act*.

“Income Tax Act” means the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.).

“Intellectual Property” means any or all of the following items, wherever located: all patents and patent rights, trademarks and trademark rights, trade names and trade name rights, service marks and service mark rights, service names and service name rights, copyrights and copyright rights, brand names, trade dress, business and product names, domain names, corporate names, logos, slogans, trade secrets, inventions, processes, recipes, formulae, industrial models, designs, specifications, data, technology, methodologies, computer programs (including all source code), confidential and proprietary information, whether or not subject to statutory registration, all related technical information, manufacturing, engineering and technical drawings, know how, all pending applications for and registrations of patents, trademarks, service marks and copyrights, including all obligations of third parties relating to the protection of the foregoing, the goodwill associated with the foregoing, and the right to sue for past payment, if any, in connection with any of the foregoing, and all documents, disks and other media on which any of the foregoing is stored.

“Interim Period” means the period from the Effective Date to the Closing Time.

“Leases” means, collectively, the Bathurst Lease, the Liberty Lease and the Oakville Lease.

“Liability” means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

“Liberty Lease” means the lease agreement dated as of October 18, 2017, between Liberty LeaseCo, as tenant, 8841896 Canada Inc., as landlord, and the Company, as indemnifier, relating to the premises located at 42 Hanna Ave, Toronto, Ontario.

“NOI Proceedings” has the meaning set out in the recitals hereto.

“Oakville Lease” means the lease agreement dated as of April 1, 2016, between Oakville LeaseCo, as tenant, and Szeto Ping Hay and Others, as landlord, relating to the premises located at 579 Kerr St., Oakville, Ontario.

“OG Group” has the meaning set out in the recitals hereto.

“Outside Date” means 11:59 pm (Toronto time) on April 30, 2024, or such later date and time as the Vendors and the Purchaser may agree to in writing.

“Parties” means the Vendors and the Purchaser, and **“Party”** means any one of them.

“Person” means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

“Premises” means the premises leased by the Vendors pursuant to the Leases.

“Proposal Trustee” has the meaning set out in the recitals hereto.

“Proposal Trustee’s Certificate” has the meaning set out in Section 8.1(e).

“Purchased Assets” has the meaning set out in Section 2.1.

“Purchase Price” has the meaning set out in Section 4.1.

“Purchaser” means MAAB Global Ltd, a corporation incorporated pursuant to the laws of Ontario.

“Sale Process” has the meaning set out in the recitals hereto.

“Sale Process Order” means an issued order of the Court in the NOI Proceedings approving a Sale Process in respect of the Vendors’ assets, property and undertaking, including the Purchased Assets.

“Stalking Horse Bid” has the meaning set out in Section 4.1(a).

“Successful Bid” has the meaning set out in the Sale Process.

“Successful Bidder” has the meaning set out in the Sale Process.

“Taxes” means, with respect to any Person, all national, federal, provincial, local or other taxes, including income taxes, capital gains taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, workers’ compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties.

“Transaction” the transaction contemplated by this Agreement whereby the Purchaser will acquire the Purchased Assets.

“Transfer Taxes” means all present and future transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Purchased Assets, including GST.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 General Construction

The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement and not to any particular section hereof. The expression “Section” or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.4 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term “including” means “including, without limitation,” and such terms as “includes” have similar meanings and the term “third party” means any other Person other than the Vendors or the Purchaser, or any Affiliates thereof.

1.5 Currency

All references in this Agreement to dollars, monetary amounts, or to \$, are expressed in Canadian currency unless otherwise specifically indicated.

1.6 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

1.7 Schedules & Amendments to Schedules

The following exhibits and schedules are attached hereto and incorporated in and form part of this Agreement:

SCHEDULES

Schedule A	-	Purchased Assets
Schedule B	-	Assigned Contracts
Schedule C	-	Specific Assumed Liabilities
Schedule D	-	Specific Intellectual Property

The Parties acknowledge that as of the Effective Date, with the exception of Schedule “A”, the Schedules are not complete. The Purchaser shall be entitled to revise Schedules “B”, “C” and “D” from and after the Effective Date, provided that such Schedules must be complete and final on or before the Bid Deadline. Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement will apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2 PURCHASE AND SALE OF PURCHASED ASSETS

2.1 Purchase and Sale of Purchased Assets

At the Closing Time, subject to the terms and conditions of this Agreement, the Vendors shall sell, assign, transfer and convey to the Purchaser pursuant to the Approval and Vesting Order and the Assignment Order, if applicable, and the Purchaser shall purchase and assume from the Vendors, all of the Vendors’ right, title and interest in, to and under the tangible and intangible assets, properties and rights listed in **Schedule “A”**, attached hereto (collectively, the “**Purchased Assets**”).

2.2 Transfer of Purchased Assets and Assumption of Liabilities

Subject to the terms and conditions of this Agreement, possession, risk, legal and beneficial ownership of the Purchased Assets shall transfer from the Vendors to the Purchaser on the Closing Date, and the Purchaser agrees to assume, discharge, perform and fulfill all of the Assumed Liabilities from and after the Closing Date. For certainty, the Purchaser is not assuming any Liabilities of the Vendors other than the Assumed Liabilities and shall have no liability to any Person therefor.

2.3 Assigned Contracts

- (a) From and after the date hereof until the Bid Deadline, the Purchaser shall be entitled to make additions, deletions and modifications to the Contracts classified as “Assigned Contracts”, in its sole discretion. For greater certainty: (i) any Assigned Contract subsequently designated by the Purchaser as an Excluded Contract after the date of this Agreement shall be deemed to no longer be an Assigned Contract, and shall be an Excluded Contract; and (ii) any Contract subsequently designated by the Purchaser as an Assigned Contract after the date of this Agreement shall be deemed an Assigned Contract for the purposes of this Agreement.

- (b) Each of the Parties shall use reasonable commercial efforts to obtain, as may be required by the terms of such Assigned Contracts, all consents and approvals required to assign the Assigned Contracts to the Purchaser.
- (c) To the extent that any Assigned Contract is not assignable without the consent or approval of the counterparty or any other Person, and such consent or approval has not been obtained prior to the Closing Date: (i) the applicable Vendor's interest in, to and under such Assigned Contract may be conveyed to the Purchaser pursuant to the Assignment Order; (ii) the Vendors will use commercially reasonable efforts to obtain an Assignment Order in respect of such Assigned Contract on or prior to the Closing Date; and (iii) if an Assignment Order is obtained in respect of such Assigned Contract, the Purchaser shall accept the assignment of such Assigned Contract on such terms.
- (d) To the extent that any Cure Costs are payable with respect to any Assigned Contract, the Purchaser shall be responsible for and shall pay all such Cure Costs, which shall be paid either directly to the applicable counterparty or to the Proposal Trustee, as may be agreed to by the parties, which Cure Costs shall be in addition to the Purchase Price. Unless the Parties otherwise agree, to the extent that any Cure Cost is payable with respect to any Assigned Contract, where such Assigned Contract is assigned pursuant to an Assignment Order, the Purchaser shall pay such Cure Costs in accordance with the Assignment Order, and where such Assigned Contract is not assigned pursuant to an Assignment Order, the Purchaser shall pay such Cure Costs in the manner set out in the consent of the applicable counterparty or as otherwise may be agreed to by the Purchaser and such counterparty.
- (e) The Vendors shall be entitled to disclaim or seek to disclaim any Excluded Contracts.
- (f) It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all financial assurances, deposits or security, including without limitation any Cure Costs that may be required by Governmental Authorities or any third parties to permit the transfer of the Purchased Assets, including the Assigned Contracts, to the Purchaser.

2.4 Excluded Assets

Save and except as otherwise expressly set out herein, the Purchaser may, at its option, exclude any of the Purchased Assets from the Transaction at any time prior to Closing by delivering to the Vendors and the Proposal Trustee written notice of the same, whereupon such asset(s) shall be deemed to no longer form part of the Purchased Assets, provided, however, that there shall be no reduction in the Purchase Price as a result of such exclusion.

2.5 Excluded Liabilities

Save and except for the Assumed Liabilities explicitly set out herein, if any, the Purchaser is not assuming, and shall not be deemed to have assumed, any Liabilities of the Vendors (collectively, the "**Excluded Liabilities**"), which Excluded Liabilities include, but are not limited to, the following:

- (a) all Liabilities and Claims arising or accruing from the use of the Purchased Assets prior to the Closing; and
- (b) all Liabilities that arise out of or result from the employment or engagement by the Vendors of any of the Employees (unless otherwise imposed by Applicable Laws) and/or the termination or severance of such engagement or employment.

ARTICLE 3 EMPLOYEE MATTERS

3.1 Employment Offers

The Purchaser may, in its sole discretion, offer new employment, conditional upon Closing, to such Employees as determined by the Purchaser, in its sole discretion. Any such offer shall be made at least two Business Days prior to Closing, on terms and conditions substantially similar and no less favourable than the terms and conditions on which such Employees are employed immediately prior to Closing.

3.2 Employment Terminations

Notwithstanding the foregoing, the Vendors shall terminate, in writing, the employment of all Employees at least 24 hours prior to the Closing Date and shall provide proof of such written termination to the Purchaser as a deliverable at Closing.

ARTICLE 4 PURCHASE PRICE

4.1 Purchase Price

The purchase price payable by the Purchaser for the Purchased Assets shall be \$275,000 (the “**Purchase Price**”) plus the Assumed Liabilities. The Purchase Price shall be satisfied in accordance with Section 4.3. For certainty, the Purchaser may increase the Purchase Price at any time up until the Bid Deadline upon notice to the Vendors in accordance with the Sale Process.

4.2 Allocation of Purchase Price

The Purchaser and the Vendors agree that the Purchase Price and the Assumed Liabilities shall be allocated among the Purchased Assets for all purposes (including Tax and financial accounting) as agreed between the Vendors and the Purchaser on Closing, acting reasonably.

4.3 Satisfaction of Purchase Price

The Purchaser shall pay and satisfy the Purchase Price in accordance with the following:

- (a) **Deposit.** The Purchaser shall initiate a wire transfer to the Proposal Trustee for a deposit in the amount of \$100,000, along with proof of the wire transfer, upon execution of this Agreement, and such funds must be received by the Proposal Trustee no later than five (5) business days, or March 13, 2024, to be dealt with in accordance with Section 4.4 and credited against the Purchase Price at Closing (the “**Deposit**”).
- (b) **Cash Purchase Price.** At the Closing Time, the Purchaser shall pay to the Proposal Trustee the balance of the Purchase Price, being \$175,000, in immediately available funds (the “**Cash Purchase Price**”).
- (c) **Assumed Liabilities.** An amount equal to the value of the Assumed Liabilities, which the Purchaser shall assume on the Closing Date, shall be satisfied by the Purchaser performing the Assumed Liabilities as and when they become due.

4.4 Deposit Facility

The Purchaser hereby authorizes the Vendors to utilize the Deposit as a non-revolving loan (the “**Deposit Facility**”) to fund the general working capital requirements of the Vendors during the NOI Proceeding; provided that:

- (a) funds advanced from the Deposit Facility (“**Advances**”) shall be utilized in accordance with the cash flow projections filed with the Court in the NOI Proceeding;
- (b) any Advances shall be accounted for and reported to the Purchaser and the Proposal Trustee; and
- (c) prior to any Advance being funded under the Deposit Facility, the Vendors shall seek and obtain an order of the Court granting a priority charge (the “**Deposit Charge**”) in favour of the Purchaser against the assets, properties and undertaking of the Vendors. The Deposit Charge shall secure all of the obligations of the Vendors under the Deposit Facility and shall rank in priority to all other Encumbrances on the assets of the Vendors, subject only to an “administration charge” and “directors’ charge” granted by Court order in the NOI Proceedings.

4.5 Transfer Taxes

The Parties agree that:

- (a) The Purchase Price does not include Transfer Taxes and the Purchaser shall be liable for and shall pay any and all Transfer Taxes pertaining to the Purchaser’s acquisition of the Purchased Assets.
- (b) Where the Vendors are required under Applicable Law to collect or pay Transfer Taxes, the Purchaser will pay the amount of such Transfer Taxes to the Vendors at Closing. The Vendors shall pay such Transfer Taxes directly to the appropriate Governmental Authority or other entity within the required time period and shall file all necessary documentation with respect to such Transfer Taxes when due.
- (c) Except where the Vendors are required under Applicable Law to collect or pay such Transfer Taxes, the Purchaser shall pay such Transfer Taxes directly to the appropriate Governmental Authority or other entity within the required time period and shall file all necessary documentation with respect to such Transfer Taxes when due. The Vendors will do and cause to be done such things as are reasonably requested to enable the Purchaser to comply with such obligation in a timely manner. If the Vendors are required under Applicable Law to pay any such Transfer Taxes which are not paid by the Purchaser at Closing, the Purchaser shall promptly reimburse the Vendors the full amount of such Transfer Taxes upon delivery to the Purchaser of copies of receipts showing payment of such Transfer Taxes.
- (d) The Purchaser shall indemnify the Vendors for, from and against any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) that the Vendors may pay or for which the Vendors may become liable as a result of any failure by the Purchaser to pay or remit such Transfer Taxes.

ARTICLE 5 SALE PROCESS, DEPOSIT REPAYMENT

5.1 Sale Process and Deposit Repayment

- (a) The Vendors shall conduct the Sale Process in accordance with the terms of the issued Sale Process Order. The Vendors shall bring a motion for the Sale Process Order to be heard on or before March 20, 2024. The Sale Process Order shall recognize the within offer by the Purchaser and the Purchase Price: (i) as a baseline or “stalking horse bid” in respect of the Purchased Assets (the “**Stalking Horse Bid**”); and (ii) as a deemed “Qualified Bid”, with an attendant right on the part of the Purchaser to participate as a bidder in any Auction (as defined in the Sale Process). The Purchaser acknowledges and agrees that the aforementioned process is in contemplation of determining whether a superior bid can be obtained for the Purchased Assets, and that the within Stalking Horse Bid may or may not be the Successful Bid for the Purchased Assets.
- (b) In consideration for the Purchaser’s expenditure of time and money and agreement to act as the initial bidder through the Stalking Horse Bid, and the preparation of this Agreement, and in performing due diligence pursuant to this Agreement, and subject to Court approval, the Purchaser shall be entitled to the repayment of reasonable out-of-pocket professional fees, disbursements and expenses of any kind or nature whatsoever incurred in connection with the SISP and the Transaction, to a maximum amount of \$15,000 (the “**Expense Reimbursement**”), which Expense Reimbursement shall be payable to the Purchaser in the event that the Stalking Horse Bid is not the Successful Bid.
- (c) In the event that the Stalking Horse Bid is not the Successful Bid, in addition to the Expense Reimbursement, the Purchaser shall be entitled to repayment in full of the Deposit, including all Advances under the Deposit Facility, and all of the foregoing entitlements shall be paid to the Purchaser in priority to any and all Claims and interests that any other Person now has or may hereafter have against the property of the OG Group (the “**Deposit Repayment**”).

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of the Vendors

The Vendors hereby represent and warrant as of the date hereof and as of the Closing Time as follows, and acknowledge that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Incorporation and Status. The Vendors are corporations incorporated and existing under the *Business Corporations Act* (Ontario), are in good standing under such act and have the power and authority to enter into, deliver and perform their obligations under this Agreement and to own or lease and to operate and use the Purchased Assets and to carry on the Business as now conducted by the Vendors.
- (b) Corporate Authorization. The execution, delivery and, subject to obtaining the Approval and Vesting Order in respect of the matters to be approved therein, performance by the Vendors of this Agreement has been authorized by all necessary corporate action on the part of the Vendors.
- (c) Residency. The Vendors are not non-residents of Canada for purposes of the *Income Tax Act* or the *Excise Tax Act*, as applicable.

6.2 Representations and Warranties of the Purchaser

The Purchaser hereby represents and warrants to and in favour of the Vendors as of the date hereof and as of the Closing Time, and acknowledges that the Vendors are relying on such representations and warranties in connection with entering into this Agreement and performing their obligations hereunder:

- (a) **Incorporation and Status.** The Purchaser is a corporation incorporated and existing under the Ontario, is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) **Corporate Authorization.** The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.
- (c) **No Conflict.** The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the organizational documents of the Purchaser.
- (d) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.
- (e) **Proceedings.** There are no proceedings pending, or to the knowledge of the Purchaser, threatened, against the Purchaser before any Governmental Authority, which prohibit or seek to enjoin delay, restrict or prohibit the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.
- (f) **Residency.** The Purchaser is not a non-resident of Canada for purposes of the *Income Tax Act*.

6.3 As is, Where is

- (a) The Purchaser acknowledges and agrees that it has conducted to its satisfaction an independent investigation and verification of the Business, the Purchased Assets (including the state of title thereto and/or the state of any Encumbrances and permitted Encumbrances), the Assumed Liabilities and all related operations of the Vendors, and, based solely thereon, has determined to proceed with the Transaction contemplated by this Agreement. The representations and warranties of the Vendors shall merge on Closing and shall thereafter be of no further force and effect. The Purchaser acknowledges, agrees and confirms that, at the Closing Time, the Purchased Assets shall be sold and delivered to the Purchaser on an “*as is, where is*” basis, subject only to the representations and warranties contained herein. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever.
- (b) The Purchaser has received a copy of any Assigned Contracts and is familiar with the terms, agreements, covenants, obligations and conditions therein. The Purchaser shall be solely responsible for negotiating with and attempting to obtain the agreement of any landlord to

amend any Lease contemplated to be an Assigned Contract as may be required by the Purchaser to allow the Purchaser to use the respective Premises for any purpose. For greater certainty, such amendments are not a Closing delivery or a condition of Closing.

- (c) The Purchaser acknowledges that the applicable Assigned Contract (that is, a lease) may be subject to permitted Encumbrances and the applicable Vendor shall not be responsible for rectifying any permitted Encumbrances prior to the Closing Date, other than as contemplated by this Agreement.
- (d) The remedies expressly set forth in this Agreement are the Purchaser's sole and exclusive remedies relating to this Agreement, the Transaction contemplated hereby, the Purchased Assets, the Assumed Liabilities and all related operations of the Vendors or any of them.
- (e) The Purchaser acknowledges and agrees that the enforceability of this Agreement against the Vendors is subject to entry of the Approval and Vesting Order.

ARTICLE 7 CLOSING ARRANGEMENTS

7.1 Closing

Closing shall take place on the Closing Date effective as of the Closing Time electronically (or as otherwise determined by mutual agreement of the Parties in writing), by the exchange of deliverables (in counterparts or otherwise) by electronic transmission in PDF format.

7.2 Vendors' Closing Deliveries

At or before the Closing Time, the Vendors shall deliver or cause to be delivered to the Purchaser the following:

- (a) a true copy of the Approval and Vesting Order, as issued and entered by the Court;
- (b) a true copy of the Assignment Order, if applicable, as issued and entered by the Court (if requested by the Purchaser);
- (c) the Assignment and Assumption Agreements for the Assigned Contracts, duly executed by the applicable Vendor;
- (d) the General Conveyance, duly executed by the Vendors;
- (e) a specific assignment of any Intellectual Property;
- (f) proof of the written termination by the Vendors of the employment of all of their Employees prior to the Closing Date;
- (g) a certificate of an officer of each Vendor dated as of the Closing Date confirming that all of the representations and warranties of the Vendors contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Vendors have performed in all material respects the covenants to be performed by them prior to the Closing Time; and
- (h) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

7.3 Purchaser's Closing Deliveries

At or before the Closing, the Purchaser shall deliver or cause to be delivered to the Vendors (or to the Proposal Trustee, as applicable), the following:

- (a) payment of the Cash Purchase Price in immediately available funds;
- (b) payment of all Transfer Taxes payable on Closing to the Vendors or the Proposal Trustee, as applicable (or evidence of payment by the Purchaser thereof to the relevant Governmental Authorities) in accordance with Section 4.4;
- (c) the payment of all Cure Costs to be paid by the Purchaser pursuant to Section 2.3 to the Vendors or the Proposal Trustee, or evidence that such Cure Costs have been or will be paid directly to the applicable counterparty;
- (d) the General Conveyance, duly executed by the Purchaser;
- (e) the Assignment and Assumption Agreements for the Assigned Contracts, duly executed by the Purchaser;
- (f) a certificate of an officer of the Purchaser dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all material respects the covenants to be performed by it prior to the Closing Time; and
- (g) such other agreements, documents and instruments as may be reasonably required by the Vendors to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

ARTICLE 8 CONDITIONS OF CLOSING

8.1 Conditions Precedent in favour of the Parties

The obligation of the Parties to complete the Transaction is subject to the following joint conditions being satisfied, fulfilled or performed on or prior to the Closing Date:

- (a) Approval and Vesting Order. The Court shall have issued and entered the Approval and Vesting Order, which Approval and Vesting Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.
- (b) No Order. No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise in effect that restrains or prohibits the completion of the Transaction; and
- (c) No Restraint. No motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.
- (d) Proposal Trustee's Certificate. The Proposal Trustee shall have provided an executed certificate of the Proposal Trustee substantially in the form attached to the Approval and

Vesting Order (the “**Proposal Trustee’s Certificate**”) confirming that all other conditions to Closing have either been satisfied or waived by both the Purchaser and the Vendors.

The foregoing conditions are for the mutual benefit of the Parties. If any condition set out in Section 8.1 is not satisfied, performed or mutually waived on or prior to the Outside Date, any Party may elect on written notice to the other Parties to terminate this Agreement.

8.2 Conditions Precedent in favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

- (a) Successful Bid. This Agreement shall have been designated as the Successful Bid in accordance with the terms of the Sale Process.
- (b) Assignment of Leases. The Purchaser shall have successfully negotiated the assignment of the Leases, on terms satisfactory to the Purchaser, acting reasonably, on or before April 5, 2024. For certainty, this condition shall automatically expire on April 5, 2024, and shall be deemed to have been satisfied or waived unless the Purchaser has otherwise notified the Vendors, in writing, with a copy to the Proposal Trustee. The Purchaser may request that, concurrently with the application for the Approval and Vesting Order, the Vendors seek an Assignment Order in respect of any Leases for which the consent of the necessary contract parties cannot be obtained. Notwithstanding the foregoing or anything to the contrary herein, the issuance of the Assignment Order is not a condition precedent to the obligation of the Purchaser to complete the Transaction.
- (c) Vendors’ Deliverables. The Vendors shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 7.2.
- (d) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement, each of the representations and warranties contained in Section 6.1 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (e) No Breach of Covenants. The Vendors shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by the Vendors on or before the Closing Date.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 8.2 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set forth in this Section 8.2 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Vendors, with a copy to the Proposal Trustee, to terminate this Agreement.

8.3 Conditions Precedent in favour of the Vendors

The obligation of the Vendors to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

- (a) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendors at the Closing all the documents and payments contemplated in Section 7.3.
- (b) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 6.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date, or (ii) if made as of a date specified therein, as of such date.
- (c) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

The foregoing conditions are for the exclusive benefit of the Vendors. Any condition in this Section 8.3 may be waived by the Vendors in whole or in part, without prejudice to any of their rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Vendors only if made in writing. If any condition set forth in this Section 8.3 is not satisfied or performed on or prior to the Outside Date, the Vendors may elect on written notice to the Purchaser to terminate the Agreement.

8.4 Proposal Trustee's Certificate

The Parties acknowledge and agree that the Proposal Trustee shall be entitled to deliver to the Purchaser, and file with the Court, the executed Proposal Trustee's Certificate without independent investigation, upon receiving written confirmation from the Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Proposal Trustee shall have no Liability to the Parties in connection therewith. The Parties further acknowledge and agree that upon written confirmation from both Parties that all conditions of Closing in favour of such Party have been satisfied or waived, the Proposal Trustee may deliver the executed Proposal Trustee's Certificate to the Purchaser's counsel in escrow, with the sole condition of its release from escrow being the Proposal Trustee's written confirmation that all such funds have been received, the Proposal Trustee's Certificate will be released from escrow to the Purchaser, and the Closing shall be deemed to have occurred.

ARTICLE 9 TERMINATION

9.1 Grounds for Termination

This Agreement may be terminated on or prior to the Closing Date:

- (a) by the mutual written agreement of the Vendors (with the consent of the Proposal Trustee) and the Purchaser;
- (b) by the Purchaser upon written notice to the Vendors if there has been a material breach by the Vendors of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser and, if the breach is curable, such breach has not been cured within five (5) Business Days following the date upon which the Purchaser notified the Vendors of such breach;

- (c) by the Vendors (with the consent of the Proposal Trustee) upon written notice to the Purchaser if there has been a material breach by the Purchaser of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendors and, if the breach is curable, such breach has not been cured within five (5) Business Days following the date upon which the Vendors notified the Purchaser of such breach;.
- (d) by the Vendors (with the consent of the Proposal Trustee) or the Purchaser upon written notice to the other Parties if the Closing has not occurred on or prior to the Outside Date; provided that the failure to close by such deadline is not caused by a breach of this Agreement by the Party proposing to terminate the Agreement.

9.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 9.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder; except for the provisions of: (a) this Section 9.2; and (b) Section 5.1 with respect to the Purchaser's entitlement to the Expense Reimbursement and Deposit Repayment. Notwithstanding the foregoing, if the Transaction is terminated solely as a result of the Vendors' failure to perform any of their obligations under this Agreement, then the Deposit shall be repaid to the Purchaser in full, without deduction or setoff. If the Transaction is terminated solely as a result of the Purchaser's failure to perform any of its obligations under this Agreement, the Deposit and any other payments made by the Purchaser will be forfeited to the Vendors on account of its liquidated damages, and the Purchased Assets may be resold by the Vendors; provided, however, that in no circumstance will any termination or failure to close the Transaction compromise any amount owing to the Purchaser under the Deposit Facility.

10.1 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered by read-receipted email, addressed:

- (a) in the case of the Purchaser, as follows:

MAAB Global Ltd.

Attention: Bruce Bent
Email: brpbent32@gmail.com

with a copy to:

Loopstra Nixon LLP
130 Adelaide Street West, Suite 2800
Toronto, Ontario M5H 3P5

Attention: Graham Phoenix
Email: gphoenix@ln.law

- (b) in the case of the Vendors, as follows:

c/o Organic Garage (Canada) Ltd.
579 Kerr Street
Oakville, Ontario L6K 3E1

Attention: Matt Lurie

Email: mlurie@organicgarage.com

with a copy to:

Miller Thomson LLP
40 King Street West, Suite 5800
Toronto, Ontario M5H 3S1

Attention: Asim Iqbal
Email: aiqbal@millerthomson.com

(c) in each case, with a further copy to the Proposal Trustee as follows:

KPMG Inc.
333 Bay Street, #4600
Toronto, Ontario M5H 2S5

Attention: Pritesh Patel
Email: pritpatel@kpmg.ca

with a copy to:

Aird & Berlis LLP
181 Bay Street, Suite 1800
Toronto, Ontario M5J 2T9

Attention: Kyle Plunkett
Email: kplunkett@airdberlis.com

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission. In the case of a communication by email or other electronic means, if an autoreply is received indicating that the email is no longer monitored or in use, delivery must be followed by the dispatch of a copy of such communication pursuant to one of the other methods described above; provided however that any communication originally delivered by electronic means shall be deemed to have been given on the date stipulated above for electronic delivery.

Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party. A Person may change its address for service by notice given in accordance with the foregoing and any subsequent communication must be sent to such Person at its changed address.

10.2 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties.

10.3 Survival

The representations and warranties of the Parties contained in this Agreement shall merge on Closing, provided that the representations, warranties and covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

10.4 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

10.5 Entire Agreement

This Agreement and the Exhibits and Schedules attached hereto constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by the Vendors and the Purchaser.

10.6 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

10.7 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the exclusive jurisdiction of the Court, and any appellate courts of the Province of Ontario therefrom.

10.8 Assignment

- (a) This Agreement may be assigned by the Purchaser prior to the issuance of the Approval and Vesting Order, in whole or in part, without the prior written consent of the Vendors or the Proposal Trustee, provided that: (i) such assignee is a related party or subsidiary of the Purchaser; (ii) the Purchaser provides prior notice of such assignment to the Vendors and the Proposal Trustee; and (iii) such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment; provided, however, that any such assignment shall not relieve the Purchaser of its obligations hereunder.
- (b) This Agreement may not be assigned by the Vendors without the consent of the Purchaser.

10.9 Further Assurances

Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

10.10 Counterparts

This Agreement may be executed electronically in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by e-mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

10.11 Severability

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

– 20 –

10.12 Proposal Trustee's Capacity

In addition to all of the protections granted to the Proposal Trustee under the BIA or any order of the Court in this NOI Proceeding, the Vendors and the Purchaser acknowledge and agree that the Proposal Trustee, acting in its capacity as Proposal Trustee of the OG Group and not in its personal capacity, is not a signatory to this Agreement and will have no Liability, in its personal capacity or otherwise, in connection with this Agreement or the Transaction contemplated herein whatsoever as Proposal Trustee.

[Signature Page Follows]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

For the Vendors:

ORGANIC GARAGE (CANADA) LTD.,

DocuSigned by:

By: 

Name: 822F1FB3C99A409 Matt Lurie

Title: President

I have authority to bind the Corporation.

2347018 ONTARIO INC.

DocuSigned by:

By: 

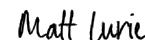
Name: 822F1FB3C99A409 Matt Lurie

Title: President

I have authority to bind the Corporation.

2507158 ONTARIO INC.

DocuSigned by:

By: 

Name: 822F1FB3C99A409 Matt Lurie

Title: President

I have authority to bind the Corporation.

2581751 ONTARIO INC.

DocuSigned by:

By: 

Name: 822F1FB3C99A409 Matt Lurie

Title: Director

I have authority to bind the Corporation.

For the Purchaser:

MAAB GLOBAL LTD.

By:

Name: Bruce Bent

Title: Authorized Signing Authority

I have authority to bind the Corporation.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

For the Vendors:

ORGANIC GARAGE (CANADA) LTD.,

By: _____

Name: Matt Lurie
Title: President

I have authority to bind the Corporation.

2347018 ONTARIO INC.

By: _____

Name: Matt Lurie
Title: President

I have authority to bind the Corporation.

2507158 ONTARIO INC.

By: _____

Name: Matt Lurie
Title: President

I have authority to bind the Corporation.

2581751 ONTARIO INC.

By: _____

Name: Matt Lurie
Title: Director

I have authority to bind the Corporation.

For the Purchaser:

MAAB GLOBAL LTD.

By: _____

Name: Bruce Bent
Title: Authorized Signing Authority

I have authority to bind the Corporation.

DocuSigned by:



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**SCHEDULE “A”
PURCHASED ASSETS**

1. All of the Vendors' right, title and interest in and to all equipment of the Vendors used in connection with the operation of the Business at the Premises, including, without limitation, furniture, display equipment, refrigeration equipment, shelving and storage, deli cutters and slicers, commercial scales, prepared food department supplies and equipment and appliances.
2. All Intellectual Property owned by the Vendors and primarily used in connection with the Business.
3. The Assigned Contracts

**SCHEDULE “B”
ASSIGNED CONTRACTS**

1. The Leases

[To be completed / confirmed prior to the Bid Deadline]

SCHEDULE "C"
SPECIFIC ASSUMED LIABILITIES

Nil - no specific assumed liabilities identified

[To be completed / confirmed prior to the Bid Deadline]

SCHEDULE "D"
SPECIFIC INTELLECTUAL PROPERTY

[To be completed prior to the Bid Deadline]

Appendix “D”

Schedule A

Bidding Procedures for the Sale Process

INTRODUCTION

1. On March 5, 2024 (the “**Filing Date**”), Organic Garage (Canada) Ltd., 2412383 Ontario Inc., 2347018 Ontario Inc., 2507158 Ontario Inc., and 2581751 Ontario Inc. (collectively, the “**Debtors**” or the “**Organic Group**”) each filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”, and the proceedings, the “**NOI Proceedings**”).
2. KPMG Inc., a licensed insolvency trustee, was appointed as the Trustee acting *in re* the proposal of the Debtors (the “**Trustee**”) under the NOI Proceedings.
3. It is anticipated that on March 14, 2024, the Organic Group will apply to the Ontario Superior Court of Justice, Commercial List (the “**Court**”), for an order (the “**Sale Process Order**”), among other things, (i) administratively consolidating the NOI Proceedings of the Debtors, and (ii) authorizing the Trustee, with the assistance of the Organic Group’s management team, to undertake a sale process (“**Sale Process**”) for the sale of the Organic Group’s (A) property, assets and undertaking or shares in the capital of one or more of the Debtors (collectively, the “**Property**”), including liquidation offers for the Debtors’ inventory and equipment, and/or (B) business operations (the “**Business**”). The Sale Process will be conducted by the Trustee in the manner set forth herein and in accordance with the Sale Process Order.
4. Among other things, the Sale Process Order will also: (a) approve the procedures set out in this Schedule (the “**Bidding Procedures**”) for the solicitation of offers or liquidation proposals (each, a “**Bid**”) for the acquisition of the Property and the Business or some portion thereof; and (b) approve the form of stalking horse agreement (as same may be amended from time to time pursuant to its terms and the Sale Process Order, the “**Stalking Horse Agreement**”) to be entered into between Organic Garage (Canada) Ltd., 2347018 Ontario Inc., 2507158 Ontario Inc., and 2581751 Ontario Inc. Organic Group, as vendors, and Maab Global Ltd. (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 transactions 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 Debtors following the completion of the Sale Process.

Bidding Procedures

Opportunity

5. The Sale Process is intended to solicit interest in and opportunities for a sale of all or part of the Organic Group’s Property and Business (the “**Opportunity**”). The Opportunity may include one or more of a liquidation proposal for the Debtors’ equipment, or a sale of all,

substantially all or one or more components of the Organic Group's Property and Business as a going concern or otherwise.

6. Any sale of any of the Property in the Business will be on an "*as is, where is*" basis and without surviving representations or warranties of any kind, nature, or description by the Trustee, the Organic Group or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Organic Group in and to the Property 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.
7. The Stalking Horse Agreement constitutes a Binding Offer (as defined below) by the Stalking Horse Bidder (which constitutes a Binding Offer Bidder (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 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 based on any form of Opportunity that they may elect to advance pursuant to the Sale Process, including as a Sale Proposal (as defined below), a Partial Sale Proposal (as defined below), or a Liquidation Proposal (as defined below). A copy of the Stalking Horse Agreement will be made available to all Qualified Bidders (as defined below) and a form of such purchase agreement, to be uploaded to the VDR (as defined below), may be used as the basis for any Binding Offer made in the Sale Process.
8. The Bidding Procedures describe the manner in which prospective bidders may gain access to due diligence materials concerning the Organic Group, the Property and the Business, 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.
9. The Trustee, in consultation with the Organic Group, 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 Qualified Bidders, Binding Offer Bidders or the Successful Bidder(s) (as each are defined below) 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 Sale Process Order. Notwithstanding the foregoing, the dates or time limits indicated in the table contained below may be extended by the Trustee, as the Trustee deems necessary or appropriate, or by order of the Court.
10. The Trustee will post on the Trustee's website and serve on the service list maintained in the NOI Proceedings, as soon as practicable, any such modification, amendment, variation or supplement to these Bidding Procedures and inform the bidders impacted by such modifications.

11. The Sale Process will be conducted by the Trustee in the manner set forth herein and in accordance with the Sale Process Order. In the event of a dispute as to the interpretation or application of the Sale Process 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.
12. 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.
13. A summary of the key dates pursuant to the Sale Process is as follows:

Milestone	Date
Commence solicitation of interest from parties, including delivering NDA and Teaser Letter, and upon execution of NDA (each as defined below) and access to VDR	By no later than March 6, 2024
Binding Offer Deadline (as defined below)	By no later than 5:00 p.m. (Eastern Time) on April 10, 2024, unless terminated early in accordance with the terms of this Sales Process
Auction, if needed	Date and time to be designated by Trustee, if Needed
Selection of Successful Bid	By no later than April 12, 2024
Approval Motion (as defined below)	By no later than April 23, 2024 or the earliest date available thereafter
Closing of Successful Bid	As soon as possible but no later than April 30, 2024

Solicitation of Interest: Notice of the Sale Process

14. As soon as reasonably practicable after the Filing Date,
 - a. the Trustee, in consultation with the Organic Group, will prepare a list of potential bidders, including (i) parties that have approached the Debtors or the Trustee indicating an interest in the Opportunity, (ii) strategic and financial parties who the Trustee, in consultation with the Organic Group, believe may be interested in purchasing all or part of the Business or the Property, and (iii) parties that showed an interest in the Organic Group and/or their Property prior to the date of the Sale Process Order including by way of the previous, out-of-court strategic review process, in each case whether or not such party has submitted a letter of intent or similar document (collectively, the "**Known Potential Bidders**"); and
 - b. the Trustee, with the assistance of the Organic Group, will prepare (i) a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the contemplated process under the Sale Process and inviting recipients of the Teaser Letter to express their interest; and (ii) a non-disclosure agreement in form and substance satisfactory to the Trustee and Organic Group and their respective counsel, which shall enure to the benefit of any purchaser of the Business or Property or any part thereof (an "**NDA**").
15. As soon as reasonably practicable, but, in any event, by no later than five (5) business days after the granting of the Sale Process Order:
 - c. a notice of the Sale Process (and such other relevant information which the Trustee, in consultation with the Organic Group, considers appropriate) (the "**Notice**") will be published by the Trustee in one or more trade industry and/or insolvency-related publications as may be considered appropriate by the Trustee;
 - d. the Trustee, with the assistance of the Organic Group, will provide the Known Potential Bidders with a copy of the Bidding Procedures approved by the Court.
16. The Trustee 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 Trustee as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Virtual Data Room

17. A confidential virtual data room or rooms (collectively the "**VDR**") in relation to the Opportunity will be made available by the Trustee to Potential Bidders (as defined below) that have executed the NDA. The VDR will be made available as soon as practicable. The Trustee, in consultation with the Organic Group, may establish separate VDRs (including "**clean rooms**"), if the Organic Group reasonably determines that doing so would further the Organic Group's and any Potential Bidder's compliance with applicable antitrust and competition laws, or would prevent the distribution of commercially sensitive competitive information. The Trustee may also, in consultation with the Organic Group, limit the access of any Potential Bidder to any confidential information in the VDR where the Trustee, in consultation with the

Organic Group, reasonably determines that such access could negatively impact the Sale Process, the ability to maintain the confidentiality of the information, the Business, the Property or their value.

Qualified Bidders

18. Any party who wishes to participate in the Sale Process (a "**Potential Bidder**") must provide to the Trustee and counsel to the Organic Group, at the addresses specified in **Appendix "B"** hereto (including by email transmission), an NDA executed by it, acceptable to the Trustee, in consultation with the Organic Group, 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.
19. A Potential Bidder (who has delivered the executed NDA and letter as set out above) will be deemed a "**Qualified Bidder**" if the Trustee, in its reasonable judgment, and in consultation with the Organic Group, 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 Trustee will provide to each Qualified Bidder a copy of the Stalking Horse Agreement and any material amendment thereto.
20. The Organic Group, the Trustee 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.
21. At any time during the Sale Process, the Trustee may, in its reasonable judgment, and in consultation with the Organic Group, 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.
22. Potential Bidders must rely solely on their own independent review, diligence, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the Sale Process and any transaction they enter into with one or more of the entities comprising the Organic Group.

Due Diligence

23. The Trustee and the Organic Group, shall, subject to competitive and other business considerations, afford each Qualified Bidder such access to due diligence materials and information relating to the Property and Business as the Trustee, in consultation with the Organic Group, may deem appropriate. Due diligence access may include management presentations, access to the VDR, on-site inspections, and other matters which a Qualified Bidder may reasonably request and as to which the Trustee, in its reasonable judgment, and in consultation with the Organic Group, may agree. Any access or interactions with the Organic Group's management and personnel shall be coordinated through, and involve a representative of, the Trustee.

24. The Trustee will designate one or more representatives of the Trustee 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 Trustee, nor the Organic Group through the Trustee, will be obligated to furnish any information relating to the Property or Business 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 Trustee, in consultation with the Organic Group, determines such information to represent proprietary or sensitive competitive information.

Formal Binding Offers

25. Any Qualified Bidder (other than the Stalking Horse Bidder) that wishes to make a formal offer to (A) acquire all or substantially all of the Property or Business, whether through an asset purchase, a share purchase or a combination thereof (either one, a “**Sale Proposal**”) or a portion of the Property or the Business (a “**Partial Sale Proposal**”) or (B) to liquidate all or substantially all of the equipment of the Debtors (a “**Liquidation Proposal**”) must submit a binding offer (a “**Binding Offer**”): (i) in the case of a Sale Proposal or a Partial Sale Proposal, a marked version compared to the Stalking Horse Agreement, a copy of which will be posted in the VDR; or (ii) in the case of a Liquidation Proposal, in the form of a liquidation agreement in form and substance satisfactory to the Trustee, in consultation with the Organic Group (the “**Binding Offer Bidder**”), in each case, to the Trustee, no later 5 p.m. EST on April 10, 2024 (the “**Binding Offer Deadline**”).

26. A Binding Offer will be considered if it:

- (a) provides for net cash proceeds on closing no less than the aggregate of: (A) the amount of cash payable under 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 \$25,000 (the amounts set forth in this paragraph 26(a), the “**Minimum Purchase Price**”); provided, however, that the Trustee may, in its reasonable judgment, and in consultation with the Organic Group, deem this criterion satisfied if the Sale Proposal, a Partial Sale Proposal or a Liquidation Proposal, together with one or more other non-overlapping Sale Proposal, a Partial Sale Proposal or a Liquidation Proposal, in the aggregate, meet or exceed the Minimum Purchase Price and such Minimum Purchase Price is payable in full in cash on closing (such bids, “**Aggregated Bids**”, and each an “**Aggregated Bid**”) (the amount of the Minimum Purchase Price will be confirmed by the Trustee with Potential Bidders);
- (b) is submitted on or before the Binding Offer Deadline by a Qualified Bidder;
- (c) is made by way of binding, definitive transaction document(s) that is/are executed by the Binding Offer Bidder;
- (d) in the case of a Sale Proposal or Partial Sale Proposal, identifies any executory contracts and leases of the Organic Group 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;

- (e) is not subject to any financing condition, diligence condition or internal or board approval;
- (f) 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;
- (g) contains or identifies the key terms and provisions to be included in any Approval Order;
- (h) in the case of a Sale Proposal or Partial Sale Proposal, contains the Binding Offer Bidder's proposed treatment of employees of the applicable Organic Group entities (for example, anticipated employment offers and treatment of post-employment benefits);
- (i) 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 Property and/or the Business in making its Binding Offer; (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; and (iv) promptly will commence any governmental or regulatory review of the proposed transaction by the applicable competition, antitrust or other applicable governmental authorities;
- (j) includes evidence satisfactory to the Trustee of funds available to pay the Minimum Purchase Price on closing;
- (k) provides for any anticipated corporate, licensing, securityholder, legal or other regulatory approvals required to close the transaction, and an estimate of the anticipated time frame and any anticipated impediments for obtaining such approvals;
- (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) in the case of a Sale Proposal or Partial Sale Proposal, includes:
 - (i) the specific purchase price in Canadian dollars and a description of any non-cash consideration;

- (ii) a description of the Property that is expected to be subject to the transaction and any of the Property 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) in the case of a Liquidation Proposal, includes the scope of the Property to be included in the liquidation, including goods, lease designation rights, and receivables, if application, and any related exclusions;
- (o) includes payment of a deposit in the amount of not less than 25% of the cash purchase price payable on closing (the “**Deposit**”) by wire transfer to the Proposal Trustee;
- (p) 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;
- (q) 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 April 30, 2024 (the “**Outside Date**”); and
- (r) includes such other information as reasonably requested or identified as being necessary or required by the Trustee, in consultation with the Organic Group.
27. By submitting an offer for consideration at a Binding Offer, it is deemed that such Binding Offer: (i) may be accepted by the Organic Group 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 (as defined below).
28. The Trustee, in its reasonable judgment, and in consultation with the Organic Group, 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.
29. In the circumstance that a Binding Offer, including one or more Binding Offers comprising an Aggregated Bid, does not provide for net cash proceeds on closing that are at least equal to the Minimum Purchase Price, the Trustee may elect that such Binding Offer nevertheless be considered as a potential Successful Bid and be entitled to participate in the Auction.

30. If the Trustee concludes, in its sole discretion, that there are no active participants in the Sale Process or no prospect that a Binding Offer that is superior to the Stalking Horse Bid will be submitted by the Binding Offer Deadline, the Trustee may terminate the Sale Process before the Binding Offer Deadline, *so long as* such termination occurs no more than 10 days prior to the Binding Offer Deadline. The Trustee will communicate a decision to terminate the Sale Process by issuing a notice to the service list maintained in the NOI Proceedings. The Stalking Horse Bid will be deemed the Successful Bid and the Organic Group will proceed to seek Court approval of the Stalking Horse Agreement as the Successful Bid.

Selection of Successful Bid

31. The Trustee, in consultation with the Organic Group, may, following the receipt of any Binding Offer, including one or more Binding Offers comprising an Aggregated Bid, 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.
32. The Trustee may negotiate with Binding Offer Bidders, including Binding Offers comprising an Aggregated Bid, in any manner it considers appropriate in its business judgment with a view to maximizing the value of the Property, including at the Auction (as defined below).
33. The Trustee and the Organic Group, 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 Trustee, in consultation with the Organic Group, may consider any commercial factor in evaluating Binding Offers, including 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 Organic Group will promptly seek Court approval of the Stalking Horse Agreement and the transactions contemplated therein.
34. If the Trustee determines that more than one Binding Offer (other than the Stalking Horse Bid) should be considered, the Trustee 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 Trustee and may, in the discretion of the Trustee, be held virtually via videoconference, teleconference or such other reasonable means as the Trustee deems appropriate. The Trustee 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 Trustee, in consultation with the Organic Group, 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 Trustee’s discretion, only the Organic Group, the Trustee 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 Trustee may waive and/or employ and announce at the Auction additional rules, including rules to facilitate the participation of parties participating in an Aggregated Bid, that are reasonable under the circumstances for conducting the Auction, provided that such rules are: (i) not inconsistent with the Initial Order, the Sale Process, the Bidding Procedures, the BIA, or any order of the Court issued in connection with the NOI Proceedings; (ii) disclosed to each Binding Offer Bidder; and (iii) designed, by the Trustee, in its reasonable judgment, and in consultation with the Organic Group, to result in the highest and otherwise best offer.
- (f) The Trustee 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 Organic Group or any other person, without the consent of the Trustee, 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 Organic Group or the Trustee with respect to and in preparation of the Stalking Horse Agreement, the Sale Process and the Bidding Procedures, prior to the issuance of the Sale Process Order and the commencement of the Sale Process will not represent collusion nor communications prohibited by this paragraph.
- (h) Prior to the Auction, the Trustee 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. Further, in the event that an Aggregated Bid qualifies to participate in the Auction, modifications to the bidding requirements may be made by the Trustee, in consultation with the Organic Group, to facilitate bidding by the participants in the Aggregated Bid.
- (i) All Binding Offer Bidders will have the right, at any time, to request that the Trustee 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 Trustee'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 Trustee and the Organic Group 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 Trustee, in consultation with the Organic Group, 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 Trustee and the Organic Group, 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 Trustee, in consultation with the Organic Group, 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.

35. A Successful Bid, if any, will be selected by no later than 5:00 p.m. (Eastern Time) on April 12, 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 Organic Group and the Trustee 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 Organic Group will be deemed to have accepted such Stalking Horse Bid only when the Organic Group and the Trustee have made such election.

Approval of Successful Bid

36. The Organic Group 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 Organic Group and confirmed by the Court upon application by the Organic Group. With the consent of the Trustee, the Approval Motion may be adjourned or rescheduled by the Organic Group 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 Organic Group will consult with the Trustee and the applicable Successful Bidder regarding the motion material to be filed by the Organic Group for the Approval Motion.

37. 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 Organic Group or the Trustee to any unsuccessful Binding Offer Bidders, including the Stalking Horse Bidder.

Deposits

38. The Deposit(s):

- (a) will, upon receipt from the Binding Offer Bidder(s), be retained by the Trustee 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 Organic Group 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”

39. Any sale (or sales), including in the case of liquidation, of the Property 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

40. For greater certainty, other than as required in connection with any Auction or Approval Motion, neither the Organic Group nor the Trustee 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, Partial 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 Trustee, 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), Known Potential Bidders, 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), Known Potential Bidder, Binding Offer Bidder, or their respective affiliates, without the express written consent of the Trustee, and such communications or discussions are to take place under the supervision of the Trustee.

Further Orders

41. At any time during the Sale Process, the Organic Group or the Trustee 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

42. 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 Organic Group and/or the Trustee 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 Trustee 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.

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

44. Notwithstanding anything to the contrary herein, the Trustee 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 wilful misconduct of the Trustee, as determined by the Court, and all such persons or entities shall have no claim against the Trustee in respect of the Sale Process for any reason whatsoever.

APPENDIX "B"

The Trustee:

KPMG INC.

333 Bay Street, Suite 4600
Toronto, ON M5H 2S5

Attention: Pritesh Patel

Email: pritpatel@kpmg.ca

with copies to:

Aird & Berlis LLP

Brookfield Place, 181 Bay St. #1800
Toronto, ON M5J 2T9

Attention: Kyle Plunkett and Adrienne Ho

Email: kplunkett@airdberlis.com / aho@airdberlis.com

The Debtors

Organic Group

c/o Miller Thomson LLP
Scotia Plaza, 40 King Street West
Suite 5800
Toronto, ON M5H 3S1

Attention: Asim Iqbal and Sam Massie

Email: aiqbal@millerthomson.com / smassie@millerthomson.com

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Appendix “E”

Organic Garage (Canada) Ltd. et al (the "Debtors") Consolidated Weekly Cash Flow Forecast for the Period March 4, 2024 to May 5, 2024 (in \$CAD)											
Week Ending	Notes	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total	
		1 10-Mar	2 17-Mar	3 24-Mar	4 31-Mar	5 7-Apr	6 14-Apr	7 21-Apr	8 28-Apr		
Receipts											
Collections from store sales	1	386,947	367,599	349,219	331,758	298,583	223,937	167,953	125,965	-	2,251,960
Total Receipts		386,947	367,599	349,219	331,758	298,583	223,937	167,953	125,965		2,251,960
Disbursements											
Cost of sales	2	274,732	260,996	247,946	235,548	211,994	-	-	-	-	1,231,216
Payroll & benefits	3	109,028	-	104,000	-	114,415	-	104,000	-	129,769	561,211
Rent	4	81,710	81,710	-	-	93,815	-	93,815	-	-	351,050
Utilities	5	13,831	-	-	-	30,815	-	-	-	30,815	75,460
Merchant fees and bank charges	6	22,956	-	-	-	-	19,994	-	-	22,956	65,906
General and administrative	7	13,074	5,650	7,019	5,650	5,650	13,074	7,019	5,650	5,650	68,435
Professional fees	8	-	56,500	-	56,500	-	-	84,750	-	-	197,750
Key employee retention plan	9	-	-	-	-	-	-	-	-	40,000	40,000
HST remittance	10	-	-	-	-	-	-	-	27,049	43,495	70,544
Total Disbursements		515,331	404,856	358,965	297,698	456,688	33,068	289,584	32,699	272,684	2,661,573
Net Cash Flow		(128,384)	(37,256)	(9,745)	34,060	(158,106)	190,869	(121,631)	93,265	(272,684)	(409,612)
Cash Balance											
Opening		434,104	305,720	268,464	258,718	292,778	134,673	325,542	203,911	297,176	434,104
Net Cash Flow		(128,384)	(37,256)	(9,745)	34,060	(158,106)	190,869	(121,631)	93,265	(272,684)	(409,612)
Closing Cash Balance		305,720	268,464	258,718	292,778	134,673	325,542	203,911	297,176	24,492	24,492

Notes:

- 1 Collection from store sales are based on historical weekly sales with marginal decreases week over week in March as a result of these NOI proceedings. The forecast assumes the debtors reduce inventory purchasing in April which will cause sales and collections to decrease at a higher rate of 25% week over week. The forecast assumes a transaction closes on or before April 30, 2024.
- 2 Purchases are forecasted on a cash-on-delivery basis and are based on historical sales margins. Forecast assumes purchases stop after the first week of April in anticipation of inventory wind-down for transaction closing.
- 3 Payroll and benefits for the Company's employees that are retained during these NOI proceedings for the operation of the grocery stores and to assist with the sales process. The forecast also includes payment of all pre-filing wages and accrued vacation pay owed to employees.
- 4 Includes post-filing monthly payments to the landlords for use of Company's leased stores to be made in semi-monthly payments on 1st and 15th in accordance with proposed Court order.
- 5 Includes post-filing utilities costs for the Debtors' stores.
- 6 Merchant fees and bank charges primarily include charges for the processing of credit cards used in stores by customers.
- 7 General and administrative disbursements include payments for printer lease, store insurance and miscellaneous other expenses.
- 8 Professional fees for the company's legal counsel, the Proposal Trustee and its legal counsel.
- 9 Includes retention payments to four employees who are critical to the sales process and continued operations of the Debtors.
- 10 Includes monthly HST remittances for the post-filing period.

This cash flow statement is prepared pursuant to the requirements of paragraphs 50(6)(b) and 50.4(2)(b) of the *Bankruptcy and Insolvency Act* and solely for that purpose.

Dated at Toronto, Ontario, this 8th day of March, 2024.

Organic Garage (Canada) Ltd. et al

Matt Lurie, President
Name of Signing Officer

This cash flow statement of is prepared in accordance with paragraph 50.4(2) of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the attached Notes to the Statement of Projected Cash-Flow and the Trustee's Report of the Cash-Flow Statement dated the 8th day of March, 2024.

KPMG Inc., Trustee
Per:

Pritesh Patel, Senior Vice President

IN THE MATTER OF ORGANIC GARAGE (CANADA) LTD., 2412383 ONTARIO INC., 2347018 ONTARIO INC., 2507158 ONTARIO INC., AND 2581751 ONTARIO INC.

Court / Estate File Nos: 31-3051650
31-3051654
31-3051653
31-3051656
31-3051657

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)
PROCEEDING COMMENCED AT TORONTO**

FIRST REPORT OF THE PROPOSAL TRUSTEE
March 11, 2024

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Lawyers for KPMG Inc., in its Capacity as Proposal Trustee