

Court no. 500-11-057549-194

IN THE MATTER OF THE PLAN OF ARRANGEMENT AND COMPROMISE OF:

9227-1584 QUÉBEC INC.

AMENDED PLAN OF COMPROMISE AND ARRANGEMENT

APRIL 30, 2021

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AMENDED PLAN OF COMPROMISE AND ARRANGEMENT

SUBJECT TO THE SPECIFIC TERMS AND CONDITIONS BELOW, THE PURPOSE OF THIS PLAN IS TO EFFECT THE SETTLEMENT AND PAYMENT OF ALL OR SUBSTANTIALLY ALL OF THE CLAIMS AGAINST THE DEBTOR, THROUGH A FAIR AND REASONABLE RESOLUTION TO ALL OUTSTANDING LITIGATION AND TO ENABLE THE DEBTOR TO PROCEED WITH THE DEVELOPMENT OF THE PROJECT THROUGH A RAPID AND EFFICIENT EMERGENCE FROM THE CCAA PROCEEDINGS, WITH THE EXPECTATION THAT ALL PERSONS WITH AN ECONOMIC INTEREST IN THE DEBTOR OR THE PROJECT, INDIVIDUALLY AND ESPECIALLY WHEN CONSIDERED AS A WHOLE, WILL DERIVE A GREATER AND MORE CERTAIN BENEFIT FROM THE IMPLEMENTATION OF THE PLAN THAN ANY ALTERNATIVE.

WHEREAS

1. 9227-1584 Québec Inc. ("**9227**" or the "**Debtor**") and 9336-9262 Québec Inc. ("**9336**") are insolvent and currently subject to an initial order rendered on November 22, 2019 by the Superior Court of Québec (Honourable Peter Kalichman, J.S.C) (as amended and restated, the "**Initial Order**"), sitting in the Commercial Division, in the judicial district of Montréal (the "**Court**") pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**");
2. 110302 Canada Inc. ("**Canada Inc.**"), represented by Mr. Arthur Steckler, and 9325-7277 Québec Inc. ("**9325**", and together with Canada Inc., the "**Shareholders**¹"), represented by Mr. Marc-André Nadon ("**Mr. Nadon**", and together with 9325, the "**Nadon Group**"), are undivided co-owners of the beneficial ownership interests in and to the assets of the Debtor entities, pursuant to a *Convention d'indivision* between Canada Inc., 9325 and 9227 dated as of July 24, 2015 (the "**9227 Indivision Agreement**");
3. 9227 acts as nominee for the beneficial interests of the Shareholders to hold title to various real estate properties comprising the lots 6 022 112, 6 022 117, 6 022 119, 6 022 120, 6 022 121, 6 022 122, 6 073 665, 6 073 666, 6 073 692, 6 073 693, 6 073 694 and 6 265 849 at the Land Register (collectively, the "**Project Properties**") in the city of Candiac, Québec known as the "Square Candiac Project" (the "**Project**"), pursuant to a *Convention de mandat* between

¹ The term "shareholders" is used for convenience; the parties are in fact organized by way of an undivided co-ownership agreement, as set forth below.

Canada Inc., 9325 and 9227 dated July 24, 2015 (the “**9227 Nominee Agreement**”).

4. The Initial Order appointed KPMG INC. (the “**Monitor**”) to act as monitor of the Debtor;
5. The Initial Order authorized 9227 to borrow from Caisse Desjardins de Terrebonne (the “**Caisse**”) up to \$3.3 million (the “**DIP Loan**”) on an interim basis secured by a superiority charge of \$5 million (the “**DIP Charge**”) as appears from the Court record.
6. On or around July 15, 2019, Canada Inc. issued a “Notice of Exercise of Article 7” pursuant to the 9227 Indivision Agreement whereby it formally requested to put an end to the indivision contemplated in the 9227 Indivision Agreement and to proceed to a partition of the Debtors’ assets held by 9227 as nominee.
7. On or around October 7, 2019, in light of Mr. Nadon’s refusal or omission to fulfill his contractual obligation to participate in the partition process, Canada Inc. filed a *Demande en partage d’un bien indivis* (as amended, the “**Partition Motion**”) in Superior Court file number 500-17-109853-195 (subsequently transferred to Commercial Division and joined to file bearing number 500-11-057518-199), seeking the partition of the undivided beneficial interests of Canada Inc. and 9325 in the Project Properties of which 9227 is owner on title as nominee (as proposed in the conclusions of the Partition Motion, the “**Partition Process**”), which proceedings are contested and pending;
8. On May 21, 2020, the Debtor obtained an Order from the Court (the “**Claims Procedure Order**”), which, among other things, established a procedure for the solicitation and determination of Claims against the Debtor;
9. Pursuant to the Claims Procedure Order, all Persons holding Affected Claims against the Debtor were ordered to file a Proof of Claim with the Monitor on or before the Claims Bar Date;
10. On November 2, 2020 the Monitor issued a Notice of Disclaimer pursuant to subsection 32(1) CCAA (“**Notice of Disclaimer**”) in respect of a certain offer to purchase entered into on or around August 17, 2016 (the “**Disclaimed Offer to Purchase**”), between 9227, on one hand, and 9344-8181 Québec Inc. (“**PUC**”), in respect of lots 6 073 693, 6 073 665, and 6 073 694, (together the “**Disclaimed Lots**”);
11. On or around November 26, 2020, PUC filed a contestation of the Monitor’s Notice of Disclaimer in respect of the Disclaimed Offer to Purchase, and on January 27, 2021, filed an amended contestation (the “**Disclaimer Contestation**”) and, together with the Partition Motion, the “**Outstanding Litigation**”). These proceedings are contested and pending;
12. On August 11, 2020, the Monitor, on behalf of 9227 and pursuant to its powers under the Initial Order, filed a motion for declaratory judgment, safeguard order, and Paulian action, wherein, *inter alia*, the Monitor seeks the nullity of various transactions concluded between Mr. Nadon and his companies (including 9325-

7277 Québec Inc. and 9345-7406 Québec Inc.), on one hand, and 9361-4048 Québec Inc., PUC, or 9173-5670 Québec Inc., and that certain assets, including share capital and sums, be repatriated into the patrimony of 9227 (“**Motion for Declaratory Judgment**”), which proceedings are contested and pending;

13. On August 28, 2020, the Monitor, on behalf of 9227 and pursuant to its powers under the Initial Order, filed a Motion for Directions in respect of the interpretation to be made of certain contracts concluded with PUC, including in respect of contracts affecting the Disclaimed Lots, wherein the Monitor is seeking, *inter alia*, a declaration that PUC is indebted towards 9227 in the approximate amount of \$490,130, plus interest at the rate of 4% per annum (the “**Motion for Directions**”), which proceedings are contested and pending;
14. On September 4, 2020, the Monitor, on behalf of 9227 and pursuant to its powers under the Initial Order, filed a motion for payment of rent and in respect of other rights and obligations relating to contract of lease entered into with Groupe XPansion Inc. (“**XPansion**”, and, together with 9361-4048 Québec Inc., PUC, 9173-5670 Québec Inc., and Mr. Jean Pessoa, the “**Pessoa Group**”, and, together with the “Nadon Group”, the “**Pessoa-Nadon Group**”), wherein the Monitor, on behalf of 9227, is claiming the payment of the approximate sum of \$648,097 (the “**Motion for Unpaid Rent**”, and, together with the Motion for Declaratory Judgment and the Motion for Directions, the “**9227 Retained Claims**”), which proceedings are contested and pending;
15. On or around April 9, 2021, 9325 communicated a “with prejudice” offer to 110302, by which it offered, *inter alia*, to sell and assign “all of the rights, actions, interests and titles in the Square Candiac Project” to 110302 in consideration of the payment by 110302 of the sum of \$3,000,000 to 9325.
16. Whereas the Sponsors have otherwise determined that an adjudication or a fair and reasonable resolution to the Outstanding Litigation is a prerequisite to 9227’s ability to restructure itself and emerge from these CCAA Proceedings.
17. Capitalized terms used above and not otherwise defined have the meanings ascribed thereto below.

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Plan (including the Schedules hereto), unless otherwise stated or unless the subject matter or context otherwise requires:

“**Administration Charge**” has the meaning ascribed to such term in the Initial Order;

“**Administration Claim**” means a claim or any other indebtedness or obligation secured by the Administration Charge;

“Affected Claim” means any Claim other than an Unaffected Claim, and shall include any Claim against the Debtor as well as against the Sponsors, in such capacity, as well as any Construction Claim;

“Affected Creditor” means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

“Applicable Law” means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada or any other country or any domestic or foreign province, state, city, county or other political subdivision;

“BIA” means the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3;

“Business” means the direct and indirect business operations and activities of the Debtor and its affiliates, including the pursuit of the development of the multi-use and multi-residential project known as the “Square Candiac Project”;

“Business Day” means any day on which commercial banks are generally open for business in Montreal, Québec, other than a Saturday, a Sunday or a day observed as a holiday in Montreal under the laws of the Province of Québec or the federal laws of Canada applicable therein;

“CBCA” means the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44;

“CCAA” has the meaning ascribed thereto in the recitals;

“CCAA Charges” has the meaning ascribed to such term in the Initial Order;

“CCAA Proceedings” means the proceedings under the CCAA in respect of the Debtor;

“Claim” means any right or claim of any Person against the Debtor in connection with any indebtedness or obligation of any kind of the Debtor, present, future, due or accruing due to such Person and, subject to Article 3.8 of this Plan, any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, including, *inter alia*, any executory or non-executory guarantee or surety and (i) the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligation is based in whole or in part on facts existing as at the Determination Date (including a Claim which relates to any time period prior to the Determination Date)(ii) any claim which would constitute a claim under the CCAA as at the Determination Date. A Claim shall include, without limitation, a) any Unaffected Claim, b) any Claim Against the Directors and Officers, or c) any Restructuring Claim, provided however, that in no case shall a Claim include an Excluded Claim;

“Claim Against the Directors and Officers” means a claim as defined in paragraph 11.03(1) of the CCAA as well as any claim by any Person against any of the Directors and Officers of any nature whatsoever in connection with any

indebtedness or obligation of any kind of the Directors and Officers, present, future, due or accruing due to such Person, including any interest accrued thereon or costs payable in respect thereof, the whole whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured unsecured, known or unknown, including, *inter alia*, an executory or non-executory guarantee or surety, and (i) the right or ability of any Person to advance a claim for indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligation is based in whole or in part on facts existing as at the Determination Date, (ii) any Restructuring Claim, and (iii) any claim which would constitute a claim under the CCAA as at the Determination Date. Notwithstanding anything herein, Claim Against the Directors and Officers shall not include any claim that any Directors and Officers shall have against any other Directors and Officers or any Claim that the Debtor may have against any Director or Officer;

“Claims Bar Date” means the claims bar date for Claims against the Debtor as set out in the Claims Procedure Order (or the late of filing of a Claim where the Court extended the filing date for a Creditor);

“Claims Procedure Order” has the meaning ascribed thereto in the recitals;

“Conditions Precedent” means the conditions precedent to the implementation of the Plan set out in Article 9.3 of the Plan;

“Construction Claim” means a claim secured by a valid legal hypothec of a person having taken part in the construction or renovation of an immovable both, as finally determined (by the Monitor, or, alternatively, by the Court) for voting purposes entitling such Construction Claim Creditor to vote at the Creditors’ Meeting in accordance with the provisions of the Claims Procedure Order and Meeting Order, the Plan and the CCAA, and includes, for greater certainty, a Proven Claim;

“Construction Claim Creditor” means the holder of a Construction Claim;

“Court” has the meaning ascribed thereto in the recitals;

“Creditor” means any Person asserting a Claim and may, where the context requires, include the assignee of such Claim or a personal representative, agent, mandatary, trustee, interim receiver, receiver, receiver and manager, liquidator or other Person acting on behalf of such Person;

“Creditors’ Meeting” means the meeting or meetings of Affected Creditors to be convened and held pursuant to the Meeting Order, for the purpose of considering and voting upon the Plan and includes any adjournment, postponement or rescheduling of such meeting or meetings;

“Debtor” has the meaning ascribed thereto in the recitals;

“Debtor’s Released Claims” has the meaning ascribed to it in Article 8.1(a) of the Plan;

“Debtor’s Released Parties” has the meaning ascribed to it in Article 8.1(a) of this Plan;

“Determination Date” means November 22, 2019;

“Director” means the Persons that were directors of the Debtor prior to or as of the Determination Date;

“Disputed Claim” means that portion of an Affected Claim of an Affected Creditor in respect of which a Proof of Claim has been filed in accordance with the Claims Procedure Order, and which is the subject of negotiation with the Monitor or adjudication before the Court, and that at any particular time, has not been finally determined to be a Proven Claim in whole or in part, or is subject to a revision or disallowance that is contested in accordance with the Claims Procedure Order, or any other Order made in the CCAA Proceedings and as such is not a Proven Claim in whole or in part;

“Distribution Date” means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors, but no later than sixty (60) days after the Plan Implementation Date with respect to the funds available and not subject to any reserve for Disputed Claims, if any;

“Eligible Interest” has the meaning ascribed to it at Article 5.1 of the Plan;

“Eligible Interest Claims” has the meaning ascribed to it at Article 5.1 of the Plan;

“Employee Priority Claim” means of the following Claims of Employees:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Debtors had become bankrupt on the Determination Date; and
- (b) Claims for wages, salaries, commissions or compensation for services rendered by them after the Determination Date and on or before the Plan Sanction Date;

“Excluded Claim” means any right or claim that would otherwise be a Claim that is:

- (a) a Claim secured by any of the CCAA Charges, including the Administration Charge;
- (b) an Intercompany Claim;
- (c) a Claim against the Debtor that is held by any of the Sponsors; and
- (d) a Secured Claim, other than a Construction Claim.
- (e) Subject to Eligible Interest contemplated at Article 5.1 of the Plan, any right of any Person against the Debtor in connection with any indebtedness or

obligation of any kind which came into existence after the Determination Date, including the Post-Filing Trade Payables;

- (f) a Claim enumerated in subsections 5.1(2) and 19(2) of the CCAA;

“Final Order” means any final, executory and definitive order of the Court, being an order the implementation, execution, operation or effect of which shall not have been stayed, varied, vacated, revoked or subject to pending appeal or revocation, and as to which any appeal periods, appeal rights, revocation periods or revocation rights shall have lapsed or expired;

“Financing” has the meaning ascribed to it at Article 4.1 of the Plan;

“Governmental Authority” means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or tax authority under, or for the account of, any of the foregoing;

“Government Priority Claims” means all Claims of Governmental Authorities in respect of amounts that are outstanding and that are of a kind that could be subject to a demand on or before the Distribution Date under:

- (a) subsections 224(1.2) and 224(1.3) of the *Income Tax Act*;
- (b) any provision of the *Canada Pension Plan* or the *Employment Insurance Act* (Canada) that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or employee’s premium or employer’s premium as defined in the *Employment Insurance Act* (Canada), or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts; or
- (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
- (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under a Tax Act; or
- (ii) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a “province providing a comprehensive pension plan” as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a “provincial pension plan” as defined in that subsection;

“Intercompany Claims” means any claim against a Debtor that is held by another Debtor;

“Litigation Pool” means the pool of Claims constituted at article 5 of the Plan.

“Meeting Order” means the Order to be made by the Court under and pursuant to the CCAA that, among other things, establishes procedures for the Creditors’ Meeting, as same may be amended, restated or varied from time to time;

“Monitor” has the meaning ascribed thereto in the recitals;

“Monitor’s Certificate” means the certificate to be filed by the Monitor, declaring that all of the Conditions Precedent to implementation of the Plan have been satisfied or waived by the Sponsors and the Sponsors’ Contribution has been remitted to the Monitor;

“Monitor’s Website” means the following website:
<https://home.kpmg/ca/en/home/services/advisory/deal-advisory/creditorlinks/Québec-inc-9227-1584-and-9336-9262.html>;

“Order” means any order of the Court;

“Outside Date” has the meaning ascribed to it in Article 4.3 of this Plan;

“Outside Date for Expedited Settlement” means 23:59 on the third (3rd) calendar day following the Sanction Hearing, but in no event later than 23:59 on June 4, 2021. For clarity, if the Sanction Hearing is held on May 17, 2021, the Outside Date for Expedited Settlement expires at 23:59 on Thursday, May 20, 2021;

“Outstanding Litigation” has the meaning ascribed to it in the recitals;

“Person” is to be broadly interpreted and includes, without limitation, an individual, a partnership, a corporation, a trust, a joint venture, any Governmental Authority, any trade union, any employee association or any incorporated or unincorporated entity or association of any nature and the executors, administrators, or other representatives of an individual in such capacity;

“Plan” means this *Plan of Arrangement and Compromise* filed by the Debtor under and pursuant to the CCAA, as such Plan may be amended, varied or supplemented from time to time by the Debtor, acting reasonably, all in accordance with the terms hereof;

“Plan Implementation Date” means the Business Day that is five (5) Business Days after the day on which all of the Conditions Precedent have been fulfilled or, to the extent permitted pursuant to the terms and conditions of the Plan, waived, as evidenced by the Monitor’s Certificate to be filed with the Court;

“Plan Modification” has the meaning ascribed to it in Article 10.3 of this Plan;

“Plan Sanction Date” means the date that the Sanction Order is made by the Court;

“Post-Filing Trade Payables” means post-Determination Date trade payables that were incurred by the Debtor (i) after the Determination Date and before the Plan Implementation Date, and (ii) in the ordinary course of Business;

“Proof of Claim” means the form to be completed and filed by a Creditor pursuant to the Claims Procedure Order, by the applicable Claims Bar Date, setting forth its applicable Claim;

“Pro-Rata Share” means, in respect of any Creditor on account of that portion of its Proven Claim comprised of Eligible Interest, as a function of the aggregate of Eligible Interest Claims, the ratio being determined by the following formula: $\text{Pro-Rata Share} = (\text{Quantum of Eligible Interest Claim}) / (\text{aggregate quantum of all Eligible Interest Claims on the date of the distribution})$;

“Proven Claim” means a Claim of an Affected Creditor as finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

“Released Claims” has the meaning ascribed to it in Article 8.1(b) of this Plan;

“Released Parties” has the meaning ascribed to it in Article 8.1(b) of this Plan;

“Reorganization” means the corporate reorganization of the Debtor and certain other Persons carried out pursuant to the terms and conditions set out in the Reorganization Steps Notice, as well as those steps and transactions which may be necessary or desirable to give effect to this Plan, including completing the Partition Process, and may also include one or more incorporations, mergers, amalgamations, consolidations, assignments, dispositions, arrangements, liquidations, reorganizations, repayments, redemptions, discharge or other transactions;

“Reorganization Steps Notice” means the notice describing in detail the steps of the Reorganization, as such notice may be amended, restated or varied from time to time with the prior consent of the Monitor and the non-confidential portions of which shall be posted on the Monitor’s Website in due course;

“Required Majority” means a majority in number of Affected Creditors who represent at least two-thirds in value of the Voting Claims of such Affected Creditors who actually vote on the Resolution (in person or by proxy) at the Creditors’ Meeting;

“Resolution” means the resolution approving the Plan presented to the Affected Creditors for consideration at the Creditors’ Meeting;

“Restructuring Claim” means any right or claim of any Person against the Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Debtor’s disclaimer, rescission, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim

resulting, directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Sanction Hearing" means the Court hearing on the Debtor's application for the Sanction Order;

"Sanction Order" means the Order to be granted by the Court as contemplated under the Plan which, *inter alia*, approves and sanctions the Plan and the transactions and releases contemplated thereunder, which shall be a Final Order;

"Secured Claim" means a claim of a Secured Creditor;

"Secured Creditor" has the meaning ascribed to it in the CCAA;

"Sponsors" means 110302 Canada Inc. and Mr. Arthur Steckler;

"Sponsors' Contribution" has the meaning ascribed to it at Article 4.1 of the Plan, below, or such other greater amount as may be agreed to by the Sponsors, in their sole discretion;

"Sponsors' Released Claims" has the meaning ascribed to it in Article 8.1(b) of this Plan;

"Tax" means any and all taxes including all income, sales, use, goods and services, harmonized sales, value added, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer, health, excise, franchise, real property, and personal property taxes and other taxes, customs, duties, fees, levies, imposts and other assessments or similar charges in the nature of a tax, including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment insurance payments and workers' compensation premiums, together with any instalments with respect thereto, and any interest, penalties, fines, fees, other charges and additions with respect thereto;

"Tax Act" means the *Income Tax Act* (Canada) and the *Income Tax Act* (Québec), the *Excise Tax Act* (Canada), the *Retail Sales Tax Act* (Québec) and any other legislation establishing any Tax, including any regulations promulgated thereunder, as amended from time to time;

"Tax Authorities" means anyone of Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, Revenu Québec, the Canada Revenue Agency, any similar revenue or tax authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or non-Canadian government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising tax authority or power, and **"Tax Authority"** means any one of the Tax Authorities, as well as any corresponding tax authorities of a foreign jurisdiction;

“Tax Obligation” means any amount of Tax owing by a Person to a Tax Authority;

“Tax Statutes” means section 159 of the *Income Tax Act* (Canada), section 270 of the *Excise Tax Act*, section 14 of the *Tax Administration Act (Québec)*, or any other similar, federal, provincial or territorial tax legislation;

“Unaffected Claim” means:

- (a) any Employee Priority Claim; if any,
- (b) any Government Priority Claim;
- (c) any Post-Filing Trade Payables; and
- (d) any Excluded Claim.

“Unaffected Creditor” means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such an Unaffected Claim;

“Undelivered Distribution” has the meaning ascribed to it in Article 6.7 of the Plan.

“Voting Claim” means the amount of the Affected Claim of an Affected Creditor as finally determined for voting purposes entitling such Affected Creditor to vote at the Creditors’ Meeting in accordance with the provisions of the Claims Procedure Order and Meeting Order, the Plan and the CCAA, and includes, for greater certainty, a Proven Claim;

“Voting Creditors’ Class” has the meaning ascribed to it in Article 3.12 of the Plan;

“Withholding Obligation” has the meaning ascribed to it in Article 6.7 b) of the Plan.

1.2 Interpretation

For the purposes of the Plan:

- (a) any reference to a time in the Plan and in any document issued pursuant thereto means prevailing local time in Montreal, Québec, Canada, unless otherwise stipulated;
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;

- (d) unless otherwise specified, the words “hereof”, “herein” and “hereto” refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (e) the division of the Plan into “articles” and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of “articles” intended as complete or accurate descriptions of the content thereof;
- (f) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (g) the words “includes” and “including” and similar terms of inclusion shall not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather shall mean “includes but is not limited to” and “including but not limited to”, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (h) the deeming provisions are not rebuttable and are conclusive and irrevocable; and
- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

1.3 Date and Time for any Action

For purposes of the Plan:

- (a) In the event that any date on which any action is required to be taken under the Plan by any Person is not a Business Day, that action shall be required to be taken on the next succeeding day which is a Business Day, and any reference to an event occurring on a Business Day shall mean prior to 4:30 p.m. on such Business Day; and
- (b) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE, OVERVIEW AND EFFECT OF THE PLAN

2.1 Purpose and Background

The purpose of the Plan is to:

- (a) effect settlement and prompt payment of all or substantially all of the Affected Claims as finally determined by the Monitor for voting and distribution purposes;
- (b) establish a litigation pool consisting of the proceeds of litigation and/or settlement of the 9227 Retained Claims;
- (c) distribute the net proceeds of the Litigation Pool amongst Affected Creditors to pay interest at the legal rate of 5% per year accrued on the Affected Claims after the Determination Date;
- (d) ensure an efficient, fair and reasonable resolution to the Partition Process and enable the Debtor to efficiently and fairly emerge from the CCAA Proceedings and proceed with the development of the Square Candiac Project and to ensure a rapid and efficient emergence from the CCAA Proceedings;
- (e) effect the Reorganization, in order to enable the Business of the Debtor to continue.
- (f) release the Debtor and the Sponsors of all claims;

The Plan is put forward with the expectation that all Persons with an economic interest in the Debtor or the Square Candiac Project, individually and especially when considered as a whole, will derive a greater and more certain benefit from the implementation of the Plan than they would in any alternative including in the event of a bankruptcy or liquidation of the Debtor or in the event the Debtor are compelled to pursue various litigation.

The expected effect of the Plan, when implemented, will be to discharge all liens, hypothecs, charges, including all legal hypothecs; acquit or otherwise discharge all existing debt and costs; provide funding for all the infrastructure costs related to the Business, and settle all litigation and Claims against, by, and involving the Debtor and its stakeholders, including restructuring the beneficial ownership and share structure of 9227.

This statement of the purpose and overview of the Plan is for general understanding purposes only, and shall not be construed as overriding or modifying the specific terms and conditions of this Plan.

2.2 Overview

The Plan provides for a distribution of the Sponsors' Contribution to the Creditors so as to acquit and pay the entirety or substantially all of the amount of their Proven Claims, on the Distribution Date, to allow the Debtor to continue its Business, and to settle all major litigation, including the litigation and disputes that have led to the insolvency of the Debtor and those that have impeded the Debtor's ability to efficiently emerge from the CCAA Proceedings.

Current estimates, based on the List of Creditors and subject to the result of the Claims Procedure pursuant to the Claims Procedure Order, are that the Creditors will be paid their Proven Claims as follows:

Creditor Description	Number of Creditors	Total Claim Amount (as approved by Monitor)	Proposed/Anticipated Dividend	Average Recovery
Unsecured Creditors ²	17	\$ 284,304	\$284,304	100%
Secured Creditors	5	\$3,900,000 ³	\$3,900,000	100%
Creditors holding Construction Claims ⁴	8	\$3,881,753 ⁵	\$3,881,753	100%

2.3 Persons Affected

The Plan provides for the payment in full of Affected Claims, as well as a full and final release of all Released Claims against the Released Parties. On the Plan Implementation Date, each Affected Claim, as well as all Released Claims against the Released Parties, will be fully and finally compromised, released, settled and discharged under the Plan. The Plan shall be binding on and enure to the benefit of the Debtor, the Affected Creditors, the Released Parties and all other Persons named or referred to in, or subject to, the Plan.

2.4 Persons Not Affected

For greater certainty, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Unaffected Claims shall not be compromised, released, discharged, cancelled or barred by the Plan.

² Excluding the allowed Unsecured Claim of Canada Inc. in the amount of \$1,891,681 as per Proof of Claim; \$1,264,749 as per amount allowed by Monitor.

³ This amount accounts for the imminent reduction of secured debt from the proceeds of the transactions in respect of Lots I and N and an agreement recently concluded with the Caisse and Société immobilière Gagné inc. pursuant to whom the sum of \$450 000 will be paid.

⁴ Excluding the Construction Claim of Canada Inc. in the amount of \$1,562,691, allowed by the Monitor.

⁵ This amount accounts for the imminent reduction of the total amount of Construction Claims through the payment of the sum of \$225 291 to Environnement Routier NRJ Inc., from the proceeds of the impending sales.

ARTICLE 3
CLASSIFICATION OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

For the purpose of considering and voting on the Plan, the Affected Creditors shall constitute a single class, the “**Voting Creditors’ Class**”.

3.3 Claims of Affected Creditors

Affected Creditors who have proven their Affected Claims in accordance with the Claims Procedure Order and the CCAA will be entitled to:

- (a) vote their Voting Claim at the Creditors’ Meeting in respect of the Resolution to adopt the Plan; and
- (b) receive the rights and distributions provided for under and pursuant to the Plan and the Sanction Order, in accordance with the CCAA.

3.4 Unaffected Claims

Unaffected Creditors will not receive any consideration or distributions under the Plan in respect of their Unaffected Claims, and they shall not be entitled to vote on the Plan at the Creditors’ Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) Government Priority Claims, if any, will be paid in full by the Debtor within 6 months immediately following the Plan Sanction Date;
- (b) Post-Filing Trade Payables will be paid in full by the Debtor in the normal course of its Business, as and when they become due;
- (c) Excluded Claims, if any, will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full by the Debtor in the normal course of its Business, as and when they become due.

3.5 Creditors’ Meeting

The Creditors’ Meeting shall be held in a virtual-only format in accordance with the Plan, the Meeting Order and any further Order of the Court. The only Persons entitled to attend the Creditors’ Meeting shall be representatives of the Debtor and its legal counsel

and advisors, the Monitor and its legal counsel and all other Persons, including the holders of proxies, entitled to vote at the Creditors' Meeting and their legal counsel and advisors, subject to being duly registered in advance to attend the Creditors' Meeting, the whole in accordance with the Plan, the Meeting Order and any further Order of the Court.

3.6 Procedure for Valuing and Voting Claims

The procedure for the filing and adjudication of Claims is set forth in the Claims Procedure Order.

Each Affected Creditor in the Voting Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order and Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim or the aggregate value of all its Affected Claims (without regard as to whether the Affected Claims are against the same or different Debtor), as the case may be, determined as a Voting Claim.

Any and all Creditors or Affected Creditors related to the Debtor shall not be entitled to vote for the Plan and participate in the corresponding distribution provided for under Article 6 of this Plan. Sections 4 of the BIA and 22(3) CCAA apply to this Plan for the purpose of determining whether a Creditor or Person is related to or dealing at arm's length with the Debtor ("**Related Person**") and the extent of such Related Person's rights.

For purposes of the vote, each Affected Claim will entitle an Affected Creditor to cast one single vote, which will have a single relative weight for purposes of tabulating the number and value of Affected Claims having voted. For clarity, an Affected Claim may not be divided, partially assigned or partially disposed of in an attempt to alter the value and weight of each Affected Claim.

The status of and rights attached to any Claim or by any Creditor, including those of an Affected Claim and of an Affected Creditor, as these existed at the Determination Date, shall remain unchanged and remain qualified as such for voting purposes, regardless of whether or not such Claim or Affected Claim has been or will have been assigned, sold, disposed or transferred in any manner. For clarity, neither the act of assigning, disposing of or transferring a Claim or Affected Claim, nor the terms of such assignment or the quality or identity of the assignee or assignor of such Claim or Affected Claim, will have the effect of altering the voting rights attached, if any, to any Affected Claim or Claim.

3.7 Approval by Creditors

In order to be approved, the Plan must receive an affirmative vote in the Required Majority of the Voting Creditors' Class.

3.8 Interest

Subject to Article 5 of the Plan, interest shall not accrue or be paid on Affected Claims after the Determination Date, and, except and only to the extent contemplated at Article 5 hereof, no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Determination Date. Except to the extent provided at Article 5 hereof, any Claim in respect of interest

accruing or fees and expenses incurred on or after the Determination Date shall be deemed to be forever extinguished and released.

ARTICLE 4 CONTRIBUTIONS

4.1 Sponsors' Contribution

Subject to the fulfillment of the Conditions Precedent by no later than the Outside Date, and in addition to the Proceeds of the Disclaimed Lots (as described at article 4.2 hereof), a global, maximum and total amount not exceeding **CAD\$ 8,500,000** will be funded towards the Plan by the Sponsors (the "**Sponsors' Contribution**"), in accordance with (i) an investment structure to be determined and approved by the Sponsors and the Debtor, acting in accordance with the instructions of the Monitor pursuant to the Initial Order, and (ii) the terms of the Financing (as defined below) secured by the Sponsors for purposes of funding the Plan. This Sponsors' Contribution is in addition to sums already invested by the Sponsors that have not yet been reimbursed, and in addition to the Proceeds of the Disclaimed Lots (as described at article 4.2 hereof).

For clarity, in addition to the Sponsors' Contribution of the cash amount of CAD\$8,500,000, the Sponsors are foregoing the receipt of any Distribution under this Plan (which, under the terms of this Plan, would amount to **\$2,827,440** in favour of Canada Inc., based on average recovery of all other all other Affected Creditors), and will not withdraw, require payment of, or abatement for any prior equity investment, advances or loans previously made to the Debtor.

Under no circumstances shall any provision of this Plan be interpreted as a representation or an undertaking, express or implied, that the Sponsors or the Debtor have undertaken to provide any funding over and above the amount of the Sponsors' Contribution.

The Sponsors have secured new financing (the "**Financing**"), in order to, *inter alia*:

- (a) Partially fund the Sponsors' Contribution and implement the Plan;
- (b) Fund the refinancing of existing debt of the Company, so as to completely reimburse, discharge and acquit all of the Unaffected Claims and Construction Claims, including, without limitation, the DIP Loan contracted with the Caisse and the secured debt owing to Société immobilière Gagné inc.
- (c) Partially fund the (i) completion or commencement, as the case may be, of the construction of substantial infrastructure work required to complete development of the Square Candiac Project and (ii) the performance of all other prior and outstanding undertakings and contractual obligations of 9227 towards its various stakeholders, who depend on the performance of said works and contractual obligations in the short and long term;

- (d) Fund the professional fees and accosts associated with carriage of the CCAA Proceedings, including all fees and costs otherwise covered by the Administration Charge;
- (e) Fund the prosecution of the 9227 Retained Claims;

To that end, the Sponsors have executed a Letter of Intent with a Canadian financial institution in view of securing a credit facility corresponding to the Sponsors' Contribution, which Letter of Intent is subject to certain conditions including, *inter alia*:

- (a) The Implementation of the Plan and the issuance of the Sanction Order;
- (b) The resolution or adjudication of the Outstanding Litigation;
- (c) The Sponsors waiving or satisfying all conditions to the Financing by June 30, 2021, being the expiry date of the said Letter of Intent.

The contractual documents pertaining to said Financing, including the Letter of Intent, have been communicated to and reviewed by the Monitor and its counsel. The Financing will be disbursed following the Plan Sanction Order becoming a Final Order and will be utilized to pay a substantial portion of the funds required to effect the distribution contemplated at Article 6 hereof, the other portion deriving from the proceeds of the Disclaimed Lots as contemplated at Article 4.2 hereof.

4.2 Proceeds of Disclaimed Lots

Subject to the Conditions Precedent having been met by no later than the Outside Date, all of the proceeds derived from the sale, disposition or hypothecation of all or part of the Disclaimed Lots shall be applied to fund the Plan, after deduction of fees, costs, commissions and other expenses and disbursement incurred by the Debtor in respect thereof.

The Sponsors reserve the right to waive the Conditions Precedent relating to the Disclaimed Lots or any Outstanding Litigation, in whole or in part, or extend the delay for the Outside Date, if a reasonable settlement is achieved or if the litigation is sufficiently advanced or only subject to appeals or motions for leave to appeal, as the case may be.

4.3 Timeline

The provision and distribution of the Sponsors' Contribution is subject to the fulfillment of the Conditions Precedent to the implementation of the Plan, as set out in Article 9.3, no later than June 21, 2021 (the "**Outside Date**") which Outside Date may be extended by the Sponsors, in their sole and absolute discretion, by written notice by email to the Monitor at dcoossa@kpmg.ca with a copy to the CCAA Service List.

ARTICLE 5

5.1 Litigation Pool

A litigation pool will be established and exclusively dedicated to the payment of interest that would have normally accrued of the Affected Claims after the Determination Date (“**Eligible Interest**”). For certainty, only claims for interest accrued in respect of an Affected Claim (each an “**Eligible Interest Claim**”), and no other fees, costs, penalties or amounts claimed, owing or asserted in respect of any Claim will constitute Eligible Interest.

Eligible Interest shall be paid at the rate of 5% per annum on all Affected Claims on which there is a written contract for the payment of interest. After all such claims have been paid interest at such rate, an amount equal to an interest of up to 5% per annum will be payable to those Creditors who had a contract for payment of interest at a rate higher than 5% per annum. Interest calculation in all cases stops on the date of the Sanction Order.

The litigation pool will be constituted of the proceeds paid to or collected by the Monitor and derived directly from the settlement or adjudication of the 9227 Retained Claims (the “**Litigation Pool**”). Subject to the terms of the following paragraph, the proceeds of the settlement entered into by the Monitor on behalf of 9227 or its creditors, with the approval of the Court, or the award received, in both cases after deducting for judicial and extrajudicial fees, costs, expenses and taxes incurred by the Monitor and 9227 in respect of the prosecution of said 9227 Retained Claims, and the Monitor’s own fees, disbursement and taxes, will be contributed to the Litigation Pool.

One hundred percent (100%) of the proceeds of the 9227 Retained Claims, after deducting judicial and extrajudicial costs, fees, expenses and taxes incurred in respect of the prosecution and collection of the 9227 Retained Claims will be distributed as dividends in respect of Eligible Interest.

Subject to the terms of the Plan and of the CCAA, each Creditor having an Affected Claim comprised in part of Eligible Interest at the time of any distribution of the Litigation Pool shall be entitled to receive its Pro-Rata Share of such distribution. For certainty, a Person that does not have an Affected Claim at the time of distribution (including any partial or interim distribution), will not be entitled to receive any share of any distribution.

The Monitor shall have sole discretion to determine the amounts and timing of interim distributions, if any, and shall make a final distribution on the later of 30 days following the receipt or collection of any settlement funds or award, or thirty days after the Sanction Order.

Distributions to Creditors from the Litigation Pool shall be made by cheque delivered to the address set forth in the Proof of Claim filed by the Creditor in accordance with the Claims Procedure Order. Any distribution cheques that have not been negotiated within six months of issuance shall be cancelled by the Monitor, and any right or entitlement to such distribution shall be treated as an unclaimed distribution pursuant to the following paragraph.

If a Person entitled to a distribution pursuant to this Plan cannot be located on the date of any distribution, or otherwise fails to claim its distribution hereunder, then such monies shall be held by the Monitor on behalf of such Person for the next 30 days. If such Person

is located within 30 days of the date of the distribution, such monies shall be distributed to such Person. If such Person cannot be located within 30 days of the date of the distribution, the Monitor shall remit any such monies to the Litigation Pool, unless the distribution is the final distribution, in which case any such monies: (a) if they amount in the aggregate to more than \$2,500, shall be distributed to other Creditors having Eligible Interest Claims based on their Pro-Rata Share calculated excluding the Eligible Interest Claims of the Persons that failed to claim their distribution hereunder; or (b) if they amount in the aggregate to \$2,500 or less, shall be paid to the Sponsors. In such event, the Persons shall be deemed to have released their claims to and any interest in such monies and the Persons' Eligible Interest Claims shall be discharged and forever barred. Nothing contained in this Plan shall require the Monitor to attempt to locate such Persons.

ARTICLE 6 DISTRIBUTIONS AND PAYMENTS

6.1 Distribution of the Sponsors' Contribution

The Sponsors' Contribution will be distributed by the Monitor, as soon as practicable after the Plan Implementation Date, as follows:

- (a) First, to pay in full the Government Priority Claims, if any;
- (b) Second, to pay to the Affected Creditors and Secured Creditors, including those holding Construction Claims, to the exclusion of Canada Inc., the full amount of their Proven Claims. For clarity, the Plan proposes to acquit and pay all of the Claims as set out in the table at 2.2 hereinabove.

6.2 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest dollar (CA\$1.00). All calculations and determination made by the Monitor and/or the Debtor and agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Debtor.

6.3 Reserve for Disputed Claims

The Monitor may, in its sole discretion, create a reserve with regards to the Disputed Claims pending final adjudication of such Disputed Claims.

6.4 Distribution to Affected Creditors

Distributions shall be made by the Monitor (i) at the addresses set forth on the Proof of Claim form filed by the Affected Creditors, (ii) at the addresses set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim.

6.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Debtor nor the Monitor shall be obligated to

give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 4:30 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

6.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

6.7 Treatment of Undelivered Distributions

If any distribution to an Affected Creditor is returned as undeliverable, or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Monitor is notified in writing of the then-current address of such Creditor, at which time all missed distributions shall be made to such Creditor. Nothing contained in the Plan or the Sanction Order shall require the Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder. No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made on or before the date that is three (3) months following the final Distribution Date, after which date, any entitlement with respect to such Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time, any such Undelivered Distributions shall be returned to the Debtor.

6.8 Tax Matters

For the purposes of the interpretation and implementation of the Plan:

- (a) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Article 6.7, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Tax Authority on account of such distribution, disbursement or payment.

- (b) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a “**Withholding Obligation**”) to be deducted and withheld with respect to such payment under the Tax Act, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or succeeded. For greater certainty, no distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Debtor such documentation prescribed by Applicable Law or otherwise reasonably required by the Debtor as will enable the Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Tax Authority.
- (c) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.
- (d) To the extent that amounts are withheld or deducted and paid over to the applicable Tax Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made.
- (e) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

ARTICLE 7 REORGANIZATION

The Reorganization will be effected on the Plan Implementation Date in the manner and in the sequence set out in the Reorganization Steps Notice.

For information purposes, the Sponsors expect the Reorganization Steps Notice to include, namely, without limitation and subject to Monitor approval, legal opinions and any changing circumstance, the following:

- (a) The termination of the 9227 Indivision Agreement, the 9227 Nominee Agreement, and any other agreements governing 9227 as is pertains to its status or obligations as *prête-nom* for and mandatary of Canada Inc. and 9325;
- (b) the registration of appropriate notices, forms, documents, article and deeds and the Land Registry, with the Registre des Entreprises du Québec, and relevant Tax Authorities, namely as regards the modification of beneficial ownership of 9227 and impacts of 9227 status as *prête-nom* to Canada Inc. and 9325;

- (c) The assignment of 9336's rights, title and interest in and to the Outstanding Litigation to the benefit of 9227;
- (d) The effective transfer, sale, disposition or assignment of all of 9325's rights, title, and interest in and to the Property of 9227 to the benefit of Canada Inc. or a Person designated by it, subject to the explicit terms hereof, including, *inter alia*, the rights, title and interests pertaining to the Outstanding Litigation and the Litigation Pool;
- (e) the registration of appropriate notices, forms, documents, article and deeds and the Land Registry, with the Registre des Entreprises du Québec, and relevant Tax Authorities, namely as regards the transfer or assignment of any assets, property or rights to Canada Inc. or any Person designated by it;
- (f) The requisite corporate reorganization, cancellation, redemption, or disposition of shares in and to the share capital of 9227 so as to formalize the foregoing steps;

ARTICLE 8 PLAN RELEASES

8.1 Plan Releases

The following releases shall apply in respect of the Plan:

- (a) On the Plan Implementation Date, (i) the Debtor and (ii) the Directors, in regards of Claims Against the Directors (collectively, the "**Debtor's Release Parties**") shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, penalties, fines, assessments, damages, judgments, orders, including for oppression remedy, injunctive relief or specific performance and compliance orders, expenses, executions, encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Creditor, Affected Creditor or other Person may be entitled to assert, including any and all Claims in respect of the payment and receipt of proceeds and statutory or regulatory liabilities of the Directors, any employees and any alleged fiduciary or other duty (whether such employees are acting as director, officer, member or employee), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Determination Date that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the Plan, the CCAA Proceedings, or any Claim that has been barred or extinguished by this Plan or the Claims Procedure Order (collectively, the "**Debtor's Released Claims**") and all Claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the Debtor's

obligations under the Plan or any related document), all to the full extent permitted by Applicable Law.

- (b) On the Plan Implementation Date, in consideration of the Contribution funded by the Sponsors, each of the Sponsors (together with the Debtor's Released Parties, the "**Released Parties**") shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, penalties, fines, assessments, accounts, covenants, damages, judgments, orders, injunctive relief or specific performance and compliance orders, expenses, executions, encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may assert against the Sponsors in relation with the Business of the Debtor (the "**Sponsors' Released Claims**", together with the Debtor's Released Claims, the "**Released Claims**"), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Determination Date, all to the full extent permitted by Applicable Law.

8.2 Injunctions

The Sanction Order will bar the prosecution by any Person, before any court or tribunal in any jurisdiction whatsoever, whether directly, derivatively or otherwise, of the Released Claims which have been released, discharged, compromised or terminated pursuant to the Plan.

ARTICLE 9 COURT SANCTION, CONDITIONS PRECEDENT AND IMPLEMENTATION

9.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approves the Plan, the Debtor shall apply for the Sanction Order on or before the date set in the Meeting Order for the Sanction Hearing or such later date as the Court may set. The Sanction Order shall not become effective until the Plan Implementation Date.

9.2 Sanction Order

The Sanction Order shall, among other things:

- (a) declare that (i) the Plan has been approved by the Required Majority of Affected Creditors with Proven Claims in conformity with the CCAA, (ii) the Debtor have complied with the provisions of the CCAA and the Orders of the Court made in the CCAA Proceedings in all respects, (iii) the Court is satisfied that the Debtor have not done or purported to do anything that is not authorized by the CCAA, and (iv) the Plan is fair and reasonable;
- (b) declare that as of the filing of the Monitor's Certificate, the Plan and all associated steps, compromises, transactions, arrangements, and releases

effected thereby are approved, binding and effective upon the Debtor, all Affected Creditors, the Released Parties and all other Persons and Persons affected by the Plan;

- (c) authorize the Monitor to perform its duties and functions and fulfil its obligations under the Plan to facilitate the implementation thereof;
- (d) authorize the Monitor to continue the CCAA Proceedings for the purposes, principally but without limitation, to give effect to the Plan and to prosecute the 9227 Retained Claims;
- (e) compromise, discharge and release the Released Parties from any and all Released Claims of any nature in accordance with the Plan, and declare that the ability of any Person to proceed against the Released Parties in respect of or relating to any Released Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to such Released Claims be permanently stayed, subject only to the right of Affected Creditors to receive distributions pursuant to the Plan in respect of their Affected Claims;
- (f) authorize and direct the Monitor, as required, to administer and finally determine the Affected Claims of Affected Creditors and to manage the distribution of the Contribution in accordance with the applicable provisions of the Plan;
- (g) declare that any Affected Claim for which a Proof of Claim has not been filed by the Claims Bar Date in accordance with the Claims and Meeting Order shall be forever barred and extinguished;
- (h) declare that all distributions to and payments by or at the direction of the Monitor, in each case on behalf of the Debtor, to the Affected Creditors with Proven Claims under the Plan are for the account of the Debtor and the fulfillment of its obligations under the Plan including to make distributions to Affected Creditors with Proven Claims;
- (i) declare that the Monitor shall not incur any liability under the Tax Statutes in respect of its making any payments, ordered or permitted under the Sanction Order and is thereby forever released, remised and discharged from any Claims against it under the Tax Statutes or otherwise at law, arising in respect of payments made under the Plan and the Sanction Order and any Claims of such nature are thereby forever barred;
- (j) declare that in no circumstances will the Monitor have any liability for the Debtor's tax liabilities regardless of how or when such liability may have arisen;
- (k) approve and authorize the Reorganization; and
- (l) declare that the Debtor and the Monitor may apply to the Court from time to time for advice and direction in respect of any matters arising from or

under the Plan, including without limitation regarding the distribution mechanics thereunder and under the Plan.

9.3 Conditions Precedent to Implementation of the Plan

The Plan Implementation will be conditional upon the fulfillment, satisfaction, or waiver by the sponsors, where applicable, of the following conditions precedents (collectively the “**Conditions Precedent**”):

- (a) The sooner of one of the following two occurrences:
- A. By no later than the Outside Date, completion of the Partition Process and termination (resiliation) of the 9227 Indivision Agreement and of the 9227 Nominee Agreement in accordance with and pursuant to:
- (i) a Final Order of the Court granting the Partition Motion according to its conclusions; or
 - (ii) a settlement of the Partition Motion in a manner and pursuant to terms and conditions that are satisfactory to the Sponsors, in their sole discretion, and subsequently approved by the Monitor;

OR

- B. By no later than the Outside Date for Expedited Settlement, the definitive settlement of both of the Outstanding Litigation and the 9227 Retained Claims pursuant to the following terms and conditions, and as further described and more fully set out at Appendices A and B:
- (i) 9325 shall confirm its agreement, in writing, by letter to the Monitor and counsel for 110302, to assign and transfer to 110302, all of 9325’s rights, title and interest in and to the assets of 9227, in consideration of the one-time, lump-sum payment of \$3,000,000 (“the **Nadon Settlement Payment**”) to 9325 by 110302, and 110302 discontinuing the Partition Motion without costs (the “**Nadon Settlement**”⁶); **AND**
 - (ii) The Pessoa Group and the Monitor shall conclude an agreement and advise, in writing, by letter to counsel for

⁶ The Nadon Settlement is made without prejudice and cannot be used, referred to, or relied upon for any purpose other than for the purpose of the expedited settlement option contemplated in this Amended Plan. It is made without any admission, renunciation of any kind or nature and cannot be used to invoke, enforce, assert or purport to assert any right, transaction, or claim of any nature whatsoever. It is subject to the other provisions, terms and conditions of this Amended Plan.

110302 and 9325, that the Monitor, 9227 and the Pessoa Group have agreed to settle the 9227 Retained Claims and the Disclaimer Contestation by way of a discontinuance of the 9227 Retained Claims and a withdrawal of the Notice of Disclaimer, in consideration for a one-time, lump-sum payment by the Pessoa Group to 9227 in an amount no less than \$3,000,000 (including capital, interests, and costs, the “**Pessoa Settlement Payment**”), (the “**Pessoa Settlement**”⁷).

For the purpose of clarity, for either option in this article 17.5(a)B to be deemed acceptable to the Sponsors or have any validity whatsoever, *both* of the Nadon Settlement and Pessoa Settlement must be confirmed by the relevant parties prior to the Outside Date for Expedited Settlement. In the event that either of the Pessoa Settlement or the Nadon Settlement is not concluded by the Outside Date for Expedited Settlement, the Condition Precedent in this article 17.5(a)(B) shall automatically be deemed to be unsatisfied and the Condition Precedent set forth in article 17.5(a)A herein shall apply;

AND, by no later that the Outside Date, of the following:

- (b) approval by the Court, pursuant to a Final Order, of the Monitor’s Notice of Disclaimer in respect of the Disclaimed Offer to Purchase;
- (c) Closing of the Financing, with funds disbursed in accordance with the terms and conditions set forth in said Financing (and Letter of Intent);
- (d) the Meeting Order shall have been granted by the Court as a Final Order;
- (e) approval of the Plan by the Required Majority of the Affected Creditors in the Voting Creditors’ Class at the Creditors’ Meeting;
- (f) the Sanction Order shall have been granted by the Court in a form satisfactory to the Debtor and the Monitor, and for greater certainty shall be a Final Order;

⁷ The Pessoa Settlement is not made on behalf of 9227; rather, it merely proposes the minimal terms which could constitute acceptable conditions precedent to the Sponsors agreeing to implement the Amended Plan according to its other terms and conditions. It does not and cannot bind 9227 without the consent of the Monitor, the Pessoa-Nadon Group and, if applicable, the Court. It is otherwise made without prejudice and cannot be used, referred to, or relied upon for any purpose other than for the purpose of the expedited settlement option contemplated in this Amended Plan. It is made without any admission, renunciation of any kind or nature and cannot be used to invoke, enforce, assert or purport to assert any right, transaction, or claim of any nature whatsoever. It is subject to the other provisions, terms and conditions of this Amended Plan and to the Monitor agreeing to its terms.

- (g) all the documentation and steps to effect the Reorganization shall be to the satisfaction of the Sponsors, in their sole discretion but in consultation with the Monitor;
- (h) the Sponsors shall have taken all necessary corporate actions and judicial proceedings to approve this Plan to enable the Sponsors to execute, deliver and perform their obligations under this Plan, and any agreements, indentures, financings, documents, and other instruments to be delivered pursuant to, or required, to give effect to the terms of this Plan; and
- (i) The Monitor having filed a certificate with the Court certifying that all conditions precedent have been fulfilled, satisfied or waived.

9.4 Monitor's Certificate

The Monitor shall file the Monitor's Certificate with the Court forthwith upon the occurrence of the following events:

- (a) the Conditions Precedent to implementation of the Plan shall have been satisfied or waived by the Sponsors; and
- (b) the full amount of the Contribution shall have been remitted to the Monitor for distribution in accordance with the provisions of the Plan.

ARTICLE 10 GENERAL

10.1 Binding Effect

On the Plan Implementation Date:

- (a) the Plan will become effective;
- (b) the treatment of Affected Claims under the Plan shall be final and binding for all purposes and enure to the benefit of the Debtor, all Affected Creditors, the Released Parties and all other Persons or parties named or referred to in, or subject to the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (c) all Affected Claims shall be and shall be deemed to be forever discharged and released, except only the obligations to make distributions in respect of such Affected Claims in the manner and to the extent provided for in the Plan;
- (d) each Person named or referred to in, or subject to the Plan, will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety; and
- (e) each Person named or referred to in, or subject to the Plan, shall be deemed to have executed and delivered to the Debtor all consents,

releases, directions, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

10.2 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Debtor then existing or previously committed by the Debtor, or caused by the Debtor, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, lease, guarantee, agreement for sale, deed, licence, permit or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Debtor arising directly or indirectly from the filing by the Debtor under the CCAA and the implementation of the Plan and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any such agreement shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the Debtor from performing its obligations under the Plan or be a waiver of defaults by the Debtor under the Plan and the related documents. This Article does not affect the rights of any Person to pursue any recoveries for a Claim that may be obtained from a guarantor (other than the Debtor) and any security granted by such guarantor.

10.3 Modification of the Plan

The Debtor, in consultation with the Monitor and the Sponsors:

- (a) reserve the right, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Debtor shall file any supplementary plans with the Court as soon as practicable. The Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or
- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Debtor may, in consultation with the Sponsors and with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is of an administrative nature necessary in order to better give effect to the substance of the Plan or the Sanction Order, or to cure any errors,

omissions or ambiguities. All of the foregoing shall not require any further vote by or approval by the Affected Creditors or any approval by the Court.

Any amended, restated modified or supplementary plan shall nevertheless be filed with the Court and shall thereafter, subject to the foregoing and for all purposes, be deemed to constitute the Plan.

Notwithstanding the foregoing, the Debtor, in consultation with the Monitor and the Sponsors, may at any time and from time to time, modify, amend, vary or supplement the Reorganization Steps Notice, without the need for obtaining an Order or providing notice to the Affected Creditors. The Monitor shall post on the Monitor's Website, as soon as possible, any such modification, amendment, variation or supplement to such Reorganization Steps Notice.

10.4 Paramountcy

Except with respect to the Unaffected Claims, on the Plan Implementation Date, any conflict between:

- (a) the Plan; and
- (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between any Person and the Debtor as at the Plan Implementation Date;

will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority.

10.5 Severability of Plan Provisions

If, prior to the Plan Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Debtor and with the consent of the Monitor, shall have the power to either (a) sever such term or provision from the balance of the Plan and provide the Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that the Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

10.6 Responsibilities of the Monitor

Notwithstanding that the Monitor was granted extended authority and powers, the Monitor is acting in its capacity as Monitor with said extended powers in these CCAA

Proceedings with respect to the Debtor and not in its personal or corporate capacity for any and all acts, or decisions to not act in the implementation of the Plan, whether same occurs before or after the Plan Implementation Date. The Monitor is acting and will continue to act in its capacity as Monitor in the CCAA Proceedings with respect to the Debtor and not in its personal and corporate capacities while establishing any of the Distribution Dates or the timing or sequence of the transactions under the Plan. The Monitor will not be responsible or liable for any obligations, errors, omissions or faults of the Debtor, including with respect to the making of distributions or the receipt of any distribution by a Affected Creditor pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims and Meeting Order, and any other Order made in the CCAA Proceedings.

10.7 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Person in writing or unless its Claims overlap or are otherwise duplicative or unless otherwise provided herein.

10.8 Further Assurances

Each of the Persons named or referred to in, or subject to, the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein, notwithstanding any provision of this Plan that deems any transaction or event to occur without further formality.

10.9 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, liquidators, receivers and trustees in bankruptcy, successors and assigns of any Person or party named or referred to in the Plan.

10.10 Governing Law

The Plan shall be governed by and construed in accordance with the laws of the Province of Québec and the Federal laws of Canada applicable therein. All questions as to the interpretation of or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

10.11 Governing Language

In the event of any conflict, inconsistency, ambiguity or difference between the English version of the Plan and any translations thereof, the English version shall govern and be paramount, and the applicable provision in the translation thereof shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

DATED as of the 30th day of April, 2021.

APPENDIX A**GENERAL PROPOSED SETTLEMENT TERMS OF ALL LITIGATION
by and between
the Nadon Group and the Sponsors**

1. An essential condition to the conclusion of this settlement is that both of the Nadon Group and the Pessoa Group notify the Sponsors, in writing, by no later than the Outside Date for Expedited Settlement, that they accept the terms of their respective offers.
2. For the purpose of clarity, the deadline to accept the present offer does not refer to a Final Order in respect of the Sanction Order. Rather, the deadline for both the Nadon Group and the Pessoa Group to accept, respectively, both the Nadon Settlement and the Pessoa Settlement, is the Outside Date for Expedited Settlement, regardless of whether any Sanction Order is entered on that day or not.
3. For further clarity, should only the Nadon Settlement be accepted by the Outside Date for Expedited Settlement, without the Pessoa Settlement being accepted by that same date, both the Nadon Settlement and the Pessoa Settlement shall automatically be deemed null and void. Similarly, should only the Pessoa Settlement be accepted by the Outside Date for Expedited Settlement, without the Nadon Settlement being accepted on the same date, both the Nadon Settlement and the Pessoa Settlement shall automatically be deemed null and void. In either scenario, the Condition Precedent described at article 9.3 (a)A shall apply (in addition to the Conditions Precedents at article 9.3(b) through (i)).
4. The essential terms of the Nadon Settlement are as follows:
 - a) 110302 shall pay a one-time, lump sum payment of \$3,000,000 (“**the Nadon Settlement Payment**”) to 9325;
 - b) 110302 shall file a discontinuance of the Partition Motion, with each party paying its own costs and fees;
 - c) 9325 shall assign and transfer all of its rights, claims, title and interests in and to the assets of 9227 to 110302;
 - d) The Indivision Agreement will be terminated;
 - e) The Prête-Nom and Mandate agreement will be amended so as to reflect the fact that 9325 is removed as mandator and that 9227 shall act as nominee and mandatary to 110302 only;
 - f) The Nadon Group and the Sponsors will give each other full, final, irrevocable, unconditional, reciprocal and mutual releases in respect of any and all claims relating to, *inter alia*, the Indivision Agreement, the Prête-Nom and Mandate Agreement, the Partition Motion, the legal proceedings for damages and other relief filed by the Sponsors against the Nadon

Group in Superior Court file bearing number 500-11-057283-190 and any other claims, causes of action, demands, damages, assessments or lawsuits that each party may have against the other. The Nadon Group and 9227 shall give each other similar releases;

- g) The Nadon Settlement Payment shall be made concurrently with, and conditional upon, the receipt by 9227 of the Pessoa Settlement Payment, or, alternatively, subject to an agreement between all parties and the Monitor to assign the Pessoa Settlement Payment to the Nadon Group as per section 4(h) below;
- h) Subject to consent of the Monitor, and, unless otherwise waived by all parties and the Monitor, an order from the Court, the Pessoa Group and the Nadon Group shall have the right to request that 9227 direct payment of the Pessoa Settlement Payment to the Nadon Group, including if desired, at a later date, and/or to assign the rights, titles and interest of 9227 in the 9227 Retained Claims and the Disclaimer Contestation to the Nadon Group, provided that the Nadon Group and the Pessoa Group provide and execute full, final, irrevocable, unconditional, reciprocal and mutual releases in respect of any and all claims relating to, *inter alia*, the Outstanding Litigation, the 9227 Retained Claims and any other claims and contestations involving 9227 and/or the Sponsors as a condition precedent to such assignment. In such a case only, the Nadon Settlement Payment will be paid pursuant to the terms and conditions determined by the Nadon Group and the Pessoa Group alone and according to their discretion. In such eventuality, the Eligible Interest will be paid out of the Sponsors' Contribution, which the Sponsors hereby commit to adjusting, if necessary, to fund the Litigation Pool;

APPENDIX B-1**GENERAL PROPOSED SETTLEMENT TERMS OF ALL LITIGATION
by and between
The Pessoa Group and 9227**

1. An essential condition to the conclusion of this settlement is that both of the Nadon Group and the Pessoa Group notify the Sponsors, in writing, by no later than the Outside Date for Expedited Settlement, that they both accept the terms of their respective offers.
2. For the purpose of clarity, the deadline to accept the present offer does not refer to a Final Order in respect of the Sanction Order. Rather, the deadline for both the Nadon Group and the Pessoa Group to accept, respectively, both the Nadon Settlement and the Pessoa Settlement, is the third day following the Sanction Hearing, regardless of whether any Sanction Order is entered on that day or not.
3. For further clarity, should only the Nadon Settlement be accepted by the Outside Date for Expedited Settlement, without the Pessoa Settlement being accepted by that same date, both the Nadon Settlement and the Pessoa Settlement shall automatically be deemed null and void. Similarly, should only the Pessoa Settlement be accepted by the Outside Date for Expedited Settlement, without the Nadon Settlement being accepted on the same date, both the Nadon Settlement and the Pessoa Settlement shall automatically be deemed null and void. (in addition to the Conditions Precedents at article 9.3(b) through (i)).
4. The essential terms of the Pessoa Settlement are as follows:
 - a) The Pessoa Group shall pay a one-time, lump sum payment of \$3,000,000 (the Pessoa Settlement Payment) to 9227;
 - b) The Nadon Settlement Payment shall be made concurrently with, and conditional upon, the receipt by 9227 of the Pessoa Settlement Payment or, alternatively, subject to an agreement to assign the Pessoa Settlement Payment to Group Nadon as per section 4(c) below.
 - c) The Pessoa Group shall have the right to request that the Pessoa Settlement Payment be paid directly to the Nadon Group, which request shall not be unreasonably refused by 9227 or the Monitor. In such a case, the Pessoa Group and the Nadon Group shall each give and execute full and final releases in favour of 9227 and the Sponsors, who shall reciprocate such releases in favour of the Nadon Group and the Pessoa Group, in respect of each of party's obligations pursuant to the Nadon Settlement and the Pessoa Settlement;
 - d) Subject to the Monitor's consent, 9227 will discontinue and withdraw, as the case may be, each party paying its own costs:
 - i) The Notice of Disclaimer;

- ii) The Motion for Directions;
 - iii) The Motion for Declaratory Judgment;
 - iv) The Motion for Unpaid Rent;
 - v) The Appeals of the notices of disallowance of the proofs claims filed by 9344-8181 Quebec inc. and 9361-4048 Quebec Inc.
- e) The Pessoa Group shall withdraw the Disclaimer Contestation;
- f) The Pessoa Group, 9227, the Sponsors and the Monitor shall give each other and execute full, final, irrevocable, unconditional, reciprocal and mutual releases in respect of any and all claims relating to, *inter alia*, the 9227 Retained Claims, the Outstanding Litigation, and the legal proceedings for damages and other relief filed by the Sponsors against the Nadon Group in Superior Court file bearing number 500-11-057283-190 and any other claims, causes of action, demands, damages, assessments or lawsuits that each party may have against the other. The Nadon Group and 9227 shall give each other similar releases;
- g) The rationale for the Pessoa Settlement Payment is set forth in a chart enclosed herewith as Appendix B-2, which sets out the following facts:
- i) The Monitor has assessed the total value of the Disclaimer Contestation and of the 9227 Retained Claims to be in excess of \$7,070,000;
 - ii) Accordingly, in the event that the Pessoa Group and the Monitor, on behalf of 9227, would agree to settle the Disclaimer Contestation and the 9227 Retained Claims by the Outside Date for Expedited Settlement at amount of the Pessoa Payment, this would represent a discount of more than 50% in favour of the Pessoa Group;
 - iii) The amount estimated in respect of the Disclaimer Contestation (Line K) assumes that Mr. Nadon purportedly sold the Disclaimed Lots, for on behalf of 9227, to the Pessoa Group, for an amount currently estimated at \$50,000 per unit below fair market value, whereas the professional appraisers retained by the Monitor, the Nadon Group and the Sponsors all indicated that this figure can be as high as \$60,000 per unit below market value.
 - iv) The amount estimated in respect of lost profits for 9227 (Line I) alone is \$3,146,400. This claim also implicates certain alleged action and omissions committed by Mr. Nadon in the context of his numerous business relationships with the Pessoa Group.

APPENDIX B-2

Summary of monetary positions taken by Pessoa Group and Monitor in context of litigation involving 9227 Retained Claims and the Disclaimer Contestation

QUESTIONS EN LITIGE		Montant réclamé par le contrôleur ou J. Pessoa	Position du contrôleur (19-04-2021)	Commentaires
A.	Loyer au 170 boul. de l'industrie	640 652	640 652	
B.	Intérêts quant au Contrat	490 130	490 130	
C.	Alimentation électrique – PUC	(307 375)	0	Réclamation contestée par le Contrôleur
D.	Infrastructures PUC-5 à PUC-7	N/D	0	Le Contrôleur ne reconnaît aucun montant dû
E.	Alimentation électrique Lot 503	(334 575)	0	Le Contrôleur a reconnu avoir une obligation qu'il assume au fur et à mesure
F.	Infrastructures Lot 503	N/D	0	Le Contrôleur a reconnu avoir une obligation qu'il assume au fur et à mesure
G.	Remblai Lot 503	(170 000)	0	0
H.	Alimentation électrique Triplex 18	(104 615)	0	Le Contrôleur a reconnu avoir une obligation qu'il assume au fur et à mesure
I.	Infrastructures Triplex 17	(3 725)	0	Réclamation contestée par le Contrôleur

J.	Requête jugement déclaratoire (30%)	N/D	3 146 400	Basé sur l'information connue à ce jour.
K.	Préavis de résiliation du Contrat	N/D	2 800 000	Basé sur un estimé de 50K par portes (56 portes)
TOTAL			7 077 182	