

COURT NUMBER
BANKRUPTCY

ESTATE NUMBER

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE SASKATOON

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL UNDER
SECTION 50.4(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS
AMENDED, OF JUST SOLUTIONS INC.**

ORDER

Before the Honourable ● in chambers the 22nd day of April, 2022.

On the application of Walker W. MacLeod, counsel on behalf of the Applicant, Just Solutions Inc. (the “**Company**”); And upon hearing from counsel for Alvarez & Marsal Canada Inc., in its capacity as the proposal trustee (the “**Proposal Trustee**”) and counsel for Forage Subordinated Debt Limited Partnership II; And upon reading the Notice of Application on behalf of the Company dated April 18, 2022 (the “**Application**”), the Affidavit of Justin Simpkins, sworn on April 18, 2022 (the “**Simpkins Affidavit**”), the First Report of the Proposal Trustee dated ●, 2022 (the “**Report**”), and the draft Order, all filed, and the pleadings and proceedings herein:

The Court orders:

Service

1. The time for service of this Application, together with all supporting materials, is hereby abridged, if necessary, and declared to be good, valid, timely and sufficient and no other Person is required to have been served with such documents, and this hearing is property returnable before this Honourable Court today and further service thereof is hereby dispensed with.

Defined Terms

2. All capitalized terms used herein and not otherwise defined shall have the meaning used in the Sales and Investment Solicitation Process (the “**SISP**”) attached as Schedule “**A**” hereto.

Extension of Time to file a Proposal

3. Pursuant to subsection 50.4(9) of the BIA the period within which the Company is required to file a proposal to its creditors with the Official Receiver under subsection 62(1) of the BIA shall be and is hereby extended to 11:59 pm (local Saskatchewan time) on Saturday, July 2, 2022.

Administration Charge

4. The Proposal Trustee, counsel to the Proposal Trustee, counsel to the Company and counsel to the Stalking Horse Bidder shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on all of the assets, properties and undertakings of the Company (the "**Property**"), which charge shall not exceed an aggregate amount of \$150,000, as security for their professional fees and disbursements incurred at their respective standard rates and charges, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out further herein.

Interim Financing

5. The Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from the Proposal Sponsor (in such capacity, the "**Interim Lender**") in order to finance the Company's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$225,000 unless permitted by further order of this Court. Such credit facility shall be on the terms and subject to the conditions set forth in the term sheet between the Company and the Interim Lender dated as of the date hereof and attached as Exhibit "D" to the Affidavit of Justin Simpkins (the "**DIP Term Sheet**").
6. The Interim Lender shall be entitled to the benefits of a charge (the "**DIP Charge**") on the Property, which charge shall not exceed the aggregate amount advanced on or after the date of this Order under the DIP Term Sheet which charge shall not secure an obligation that exists before this Order is made. The DIP Charge shall have the priority set out in paragraphs 11 and 13 hereof.

7. The Interim Lender shall be treated as unaffected in the Stalking Horse Proposal or any proposal filed by the Company under the BIA with respect to any advances made under the DIP Term Sheet.

Directors' Charge

8. The Company shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the NOI Proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.
9. Each of the directors and officers of the Company shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$65,000, as security for the indemnity provided in this Order. The Directors' Charge shall have the priority set out further herein.
10. Notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Company's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified herein.

Priority of Charges

11. Subject only to the rights of persons holding valid and effective purchase money security interests on the Property, the priorities of the Administration Charge, the DIP Charge and the Directors' Charge (collectively, the "**Charges**"), as among them, shall be as follows:
 - (a) First: Administration Charge, up to the maximum amount of \$150,000;
 - (b) Second: DIP Charge;
 - (c) Third: Directors' Charge, up to the maximum amount of \$65,000;
12. The filing, registration or perfection of the Charges shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or

interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

13. Each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.
14. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Company shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Company also obtains the prior written consent of the Proposal Trustee and the beneficiaries of the Directors' Charge, the DIP Charge and the Administration Charge, or further order of this Court.
15. The Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by:
 - (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
 - (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;
 - (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
 - (d) the provisions of any federal or provincial statutes; or
 - (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") that binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:
 - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof shall

create or be deemed to constitute a new breach by the Company of any Agreement to which it is a party.

- (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any agreement caused by or resulting from the creation of the Charges, ; and
- (iii) the payments made by the Applicant pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

16. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Charges amongst the various assets comprising the Property.

SISP and Stalking Horse Proposal Approval

17. The SISP and the SISP Procedures, substantially in the form attached hereto, shall be and are hereby approved, and the Company and the Proposal Trustee are authorized and directed to carry out the SISP in accordance with the SISP Procedures and this Order, and are hereby authorized and directed to take such steps as they consider necessary or appropriate in carrying out each of their obligations thereunder, subject to prior approval of this Court being obtained before the completion of any transaction(s) under the SISP.
18. The Stalking Horse Proposal is approved and the Company is authorized and directed to use the Stalking Horse Proposal as a “stalking horse bid” in the SISP. For greater certainty, nothing herein approves the transaction contemplated in the Stalking Horse Proposal, and the approval of any transaction contemplated by the SISP, shall be determined on a subsequent motion made to this Court.

ISSUED AT the City of Saskatoon, in the Province of Saskatchewan, this ____ day of April, 2022.



(Deputy) Local Registrar

CONTACT INFORMATION AND ADDRESS FOR SERVICE

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