

CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF MONTREAL

No. 500-11-056311-190

SUPERIOR COURT  
(COMMERCIAL DIVISION)

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IN THE MATTER OF THE NOTICE OF INTENTION  
OF:

**BIOMOD CONCEPTS INC.**

Debtor

and

**RICHTER ADVISORY GROUP INC.**

Trustee

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**MOTION FOR A THIRD EXTENSION OF THE DELAY TO FILE A PROPOSAL AND FOR  
ADDITIONAL INTERIM FINANCING**

(Articles 50.4(9) and 50.6 of the *Bankruptcy and insolvency Act* ("BIA"))

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TO ONE OF THE HONORABLE JUDGES OF THE SUPERIOR COURT, SITTING IN  
COMMERCIAL DIVISION, IN AND FOR THE DISTRICT OF MONTREAL, OR TO THE  
REGISTRAR OF THIS COURT, PETITIONER RESPECTFULLY SUBMITS AS FOLLOWS:

**I. BACKGROUND**

1. Biomod Concepts Inc. ("**Biomod**"), is a Canadian privately-owned company that has been in operation since 2009. It is involved in the research and development of an innovative advanced delivery system of active ingredients for the beauty and health industries. Biomod's delivery system also has many broader potential applications, such as in the medical and pharmaceutical industries;
2. That said, Biomod was faced with major liquidity problems such that it was no longer able to respect its obligations as they became due;
3. Accordingly, on April 8, 2019, Biomod filed a Notice of intention to make a proposal pursuant to the BIA, the whole as more fully appears from the court record;
4. Prior to the filing of the Notice of intention, Biomod had approximately forty-five (45) salaried employees in its service, in addition to various contractual employees;
5. Given the liquidity crisis it was facing, Biomod had no other choice but to temporally layoff the vast majority of its employees and to put its operations on hold immediately following the filing the Notice of intention. Two key employees were retained to assist Biomod in its restructuring efforts;

6. On May 8, 2019, at the request of Biomod, Justice Brian Riordan, J.S.C issued an order essentially providing for the following:

- a) An extension of the delay to file a proposal to June 22, 2019;
- b) The appointment of the Trustee as interim receiver, namely so that it may control receipts and disbursements and begin a formal sales and investor solicitation process (the “**SISP**”);
- c) Interim (DIP) financing in the amount of \$400,000 (the “**Initial Interim Financing**”) to enable Biomod to satisfy its post-filing obligations and to cover the costs and expenses related to the conduct of the SISP; and
- d) An administration charge in the amount of \$75,000 to guarantee the payment of professional fees;

the whole as appears from the court record;

7. On June 21, 2019, the delay to file a proposal was extended for a second time to August 6, 2019;

## **II. THE SALE AND INVESTOR SOLICITATION PROCESS**

- 8. The Initial Interim Financing was intended to enable Biomod to satisfy its post-filing obligations and to cover the costs and expenses related to the conduct of the SISP;
- 9. The SISP was formally launched by the Trustee, in its capacity as Interim Receiver, on May 15, 2019, when a “teaser” was sent to over 100 potentially interested parties located in North America, Europe and Asia, the whole as more fully appears from the Trustee’s third report (the “**Third Report**”) filed in support hereof as **Exhibit R-1**;
- 10. In total, 12 parties demonstrated their interest and were provided with draft non-disclosure agreements and with the SISP conditions;
- 11. Of those 12, 7 executed the above-mentioned documents and were granted access to the virtual data room;
- 12. Simultaneously with the SISP, certain of Biomod’s shareholders made efforts to attract investments that would allow for the restructuring of the company and the filing of a viable proposal to creditors;
- 13. Parties had until 5:00 pm ET on June 25, 2019 to submit their offers;
- 14. Unfortunately, despite the efforts deployed within the scope of the SISP and directly by certain shareholders, the Interim Receiver did not receive any offers;
- 15. That said, Biomod’s principal shareholder continues its efforts to attract new investment that could allow for the filing of a viable proposal to creditors and, as appears from the Third Report (R-1), a number of potential investors have expressed interest;



### III. EXTENSION REQUIRED

16. The 45 day extension sought herein will allow the Debtor and its principal shareholder to work toward securing new investment and preparing a viable proposal to its creditors;
17. The only alternative to the extension sought is bankruptcy, which would preclude any chance of relaunching Biomod's business and would be contrary to the interests of stakeholders;
18. In fact, the extension is in the best interest of all stakeholders. It will not prejudice any of Biomod's creditors and is supported by the Trustee, the whole as more fully appears from the Third Report (R-1);
19. Thanks to the Initial Interim Financing, Biomod's limited operations have remained cash flow positive since the filing of the Notice of Intention;
20. Those limited operations shall remain cash flow positive over the course of the extension period sought herein thanks to the Additional Interim Financing discussed below, the whole as more fully appears from Biomod's cash flow statement filed in support hereof as **Exhibit R-2**;

### IV. ADDITIONAL INTERIM FINANCING

21. T Investment Corp., a corporation related to the Debtor's primary shareholder, has agreed to take over as interim lender and to advance up to an additional \$250,000 in order to support the Debtor's cash flow needs over the course of the extension period sought (the "**Additional Interim Financing**"), the whole as more fully appears from the Additional Interim Financing term sheet (the "**Term Sheet**") filed in support hereof as **Exhibit R-3**;
22. This additional \$250,000 is over and above the approximately \$415,000 (including interest) to be advanced by the new interim lender in order to pay out the current interim lender, Franbeau Inc.;
23. The Term Sheet provides for terms and conditions that are nearly identical to those applicable to the Initial Interim Financing, with the appropriate adjustments made in light of the increased amount;
24. As appears from the Third Report, in the absence of the Additional Interim Financing, the Debtor would have no other choice but to file for bankruptcy, which would likely entail significant losses for secured creditors and would result in no distribution to unsecured creditors;

### V. CONCLUSIONS

25. Biomod has acted, and continues to act in good faith and with due diligence in the present proceedings;
26. As appears from the Third Report, the Trustee is in favour of the extension sought herein, as well as the Additional Interim Financing;

27. For the reasons set forth above, Biomod requests that the delay to file a proposal be extended up to and including September 20, 2019;
28. Biomod respectfully submits that the notice given of the presentation of this Motion is proper and sufficient and that this Motion should be granted in accordance with the draft order filed in support hereof as **Exhibit R-4**;
29. The present Motion is well founded in fact and in law;

**WHEREFORE, MAY IT PLEASE THIS HONOURABLE COURT TO:**

1. **GRANT** the present *Motion for a third extension of the delay to file a proposal and for additional interim financing*;
2. **ISSUE** an order substantially in the form of the draft order filed as Exhibit R-4;
3. **THE WHOLE WITHOUT COSTS**, except in the event of contestation.

Montréal, August 1, 2019

*Gowling WLG (Canada)*

**GOWLING WLG (CANADA) LLP**  
Attorneys for Petitioner/Debtor  
**BIOMOD CONCEPTS INC.**

CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF MONTREAL

No. 500-11-056311-190

SUPERIOR COURT  
(COMMERCIAL DIVISION)

IN THE MATTER OF THE NOTICE OF INTENTION  
OF:

BIOMOD CONCEPTS INC.

Debtor

and

RICHTER ADVISORY GROUP INC.

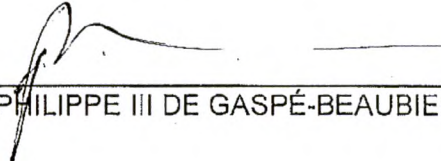
Trustee

AFFIDAVIT

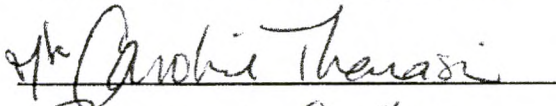
I, the undersigned, Philippe III de Gaspé-Beaubien, President of the Board of Directors of Biomod Concepts Inc., having a place of business at 999 de Maisonneuve West, 10<sup>th</sup> Floor, Montréal, province of Québec, H3A 3L4, solemnly declare that:

1. I am a duly authorized representative of the Debtor;
2. All the facts alleged in the present *Motion for a third extension of the delay to file a proposal and for additional interim financing* are true to the best of my knowledge.

AND I HAVE SIGNED:

  
\_\_\_\_\_  
PHILIPPE III DE GASPÉ-BEAUBIEN

SOLEMNLY DECLARED BEFORE ME,  
In Montreal, this 1<sup>st</sup> day of August, 2019

  
\_\_\_\_\_  
Drover du Québec.  
Caroline Thomassin.



CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF MONTREAL

No. 500-11-056311-190

SUPERIOR COURT  
(COMMERCIAL DIVISION)

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IN THE MATTER OF THE NOTICE OF INTENTION  
OF:

**BIOMOD CONCEPTS INC.**

PETITIONER/Debtor

and

**RICHTER ADVISORY GROUP INC.**

IMPLEADED PARTY/Trustee

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**NOTICE OF PRESENTATION**

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**TO: RICHTER ADVISORY GROUP INC.**

Attn: Mr. Gilles Robillard, CPA, Ca, CIRP, LIT ([grobillard@richter.ca](mailto:grobillard@richter.ca))

Trustee

**INVESTISSEMENT QUÉBEC**

Attn: Mr. Mathieu Marcil, ([mathieu.marcil@invest-quebec.com](mailto:mathieu.marcil@invest-quebec.com))

**BORDEN LADNER GERVAIS**

Attn: Me François D. Gagnon ([fgagnon@blg.com](mailto:fgagnon@blg.com)) and  
Me Ouassim Tadlaoui ([otadlaoui@blg.com](mailto:otadlaoui@blg.com))

Attorneys for Quantius Inc.

**SYLVESTRE & ASSOCIÉS SENCRL**

Attn : Me Marc Desbiens ([mdesbiens@jurisylvestre.ca](mailto:mdesbiens@jurisylvestre.ca))

Attorneys for Centre d'aide aux entreprises de la Rive-Sud Inc.

**KUGLER, KANDESTIN LLP.**

Attn: Me Gérald F. Kandestin ([gkandestin@kklex.com](mailto:gkandestin@kklex.com))

Attorneys for Majal Family Holdings Inc. and Michael Rubenstein

**LANGLOIS AVOCATS**

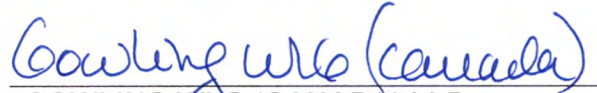
Attn: Me Guillaume Pierre Michaud ([guillaume.michaud@langlois.ca](mailto:guillaume.michaud@langlois.ca))

Attorneys for 9307-0274 Québec Inc.

**TAKE NOTICE** that the ***Motion for a third extension of the delay to file a proposal and for additional interim financing*** will be presented before one of the honourable judges of the Superior Court or a registrar, sitting in commercial division, in and for the District of Montreal, at the Montreal Courthouse in room 16.10, on **August 6, 2019 at 8:45 a.m.** or as soon as counsel may be heard.

**DO GOVERN YOURSELVES ACCORDINGLY.**


Montréal, August 1, 2019



**GOWLING WLG (CANADA) LLP**

Attorneys for Petitioner/Debtor

**BIOMOD CONCEPTS INC.**

No. 500-11-056311-190
SUPERIOR COURT (COMMERCIAL DIVISION) DISTRICT OF MONTRÉAL
IN THE MATTER OF THE NOTICE OF INTENTION OF:
<b>BIOMOD CONCEPTS INC.</b>
PETITIONER/Debtor
and
<b>RICHTER CONSULTING GROUP INC.</b>
IMPLEADED PARTY/Trustee
BL0052
<b>MOTION FOR A THIRD EXTENSION OF THE DELAY TO FILE A PROPOSAL AND FOR ADDITIONAL INTERIM FINANCING</b> (Articles 50.4(9) and 50.6 of the <i>Bankruptcy and insolvency Act</i> )
ORIGINAL
Me Alexander Bayus alexander.bayus@gowlingwlg.com  <b>GOWLING WLG</b> Gowling WLG (Canada) LLP 1 Place Ville Marie, 37 <sup>th</sup> Floor Montreal, Québec Canada H3B 3P4 Tel.: 514-392-9426 / Fax: 514-876-9026 File No.: <b>L154020002</b> INIT.: AB/nh c/o 4127



CANADA  
PROVINCE DE QUÉBEC  
DISTRICT DE QUÉBEC  
NO DE DIVISION : 01-MONTRÉAL  
NO DE COUR : 500-11-056311-190  
NO DE DOSSIER : 41-2496064

COUR SUPÉRIEURE  
(En matière de faillite et d'insolvabilité)

DANS L'AFFAIRE DE L'AVIS  
D'INTENTION DE FAIRE UNE  
PROPOSITION DE BIOMOD CONCEPTS  
INC., personne morale légalement  
constituée et dûment incorporée ayant son  
siège social au :  
999 boul. de Maisonneuve Ouest  
Suite 1000  
Montréal, Québec H3A 3L4, Canada

Débitrice

- ET -

RICHTER GROUPE CONSEIL INC.

Syndic

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**TROISIÈME RAPPORT DU SYNDIC SUR L'ÉTAT DES AFFAIRES ET DES FINANCES DE LA  
DÉBITRICE**  
(en vertu des paragraphes 50.4 (7) (b) (ii) et 50.4 (9) de la *Loi sur la faillite et l'insolvabilité*)

Je, Andrew Adessky, CPA, CA, CIRP, SAI, du bureau de Richter Groupe Conseil inc., (le « Syndic ») Syndic agissant à l'avis d'intention de faire une proposition de Biomod Concepts inc. (la « Débitrice », la « Société » ou « Biomod »), une personne morale insolvable, fais rapport au tribunal de ce qui suit :

1. Le 8 avril 2019, la Débitrice susnommée déposait un avis d'intention de faire une proposition (l'« Avis d'intention »).
2. Le 15 avril 2019, les avis aux créanciers de l'intention de faire une proposition ont été envoyés par courrier régulier à tous les créanciers de la Débitrice.
3. Le 17 avril 2019, la Débitrice a déposé un état de l'évolution de l'encaisse (l'« État ») pour une période de trente (30) jours débutant le 14 avril 2019, ainsi que son rapport contenant les observations relativement à l'établissement de l'État, lesquels ont été soumis au séquestre officiel avec le rapport du Syndic portant sur le caractère raisonnable de l'État, tel que requis en vertu du paragraphe 50.4 (2) de la *Loi sur la faillite et l'insolvabilité*.

4. Le 8 mai 2019, la Débitrice a déposé un état projeté du mouvement de trésorerie pour la période du 5 mai 2019 au 7 juillet 2019, lequel reflète l'utilisation du financement intérimaire de 400 000 \$, et qui a été soumis au séquestre officiel avec le rapport du Syndic portant sur le caractère raisonnable de l'État, tel que requis en vertu du paragraphe 50.4 (2) de la *Loi sur la faillite et l'insolvabilité*. En résumé, ce financement permettra ce qui suit :
  - Acquitter les dépenses non payées depuis la date du dépôt de l'Avis d'intention le 8 avril 2019, comprenant plus particulièrement le loyer et certaines charges reliées aux installations;
  - Continuer d'acquitter les dépenses courantes au fur et à mesure qu'elles seront encourues; et
  - Mettre en place un processus ordonné de sollicitation d'investisseurs ou d'acheteurs pour Biomod.
5. Dans le cadre de la surveillance des affaires et des finances de la Débitrice, le Syndic a eu accès à tous les biens, locaux, livres, registres et autres documents financiers de la Débitrice, et nous avons pu constater que la Débitrice a maintenu une encaisse positive depuis qu'elle a soumis son avis d'intention de faire une proposition.
6. Le présent rapport traite, entre autres, des points suivants :
  - a. Situation financière de la Débitrice;
  - b. Ordonnances;
  - c. Processus de sollicitation d'investisseurs ou d'acheteurs;
  - d. Prorogation de délai;
  - e. Financement intérimaire additionnel;
  - f. Conclusions.

### **Situation financière de Biomod au moment du dépôt**

7. Biomod est une entreprise ayant développé une technologie brevetée destinée premièrement à l'industrie du cosmétique, et plus particulièrement axée sur le traitement de la peau. La Société n'a toutefois pas été en mesure financièrement de commercialiser de façon efficace son produit et de développer de nouvelles orientations pour leur technologie, telles que les domaines médical et pharmaceutique. Ses actifs sont composés essentiellement de la propriété intellectuelle, des équipements de production, des stocks et de crédits pour la recherche et le développement.

8. Les données financières récentes de la Débitrice se résument ainsi :

<b>Biomod Concepts Inc</b>				
<b>Bilans Comparatifs</b>				
	8 avril 2019	30 avril 2018	30 avril 2017	30 avril 2016
	Non vérifiés	Vérifiés	Vérifiés	Vérifiés
<b>Actifs</b>				
<b>Court-terme</b>				
Encaisse	15,682 \$	782,019 \$	1,005,256 \$	92,660 \$
Dépôt à terme	30,000	30,000	30,000	20,000
Comptes clients	11,000	324,431	284,879	42,025
Taxes à la consommation	39,097	63,176	24,643	51,490
Stocks	768,453	740,676	311,144	118,322
Crédit d'impôt à la R&D (net du prêt IQ)	185,922	704,361	667,945	653,396
Payés d'avance	76,647	61,535	43,547	50,687
	1,126,801	2,706,198	2,367,414	1,028,580
<b>Long-terme</b>				
Avances à des employés	-	159,000	154,500	150,000
Immobilisations	845,200	943,746	1,086,985	583,427
Propriété intellectuelle	576,469	535,057	479,862	427,908
	1,421,669	1,637,803	1,721,347	1,161,335
	2,548,470 \$	4,344,001 \$	4,088,761 \$	2,189,915 \$
<b>Passifs</b>				
<b>Court-terme</b>				
Créanciers	727,099 \$	1,077,321 \$	570,005 \$	258,007 \$
CAE - Affacturage des bons de commande	372,549	-	-	-
Portion à court-terme de la dette à LT	-	889,911	655,396	1,041,848
Portion à court-terme des contrats location	-	60,768	47,466	9,561
	1,099,648	2,028,000	1,272,867	1,309,416
<b>Long-terme</b>				
Contrats de location-acquisitions	227,067	176,341	139,295	6,798
Prêts Investissement Québec	3,973,916	3,775,161	2,452,615	252,438
Autres prêts	123,313	-	-	-
Prêts Quantius	1,900,000	-	-	-
Avance d'un actionnaire	2,693,637	2,458,356	2,271,343	751,950
	8,917,933	6,409,858	4,863,253	1,011,186
<b>Déficit des Actionnaires</b>				
Actions	6,615,565	6,615,962	5,615,958	5,615,958
Déficit accumulé	(14,084,676)	(10,709,819)	(7,663,317)	(5,746,645)
	(7,469,111)	(4,093,857)	(2,047,359)	(130,687)
	2,548,470 \$	4,344,001 \$	4,088,761 \$	2,189,915 \$
<b>Biomod Concepts Inc</b>				
<b>États des résultats comparatifs</b>				
	8 avril 2019	30 avril 2018	30 avril 2017	30 avril 2016
	Non vérifiés	Vérifiés	Vérifiés	Vérifiés
Ventes	2,204,364 \$	1,080,856 \$	1,207,444 \$	127,046 \$
Profit brut	943,206	389,701	776,403	37,524
	42.79%	36.05%	64.30%	29.54%
Dépenses				
Exploitation et autres	3,553,294	2,917,262	1,964,205	2,054,355
Intérêts et frais bancaires	764,769	518,941	400,127	176,373
	4,318,064	3,436,203	2,364,332	2,230,728
Perte	(3,374,857) \$	(3,046,502) \$	(1,587,929) \$	(2,193,204) \$
<b>Ventes requises pour acquitter les intérêts</b>	<b>1,787,262 \$</b>	<b>1,439,503 \$</b>		



9. Au moment du dépôt de l'Avis d'intention, la Débitrice n'avait plus de liquidités et il lui était impossible d'en générer suffisamment afin de satisfaire ses obligations courantes, dont les salaires des employés, pour la prochaine période de paye.
10. Investissement Québec et Quantius sont les principaux créanciers garantis de Biomod avec des prêts totalisant plus de 6 M\$.
11. Les employés ont des créances totalisant plus de 120 000 \$, représentant les payes de vacances et la portion d'une période de paye.

## **Ordonnances**

12. Le 8 mai 2019, l'Honorable J. Brian Riordan rendait une ordonnance autorisant ce qui suit :
  - Prorogation du délai pour déposer une proposition jusqu'au 22 juin 2019;
  - Nomination de Richter Groupe Conseil inc. à titre de Séquestre Intérimaire;
  - Autorisation du financement intérimaire de 400 000 \$ de type « *DIP* »; et
  - Autorisation d'une charge prioritaire couvrant les honoraires professionnels jusqu'à concurrence de 75 000 \$.
13. L'ordonnance en question prévoit qu'à sa seule discrétion, et s'il le juge nécessaire, le Séquestre Intérimaire peut utiliser plusieurs des pouvoirs qui lui sont conférés dans ladite Ordonnance. Le Séquestre Intérimaire a pour l'instant mis en place les pouvoirs suivants :
  - Contrôle des recettes et débours de la Débitrice;
  - Instituer un processus formel de sollicitation d'offres pour les biens de la Débitrice.
14. Le 21 juin 2019, Me Chantal Flamand, Registrare accordait une prorogation de délai au 6 août 2019.

## **Processus de sollicitation d'investisseurs ou d'acheteurs**

15. Le Séquestre Intérimaire a identifié, à partir de ses banques de données telles Reuter, quelques 101 parties situées en Amérique du Nord, en Europe et en Asie, œuvrant dans le domaine cosmétique ou pharmaceutique, qui pourraient potentiellement avoir un intérêt dans Biomod. Un document sommaire d'information a été préparé et envoyé à toutes ces parties le 15 mai 2019. Le document en question stipulait, entre autres, que toutes les parties intéressées devaient manifester leur intérêt avant le 29 mai 2019 à 17 heures, heure de Montréal.
16. Le 30 mai 2019, un rappel a été envoyé aux parties identifiées les informant du processus de vente et de ses échéanciers.
17. En tout, douze (12) parties ont manifesté un intérêt. Une entente de confidentialité de même que les conditions régissant la sollicitation d'offres ont été envoyées à chacune des parties pour leur signature.
18. De ces parties, sept (7) ont retourné les documents dûment signés et furent autorisées à consulter les documents contenus dans la salle virtuelle d'information.
19. Parallèlement, certains actionnaires de la Débitrice déployaient des efforts afin d'attirer des investissements pouvant réorganiser l'entreprise et permettre une proposition viable aux créanciers.
20. Les parties avaient jusqu'au 25 juin 2019, à 17 heures, heure de Montréal, pour soumettre une offre.

21. Malheureusement, la sollicitation d'investisseurs ou d'acheteurs effectuée par le Séquestre Intérimaire, n'a généré aucune offre. Toutefois, les efforts du principal actionnaire de la Débitrice afin d'attirer des investissements pouvant réorganiser l'entreprise et permettre une proposition viable aux créanciers, se poursuivent toujours. Certains investisseurs ont démontré un intérêt à investir dans une relance de l'entreprise ou l'acquisition de ses actifs.

### **Prorogation de délai**

22. La Débitrice a soumis une requête au tribunal afin d'obtenir une troisième prorogation de délai pour soumettre une proposition. Le délai demandé de 45 jours couvrira la période du 6 août 2019 au 20 septembre 2019. Ce délai est nécessaire afin que le principal actionnaire complète ses démarches auprès d'investisseurs potentiels et, le cas échéant, préparer une proposition viable aux créanciers.
23. Un état comparatif des recettes et débours couvrant la période du 17 juin 2019 au 26 juillet 2019 est présenté et désigné à la **Pièce A**.
24. À cet égard, la Débitrice a déposé un état de l'évolution de l'encaisse pour une période de quarante-cinq (45) jours couvrant la période du 6 août 2019 au 20 septembre 2019, ainsi que son rapport contenant les observations relativement à l'établissement de l'état de l'évolution de l'encaisse, lesquels ont été soumis au séquestre officiel avec le rapport du Syndic portant sur le caractère raisonnable de l'état de l'évolution de l'encaisse, tel que requis en vertu du paragraphe 50.4 (2) de la *Loi sur la faillite et l'insolvabilité*, et sont présentés et désignés à la **Pièce B**.
25. L'état de l'évolution de l'encaisse pour la période de quarante-cinq (45) jours, couvrant la période du 6 août 2019 au 20 septembre 2019, reflète un besoin de financement intérimaire additionnel de 250 000 \$.

### **Financement intérimaire additionnel**

26. T Investment Corp., une entité liée au principal actionnaire de la Débitrice, a accepté de financer de façon intérimaire les besoins d'encaisse de la Débitrice d'un montant de 665 000 \$, lequel permettra de rembourser la dette du prêteur intérimaire actuel au montant de 415 000 \$ (intérêts compris), et de financer de façon intérimaire les besoins d'encaisse de la Débitrice jusqu'à concurrence d'un montant additionnel de 250 000 \$. En l'absence d'un tel financement, la Débitrice sera contrainte à être placée en faillite et, compte tenu du résultat de la sollicitation d'offres par le Séquestre Intérimaire, aucun dividende ne sera disponible aux créanciers et les créanciers garantis subiront vraisemblablement des pertes importantes.
27. Ce financement intérimaire additionnel sera effectué selon des termes et conditions essentiellement identiques aux termes et conditions déjà en vigueur entre la Débitrice et le prêteur intérimaire actuel.

### **Conclusions**

28. Compte tenu de ce qui précède, le Syndic recommande la prorogation de délai au 20 septembre 2019 et l'approbation du financement intérimaire de T Investment Corp pour un montant total de 665 000 \$, lequel permettra de rembourser le prêteur intérimaire actuel et de financer de façon intérimaire les besoins d'encaisse de la Débitrice jusqu'à concurrence d'un montant additionnel de 250 000 \$.
29. La prorogation de délai et le financement intérimaire additionnel ne causent aucun préjudice aux créanciers.
30. La possibilité pour les créanciers de bénéficier d'une distribution est entièrement rattachée au succès de l'actionnaire principal à amasser les capitaux nécessaires pour traiter avec les créances de Biomod.

31. Compte tenu de ce qui précède, le Syndic recommande :

- D'accorder la prorogation de délai jusqu'au 20 septembre 2019; et
- D'approuver le financement intérimaire de 665 000 \$.

FAIT À MONTRÉAL, ce 1<sup>er</sup> jour d'août 2019.

**Richter Groupe Conseil inc.**

Syndic



Par : Andrew Adessky, CPA, CA, CIRP, SAI



**PIÈCE A**

# PIÈCE A

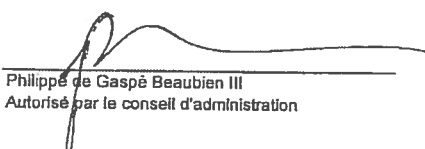
<b>Biomod Concepts Inc.</b> <b>Mouvements de trésorerie projetés</b> <b>Pour la période du 17 juin au 26 juillet 2019</b>			
	Projeté	Réel	Écart
<b>Entrées de fonds</b>			
Financement intérimaire	\$ -	\$ -	\$ -
Revenues d'intérêt	-	913	913
R&D refund/subventions	-	-	-
Comptes clients	-	-	-
	-	913	913
<b>Sorties de fonds</b>			
Salaires	18,966	20,359	1,393
Remboursement CAE	40,668	40,667	(1)
Gestionnaire intérimaire et frais de saufegarde	24,144	16,499	(7,645)
Loyer	17,190	17,532	342
Assurances	1,861	1,851	(10)
Bureau et services publics	2,880	1,515	(1,365)
Imprévus	6,000	-	(6,000)
Brevets - frais de maintenance	-	20,210	20,210
Honoraires professionnels	66,112	57,488	(8,625)
Intérêts sur financement intérimaire	6,000	-	(6,000)
Crédits bails	12,459	12,339	(120)
	<b>196,280</b>	<b>188,459</b>	<b>(7,821)</b>
Encaisse du début	290,630	290,630	-
Surplus / (Déficit)	(196,280)	(187,546)	(8,734)
<b>Encaisse de la fin</b>	<b>\$ 94,350</b>	<b>\$ 103,084</b>	<b>\$ 8,734</b>

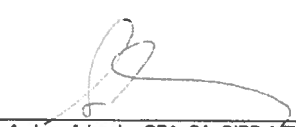
**PIÈCE B**



# PIÈCE B

<b>Blomod Concepts Inc.</b> <b>Mouvement de trésorerie - Projets</b> <b>Pour la période du 29 juillet au 20 septembre 2019</b>									
Semaine se terminant	08/02/2019	08/09/2019	08/16/2019	08/23/2019	08/30/2019	09/06/2019	09/13/2019	09/20/2019	Total
DIP Financing	\$ -	\$ 125,000	\$ -	\$ -	\$ 125,000	\$ -	\$ -	\$ -	\$ 250,000
<b>Sorties de fonds</b>									
Salaires	-	6,205	-	6,205	-	6,205	-	6,205	24,820
Gestionnaire intérimaire	4,024	2,200	4,024	4,024	4,024	4,024	4,024	4,024	30,369
Honoraires professionnels	71,820	5,749	13,918	5,749	57,488	5,749	51,739	5,749	217,959
Loyer	17,190	-	-	-	17,190	-	-	-	34,380
Assurances	1,861	-	-	-	1,861	-	-	-	3,722
Contrat de location acquisition	4,094	705	2,276	874	4,094	705	2,276	874	15,898
Frais de bureau	370	77	-	-	370	120	-	-	937
Brevets	149	5,500	-	-	149	-	149	-	5,946
Imprévus	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	16,000
	101,508	22,437	22,218	18,852	87,175	18,803	60,187	18,852	350,031
Encaisse au début	103,084	1,576	104,140	81,922	63,070	100,895	82,092	21,905	103,084
Surplus / (Déficit)	(101,508)	102,563	(22,218)	(18,852)	37,825	(18,803)	(60,187)	(18,852)	(100,031)
Encaisse à la fin	\$ 1,576	\$ 104,140	\$ 81,922	\$ 63,070	\$ 100,895	\$ 82,092	\$ 21,905	\$ 3,053	\$ 3,053

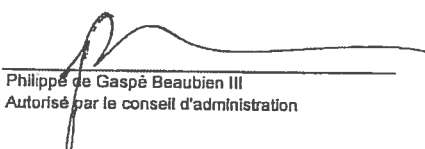
  
 Philippe de Gaspé Beaubien III  
 Autorisé par le conseil d'administration

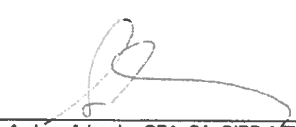
  
 Andrew Adessky, CPA, CA, CIRP, LIT

08/01/2019

## PIÈCE B

Biomod Concepts Inc. Mouvement de trésorerie - Projets Pour la période du 29 juillet au 20 septembre 2019									
Semaine se terminant	08/02/2019	08/09/2019	08/16/2019	08/23/2019	08/30/2019	09/06/2019	09/13/2019	09/20/2019	Total
DIP Financing	\$ -	\$ 125,000	\$ -	\$ -	\$ 125,000	\$ -	\$ -	\$ -	\$ 250,000
<b>Sorties de fonds</b>									
Salaires	-	6,205	-	6,205	-	6,205	-	6,205	24,820
Gestionnaire intérimaire	4,024	2,200	4,024	4,024	4,024	4,024	4,024	4,024	30,369
Honoraires professionnels	71,820	5,749	13,918	5,749	57,488	5,749	51,739	5,749	217,959
Loyer	17,190	-	-	-	17,190	-	-	-	34,380
Assurances	1,861	-	-	-	1,861	-	-	-	3,722
Contrat de location acquisition	4,094	705	2,276	874	4,094	705	2,276	874	15,898
Frais de bureau	370	77	-	-	370	120	-	-	937
Brevets	149	5,500	-	-	149	-	149	-	5,946
Imprévus	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	16,000
	101,508	22,437	22,218	18,852	87,175	18,803	60,187	18,852	350,031
Encaisse au début	103,084	1,576	104,140	81,922	63,070	100,895	82,092	21,905	103,084
Surplus / (Déficit)	(101,508)	102,563	(22,218)	(18,852)	37,825	(18,803)	(60,187)	(18,852)	(100,031)
Encaisse à la fin	\$ 1,576	\$ 104,140	\$ 81,922	\$ 63,070	\$ 100,895	\$ 82,092	\$ 21,905	\$ 3,053	\$ 3,053

  
 Philippe de Gaspé Beaubien III  
 Autorisé par le conseil d'administration

  
 Andrew Adessky, CPA, CA, CIRP, LIT

08/01/2019

TERMS AND CONDITIONS FOR A  
SUPER-PRIORITY SECURED DEBTOR-IN-POSSESSION CREDIT FACILITY

**Borrower:** Biomod Concepts Inc. (the “Borrower” or “Debtor”).

**Lender:** T Investment Corp. (the “Lender”).

**Commitment,  
Availability, and  
Purpose:**

A debtor-in-possession interim term loan to the Borrower in the aggregate amount of CDN\$665,000.00 (the “Interim Financing” or the “Commitment”) available on the Closing Date (as described below) (the “Extension of Credit”). The Extension of Credit is referred to as the “Borrowings”.

The Interim Financing shall be available to pay the costs and expenses in connection with the proceedings pursuant to the notice of intention filed by the Borrower pursuant to the Bankruptcy and Insolvency Act (the “BIA”) on April 8, 2019, including without limitation (i) the reimbursement of an interim financing facility granted by Franbeau Inc. pursuant to the *Terms and Conditions for a CDN\$400,000 Super-Priority Secured Debtor-in-Possession Credit Facility* entered into on May 7, 2019 and approved by the Québec Superior Court on May 8, 2019 (the “Franbeau DIP”) and (ii) the other costs and expenses contemplated in the budget attached hereto as schedule A (the “Budget”).

The Interim Financing will be disbursed as follows:

- a) Reimbursement of the Franbeau DIP on the Closing Date (as defined below) (approximately \$415,000);
- b) \$125,000 to Richter Advisory Group Inc. in trust on the Closing Date; and
- c) \$125,000 to Richter Advisory Group Inc. in trust within twenty (20) days of the Closing Date.

**Term:** Borrowings shall be repaid in full, and the Commitment shall terminate, on the earliest of: (a) **November 8, 2019** (the “Maturity Date”); (b) the implementation of a proposal pursuant to the BIA in respect of the Debtor (the “Proposal Implementation Date”); (c) the sale of the Borrower’s assets or an investment in the Borrower allowing at least for the full repayment of the Interim Financing and the interest accrued thereon, to the satisfaction of the Lender, (d) the acceleration and the termination of the Interim Financing in accordance with the terms hereof or upon the occurrence of an Event of Default; or (e) upon a refinancing of the Interim Financing, by a third party, upon terms and conditions satisfactory to the Lender (together with the Maturity Date and the Plan Implementation Date, the “Termination Date”).



**Closing Date:**

Closing Date to occur within two (2) business days after the day of an order (the “DIP Order”) of the Superior Court of Québec (the “Court”), *inter alia*, approving this Agreement and granting security to the Lender as contemplated herein and which shall be rendered executory notwithstanding any appeal. The motion to request the DIP Order shall be presented to the Court no later than August 6, 2019.

**Security:**

All direct Borrowings, reimbursement obligations and all other obligations of the Debtor and the other documents executed in connection therewith shall at all times be secured by a perfected first priority lien on all of the present and future assets (movable and immovable, corporeal and incorporeal), property and undertaking of the Borrower wherever located, including without limitation, any and all GST and QST and R&D tax credits payable to the Borrowers (the “Collateral”) granted by the Court in the DIP Order (the “DIP Liens”). Notwithstanding the foregoing, the DIP Liens shall take rank immediately following the Administration Charge (as such terms are defined in the Superior Court Order issued by Justice Brian Riordan on May 8, 2019), and the hypothec granted in favour of Investissement Quebec at the RPMRR under numbers 16-1092796-001 and 17-0923675-0001 (with respect only to the Borrower’s research tax credits for the financial year ending on April 30, 2019).

**Commitment Fee:**

**No commitment fee is requested by the Lender.**

**Interest Rate:**

**15% per annum;** interest shall accrue and be payable lump sum at the end of the Term (as defined above). Interest for any period shorter or longer than a full month shall be calculated on the basis on the actual number of days for which the principal is outstanding computed on the basis of a year of 365 days.

**Conditions of  
Extension of Credit:**

The obligation to provide the Extension of Credit shall be subject to the satisfaction of the following conditions:

- (a) the Borrower shall remain at all times, pending the repayment of the Interim Financing together with the interest accrued thereon, under the protection of the BIA. Notwithstanding the foregoing, the DIP Order shall include, without limitation (i) the approval of this agreement and the Interim Financing by the Court, (ii) that the Lender shall be treated as an “unaffected creditor” in the proceedings pursuant to the BIA and in any proposal pursuant thereto or in any other insolvency proceeding with respect to the Borrower, (iii) confirmation that the Lender be entitled to and is granted the DIP Liens as security for all obligations and indebtedness of the Borrower to the Lender under or in connection with the Interim Financing. In addition, the Lender shall be named as additional insured and beneficiary of insurance proceeds on the Borrower’s insurance policies, if any.
- (b) Richter Advisory Group Inc. shall remain in place as interim receiver (the “Interim Receiver”) with exclusive control over the receipts and disbursements of the Borrower. The Interim Financing will be disbursed to the Interim Receiver, in trust

- (c) notice of the DIP Order shall have been provided to each party that has registered a Lien against any of the Borrower's assets;
- (d) no Event of Default and no condition which would constitute an Event of Default with the giving of notice or lapse of time or both shall exist.
- (e) representations and warranties shall be true and correct in all material respects on and as of the date of each extension of credit, except to the extent such representations and warranties specifically relate to an earlier date.
- (f) after giving effect to a request for an extension of credit, usage of the Commitment would not exceed the amount of the Commitment.
- (g) after giving effect to a request for an extension of credit, the amount, timing, and proposed usage of the proceeds thereof, comply with the amount, timing and line-items set forth in the Budget (subject to minor adjustments, if required, to the extent that they are approved in advance by the Lender); and
- (h) such other customary conditions as are reasonably required by the Lender, including without limitation, the registration at the appropriate registers of the documentation evidencing the DIP Liens.

**Representations and Warranties:**

The Borrower represents and warrants as to:

- (a) due incorporation and good standing of the Borrower;
- (b) no consent or approval is required other than the DIP Order;
- (c) compliance in all material respects with applicable laws and regulations including (without limitation) applicable environmental laws and regulations except where the failure to do so could not reasonably be expected to have a material adverse effect;
- (d) to Borrower's knowledge, insurance is in such amounts as is customarily carried by similar companies;

**Affirmative Covenants:**

The Borrower shall:

- (a) furnish to the Lender (i) bi-weekly reconciliation of actual expenditures, cash receipts and disbursements to the amounts set forth in the Budget, and (ii) other reports as may be reasonably requested by the Lender;

- (b) be available to discuss the Budget with the Lender upon the Lender's reasonable request;
- (c) deliver to the Lender in due time all pleadings, motions, applications, judicial information, financial information, and other documents filed by or on behalf of the Debtors with the Court or distributed by or on behalf of the Debtor to its stakeholders;
- (d) maintain insurance on all its property in a manner which is customary in the industry with financially sound and responsible insurance companies;
- (e) subject to paragraph (a) in "Negative Covenants" below, do all things necessary to preserve, renew and keep in full force its corporate existence;
- (f) notify the Lender of any Event of Default or an event which with the giving of notice or the passage of time or both would constitute an Event of Default;
- (g) permit the Lender to visit the premises of the Borrower, confer with officers of the Borrower and representatives of the Borrower and review all of their books and records, and to conduct examinations of and to monitor the Collateral pledged to the Lender, all during regular business hours and upon reasonable notice;

**Negative Covenants:** The Borrower shall not, without the prior written consent of the Lender:

- (a) create or permit to exist any other liens, encumbrances and claims on the Collateral except those already existing, the Administration Charge and the DIP Charge;
- (b) sell off assets, liquidate, dissolve, merge, amalgamate or reorganize;
- (c) declare or pay dividends or make other distributions.
- (e) use any cash, cash collateral, net cash proceeds from asset sales or the proceeds of any Interim Financing in a manner other than as expressly as set forth in the Budget.

**Events of Default:** the occurrence and continuance of any of the following Events of Default:

- (a) failure by the Borrower to pay principal, interest or fees when due.
- (b) a material breach by the Borrower of any of the affirmative and/or negative covenants described above.

- (c) a material breach by the Borrower of any other covenant or agreement contained in any agreement with the Lender.
- (d) any representation or warranty made by the Borrower shall prove to have been incorrect in any material respect when made.
- (e) any steps are taken by Borrower or any other party to wind up or dissolve the Borrower without the prior written consent of the Lender.
- (f) the termination of the proceeding pursuant to the BIA or the stay of proceedings issued thereunder or the conversion of said proceeding into a liquidation of all or substantially all of the assets of the Borrower without the consent of the Lender.
- (g) any creditor of the Borrower obtains an order in the lifting the stay of proceedings to allow the creditor to take any steps or enforce any rights against any of the property, assets or undertaking of the Borrower without the prior written consent of the Lender.
- (h) an order is made that will, in the Lender's absolute and sole judgment, significantly impair the financial condition, operations or ability of the Borrower to perform its obligations under this Agreement or any other loan document or the ability of the Borrower to abide by the terms of any order of the Court.
- (i) any modification, revocation or reversal of any order of the Court (including the DIP Order) is made or occurs which could, in the Lender's absolute and sole judgment, adversely affect this Agreement or any other loan document or any of the Lender's rights, remedies, liens, charges, priorities, benefits and protections under any or all of this Agreement, the other loan documents or any other order of the Court.
- (j) any violation or non-compliance occurs with respect to any of the terms of any other order issued in the proceeding under the BIA.
- (k) a proposal is made by the Borrower which purports to affect in any manner the Lender's rights and remedies, or purports to compromise or affect in any manner the Lender's ability to recover payment in full of all amounts owing by the Borrower to the Lender.
- (l) any other creditor exercises or purports to exercise any rights against any of the property, assets or undertaking of the Borrower without the prior consent of the Lender.
- (m) the sale, lease, transfer, relocation, abandonment or any other disposition of the assets of the Borrower which are subject to the Lender's security without

the express prior written consent of the Lender.

- (n) there has been, in the sole opinion of the Lender, a material adverse change in the affairs of the Borrower or with respect to the security position of the Lender after the date hereof or if any action which the Borrower may take only with the prior consent of the Lender is taken without such consent being previously obtained from the Lender.
- (o) failure to provide the Lender the reporting or other information specified herein or as required from time to time; and
- (p) subject to any stay of proceedings or order in the proceedings under the BIA, any default or failure by the Borrower to keep current all amounts owing to parties who have or could have a security interest, trust or deemed trust in the property, assets or undertaking of the Borrower which could rank in priority to the security held by the Lender upon the property, assets and undertaking of the Borrower.

**Remedies:**

Upon the occurrence of an Event of Default, the Lender, upon three (3) days' notice to the Borrower (without having to send any notices under Section 244 of the BIA), may exercise any and all of its rights and remedies against the Borrower or the Collateral under or pursuant to the DIP loan documents and DIP Lien, including without limitation, to cease making advances to the Borrower and set off and/or consolidate any amounts owing by the Lenders to the Borrower against the obligations of the Borrower to the Lenders under the DIP loan documents, to make demand, accelerate payment and give other notices, or to apply to the Court for the appointment of a receiver or interim receiver, or for a bankruptcy order against the Borrower and for the appointment of a trustee in bankruptcy of the Borrower.

**Indemnification:**

The Borrower shall indemnify and hold harmless the Lender against any all actions, proceedings, liability, claims, damages, costs and expenses (including legal fees and disbursements on a solicitor-client basis) arising in connection with the transactions contemplated hereby, including but not limited to any enforcement action taken (other than in the case of the gross negligence or willful misconduct of any indemnified person).

**Notices:**

All notices and other communications provided for hereunder shall be in writing and delivered in person or mailed by first-class mail, postage prepaid, addressed as follows or transmitted by e-mail to the following addresses:

If to the Borrower, to:

Biomod Concepts Inc.  
1821B Lavoisier  
Sainte-Julie, Québec  
J3E 1Y6



With a copy to :

Richter Advisory Group Inc.  
1981 McGill College  
Montréal, Québec  
H3A 0G6

Attention: Mr. Gilles Robillard (514-934-3484; grobillard@richter.ca)

If to the Lender, to:

T Investment Corp.  
999 de Maisonneuve West  
Suite 1000  
Montréal, Québec  
H3A 3L4

Attention : Caroline Thomassin, Corporate Secretary

and any such notice or communication delivered in accordance with the foregoing shall be deemed to have been received on the date of delivery or, if transmitted by email, the day of transmission or, if such day is not a business day, on the first business day following the day of transmission, provided that if such notice or communication is delivered or transmitted by email after 4:00 p.m. (Montreal time), such notice will be deemed to be received on the next business day.

The Borrower or the Lender by notice to the other in accordance with the foregoing, may designate additional or different addresses for subsequent notices or communications.

**Governing Law and Indenture:**

Québec and, to the extent applicable, Canada.

**Counterparts:**

This Agreement may be executed and delivered by way of facsimile or PDF and in any number of counterparts, each of which when executed and delivered is an original but all of which is taken together constitute one and same instrument.

**Time of the Essence:**

For each provision of this Agreement, time is of the essence.

**Choice of Language:**

It is the express wish of the parties that this document and any related documents be drawn up and executed in English. *Les parties aux présentes ont expressément demandé que ce document et tous les documents s'y rattachant soient rédigés et signés en anglais.*

If the foregoing is acceptable to you, please confirm your acceptance of the terms and conditions as set forth herein by executing and delivering this Agreement to the Lender by no later than 4:00 pm (Montreal time) on August 1, 2019.

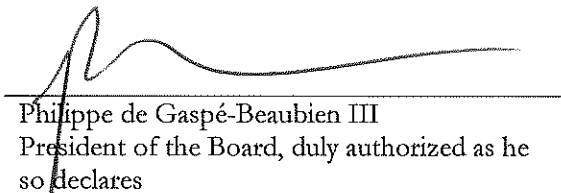
Yours very truly,

**T Investment Corp.**

Per:   
Name: Philippe de Gaspé Beaubien III  
Title: Chair, President & CEO

ACKNOWLEDGED, AGREED AND ACCEPTED  
this 1<sup>st</sup> day of August, 2019

Biomod Concepts Inc..

Per:   
Name: Philippe de Gaspé-Beaubien III  
Title: President of the Board, duly authorized as he  
so declares

# SUPERIOR COURT

(Commercial Division)

CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

NO.: 500-11-056311-190

DATE:

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**PRESIDING:**

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IN THE MATTER OF THE NOTICE OF INTENTION OF:

**BIOMOD CONCEPTS INC.**

Debtor

and

**RICHTER ADVISORY GROUP INC.**

Trustee

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## JUDGMENT

**(third extension of the delay to file a proposal and approval of additional interim financing)**

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[1] **ON READING** Biomod Concepts Inc.'s (the "**Petitioner**") *Motion for a third extension of the delay to file a proposal and for additional interim financing* (the "**Motion**") as well as the Exhibits and Affidavit in support thereof;

[2] **GIVEN** the representations of counsel;

[3] **GIVEN** the order issued by the honourable Justice Brian Riordan, J.S.C. on May 8, 2019 in respect of, among other things, the approval of interim financing to be provided by Franbeau Inc. (the "**May 8<sup>th</sup> Order**");

[4] **GIVEN** the provisions of the *Bankruptcy and Insolvency Act*;

**FOR THESE REASONS, THE COURT:**

[5] **GRANTS** the Motion;

[6] **REDUCES AND WAIVES** the delay for filing and presentation of the Motion;

**EXTENSION OF DELAY**

[7] **EXTENDS** the delay granted to the Debtor to file its proposal with the Official Receiver to September 20, 2019;

**APPROVAL OF NEW INTERIM FINANCING**

[8] **ORDERS** that the following paragraphs of the May 8<sup>th</sup> Order, which all fall under the heading "Approval of Interim Financing", are hereby amended as follows:

[13] **ORDERS** that Petitioner be and is hereby authorized to borrow from I Investment Corp. (the "**Interim Lender**") an amount of CDN\$665,000.00 on the terms and conditions as set forth in the Terms and Conditions for a Super-Priority Secured Debtor-in-Possession Credit Facility (R-3 to the Motion for a third extension of the delay to file a proposal and for additional interim financing) (the "**Interim Financing Term Sheet**") and in the Interim Financing Documents (as defined hereinafter), to fund the ongoing expenditures of Petitioner and to pay such other amounts as are permitted by the terms of this Order and the Interim Financing Documents (as defined hereinafter) (the "**Interim Facility**");



- [14] **ORDERS** that Petitioner is hereby authorized to execute and deliver such credit agreements, security documents and other definitive documents (collectively the “**Interim Financing Documents**”) as may be required by the Interim Lender in connection with the Interim Facility and the Interim Financing Term Sheet, and Petitioner is hereby authorized to perform all of its obligations under the Interim Financing Documents;
- [15] **ORDERS** that Petitioner shall pay to the Interim Lender, when due, all amounts owing (including principal, interest, fees and expenses, including without limitation, all reasonable fees and disbursements of counsel and all other reasonably required advisers to or agents of the Interim Lender (the “**Interim Lender Expenses**”)) under the Interim Financing Documents and shall perform all of its other obligations to the Interim Lender pursuant to the Interim Financing Term Sheet, the Interim Financing Documents and the Order;
- [16] **DECLARES** that all of the Property of Petitioner is hereby subject to a charge and security for an aggregate amount of CDN\$800,000.00 together with interest thereon at the rate of twenty percent (20%) per annum (such charge and security is referred to herein as the “**Interim Lender Charge**”) in favour of the Interim Lender as security for all obligations of Petitioner to the Interim Lender with respect to all amounts owing (including principal, interest and the Interim Lender Expenses) under or in connection with the Interim Financing Term Sheet and the Interim Financing Documents. The Interim Lender Charge shall have the priority established by paragraphs 22 and 23 of this Order;
- [17] **ORDERS** that the claims of the Interim Lender pursuant to the Interim Financing Documents shall not be compromised or arranged pursuant to any proposal or these proceedings and the Interim Lender, in that capacity,



shall be treated as an unaffected creditor in these proceedings and in any proposal;

- [18] **ORDERS** that the Interim Lender may notwithstanding any other provision of the Order, take such steps from time to time as it may deem necessary or appropriate to register, record or perfect the Interim Lender Charge and the Interim Financing Documents in all jurisdictions where it deems it is appropriate;
- [19] **ORDERS** that the Interim Lender shall not take any enforcement steps under the Interim Financing Documents or the Interim Lender Charge without providing at least five (5) business days written notice (the “**Notice Period**”) of a default thereunder to the Petitioner, Richter Advisory Group Inc., in its capacities as a trustee and interim receiver, and to creditors whose rights are registered or published at the appropriate registers or requesting a copy of such notice. Upon expiry of such Notice Period, the Interim Lender shall be entitled to take any and all steps under the Interim Financing Documents and the Interim Lender Charge and otherwise permitted at law, but without having to send any demands under Section 244 of the BIA;
- [20] **ORDERS** that, subject to further order of this Court, no order shall be made varying, rescinding, or otherwise affecting paragraphs 13 to 20 hereof unless either (a) notice of a motion for such order is served on the Interim Lender by the moving party at least seven (7) days prior to the hearing of said motion or such other notice as may be ordered by this Court, or (b) the Interim Lender applies for or consents to such order;
- [9] **ORDERS** that the remainder of the May 8<sup>th</sup> Order, including the paragraphs under the heading “BIA Charges”, shall remain unchanged;

[10] **ORDERS** Franbeau Inc. to execute any and all documents required in order to release the security granted to it pursuant to the May 8<sup>th</sup> Order;

[11] **ORDERS** the provisional execution hereof notwithstanding appeal;

[12] **THE WHOLE** without costs.

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