

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF 2607380 ONTARIO INC.**

Applicant

**MOTION RECORD
(Re: Stay Extension)
(Returnable January 29, 2021)**

January 26, 2021

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**ONTARIO
SUPERIOR COURT OF JUSTICE
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**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF 2607380 ONTARIO INC.**

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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED**

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Applicant

**MOTION RECORD
(Re: Stay Extension)
(Returnable January 29, 2021)**

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF 2607380 ONTARIO INC.**

Applicant

**NOTICE OF MOTION
(Re: Stay Extension)
(Returnable January 29, 2021)**

2067380 Ontario Inc. (the "**Company**") will make a motion to Justice Dietrich of the Ontario Superior Court of Justice (Commercial List) on Friday, January 29, 2021 at 11:30 a.m. or as soon after that time as the motion can be heard by videoconference via Zoom due to the COVID-19 crisis. The videoconference details can be found in Schedule "A" to this Notice of Motion. Please advise Nicholas Avis if you intend to join the hearing of this motion by emailing navis@stikeman.com.

PROPOSED METHOD OF HEARING:

This motion is to be heard by videoconference.

THIS MOTION IS FOR:

1. An Order, substantially in the form contained at Tab 3 of the Company's Motion Record:
 - (a) approving the Fourth Report of the Monitor, to be filed (the "**Fourth Report**") and the activities of the Monitor described therein;
 - (b) approving the fees and disbursements of the Monitor and its counsel, as described in the Fourth Report; and

- (c) extending the stay of proceedings (the “**Stay Period**”) up to and including March 19, 2021, with respect to the Company, Nuvo Network Inc., Shawn Saulnier and Bridget Saulnier.

THE GROUNDS FOR THIS MOTION ARE:

2. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Affidavit of Shawn Saulnier sworn January 26, 2021 (the “**Sixth Saulnier Affidavit**”);

General

3. The Company is in the business of the development and operation of the multi-purpose Nuvo Network Building (the “**Nuvo Building**”) located at 1295 North Service Road, Burlington, Ontario (the “**Nuvo Property**”);

4. On February 25, 2020, this Court granted the Company an Initial Order under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C-36 (the “**CCAA**”) and appointed Richter Advisory Group Inc. as monitor of the Company (the “**Monitor**”);

5. On March 6, 2020, this Court granted the Amended and Restated Order;

The SISP

6. On July 10, 2020, this Court granted an Order (the “**SISP Order**”) that, among other things, approved a sale and investor solicitation process (the “**SISP**”);

7. The SISP consisted of two processes that ran in parallel: (i) the Refinancing Process and (ii) the Sale Process;

8. The Sale Process did not produce a Qualified LOI by the extended bid deadline and the Monitor and CBRE suspended the Sale Process component of the SISP as of October 31, 2020;

9. The Refinancing Process identified several parties interested in a potential refinancing transaction, but did not result in an executable transaction;

10. On November 23, 2020, this Court granted an order that terminated the SISP and enabled the Company, the Monitor and the Brokers to have discussions in respect of and

continue to advance any new or existing refinancing or sale proposals with respect to the Nuvo Property;

11. The Company, under the oversight of the Monitor, has been working diligently to identify and enter into a suitable sale or refinancing transaction, but has not yet done so on account of the uncertainty caused by the COVID-19 pandemic, which has severely impacted the real estate market;

12. The Company and the Monitor are in discussions with four parties, including potential strategic counterparties and credit unions, that are actively considering a potential transaction;

Improving Business Operations

13. Throughout the entirety of this CCAA proceeding, the Company's business at the Nuvo Building has remained operational;

14. The Company has completed extensive renovations at the Nuvo Building;

15. Increasing numbers of prospective tenants are interested in the Nuvo Property;

16. The Company's revenue is growing and, for the month of January 2021, has exceeded expectations;

17. Revenue is expected to continue growing now that the Nuvo Renovations are finished and the Nuvo Property can operate at its intended capacity;

18. Prospective lenders are interested in the Company and, in light of the Company's improving situation, require additional time to consider transaction opportunities;

Approving the Monitor's Activities & Fees

19. The Monitor has undertaken various activities pursuant to its mandate in this CCAA proceeding;

20. The Company seeks to have the activities detailed in the Fourth Report approved by this Court;

21. The Monitor and its counsel further seek approval of the fees and disbursements of the Monitor and its counsel;

22. The fees and disbursements of the Monitor and its counsel are fair and reasonable in the circumstances;

Stay of Proceedings

23. The Company is seeking to extend the Stay Period to and including March 19, 2021;

24. The proposed extension to the Stay Period will provide the Company with sufficient time to conclude discussions with interested parties, with a view to seeking Court approval of a transaction before the expiry of the requested extension of the Stay Period;

25. The Company has sufficient funds to operate its business and meet its obligations during the proposed extension to the Stay Period;

26. The Company does not require any financing above the previously committed debtor-in-possession amounts during the proposed extension of the Stay Period;

27. The Company has acted and continues to act in good faith and with due diligence during the course of this CCAA proceeding;

Other Grounds

28. The provisions of the CCAA and the inherent and equitable jurisdiction of this Honourable Court;

29. The provisions of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, including r. 2.03, 3.02 and 37 thereof; and

30. Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of this Motion:

- (a) The Sixth Saulnier Affidavit and the exhibits attached thereto;
- (b) The Fourth Report of the Monitor, to be filed; and
- (c) Such further and other evidence as counsel may advise and this Court may permit.

January 26, 2021

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Schedule "A"

Zoom Particulars

Join Zoom Meeting

<https://zoom.us/j/93710163149?pwd=eCtZelFnQ2toVDZFa3p1OE5VeVdydz09>

Meeting ID: 937 1016 3149

Passcode: 165021

One tap mobile

+14388097799,,93710163149#,,,*165021# Canada

+15873281099,,93710163149#,,,*165021# Canada

Dial by your location

+1 438 809 7799 Canada

+1 587 328 1099 Canada

+1 647 374 4685 Canada

+1 647 558 0588 Canada

+1 778 907 2071 Canada

+1 204 272 7920 Canada

Meeting ID: 937 1016 3149

Passcode: 165021

Find your local number: <https://zoom.us/u/abHpK7Cva1>

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 2607380 ONTARIO INC.

Court File No.: CV-20-00636875-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

NOTICE OF MOTION
(RETURNABLE JANUARY 29, 2021)

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TAB 2

Court File No. CV-20-00636875-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF 2607380 ONTARIO INC.

(Applicant)

AFFIDAVIT OF SHAWN SAULNIER
(Sworn January 26, 2021)

I, Shawn Saulnier, of the Town of Campbellville, Ontario MAKE OATH AND SAY:

1. I am the President and Chief Executive Officer of 2607380 Ontario Inc. ("**Company**" or the "**Applicant**"). As a result of my role with the Applicant, I have knowledge of the matters to which I hereinafter depose. I have also reviewed the books and records of the Applicant and have spoken with certain of the directors, officers and/or employees of the Applicant, as necessary and applicable. Where I have relied upon information received from such individuals, I believe such information to be true.
2. All references to currency in this affidavit are references to Canadian dollars, unless otherwise indicated.
3. This affidavit is sworn in support of a motion brought by the Applicant pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**", and such proceedings, the "**CCAA Proceedings**") seeking an Order substantially in the form of the draft order attached as Tab 3 of the Motion Record:

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- (a) approving the Fourth Report of the Monitor, to be filed (the “**Fourth Report**”) and the activities of the Monitor described therein;
- (b) approving the fees and disbursements of the Monitor and its counsel, as described in the Fourth Report; and
- (c) extending the stay of proceedings (the “**Stay Period**”) up to and including March 19, 2021, with respect to the Applicant, Nuvo Network Inc., Shawn Saulnier and Bridget Saulnier.

I. BACKGROUND AND STATUS OF CCAA PROCEEDINGS

4. I repeat and rely on my affidavits sworn on February 24, 2020 (the “**Initial Affidavit**”), March 4, 2020 (the “**Comeback Affidavit**”), July 7, 2020 (the “**SISP Affidavit**”) and November 18, 2020 (the “**SISP Termination Affidavit**”) in support of this motion. Copies of the SISP Affidavit and the SISP Termination Affidavit (without exhibits) are attached hereto as **Exhibit “A”** and **Exhibit “B”**. All capitalized terms not otherwise defined herein are as defined in the SISP Affidavit and the SISP Termination Affidavit.

5. The Applicant’s business is the development and operation of the Nuvo Network building located at 1295 North Service Road, Burlington, Ontario (the “**Nuvo Property**”), which is the site of a multi-purpose commercial building that leases out space to a variety of businesses, several television studios and for corporate and personal events.

6. As set out in greater detail my Initial Affidavit, the Applicant sought and obtained CCAA protection on February 25, 2020 due to its lack of access to the necessary liquidity required to complete renovations of the Nuvo Property and the threat of enforcement actions by a number of lenders, the combination of which halted construction, prevented the completion of the Nuvo Property, and caused the Company and certain related entities to default on their obligations to their lenders.

7. As a result of these and other factors described in the Initial Affidavit, the Applicant sought and obtained creditor protection and related relief under the CCAA pursuant to a

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February 25, 2020 order of this Court (the “**Initial Order**”). Richter Advisory Group Inc. was appointed Monitor of the Applicant in the CCAA Proceedings. On March 6, 2020, the Court granted the Amended and Restated Initial Order, which, among other things, provided the Applicant with more fulsome restructuring capabilities, approved the DIP Agreement and extended the Stay Period until October 24, 2020.

8. On July 10, 2020, the Court granted the SISP Order, which, among other things, approved the sale and investor solicitation process (the “**SISP**”) with respect to the Nuvo Property, approved the engagement letters of Halo, MA and CBRE (collectively, the “**Brokers**”), the consultants engaged to assist with the SISP, and extended the Stay Period to November 30, 2020.

9. On November 23, 2020, the Court granted an order (the “**SISP Termination Order**”) terminating the SISP and enabling the Applicant, the Monitor and the Brokers to have discussions in respect of, and continue to advance any new or existing refinancing or sale proposals with respect to the Nuvo Property, and extending the Stay Period to January 29, 2021. A copy of the SISP Termination Order is attached hereto as **Exhibit “C”** and is available, along with all other filings in the CCAA Proceedings, on the Monitor’s website for these proceedings at <https://www.richter.ca/insolvencycase/2607380-ontario-inc/>.

A. Status of Proceedings

10. Since the SISP Termination Order was granted, the Applicant and the Monitor have taken various steps to advance the CCAA Proceedings, including the following:

- (a) working with Halo to advance discussions with several interested parties regarding potential refinancing opportunities, as further described below;
- (b) managing relationships with key stakeholders, including creditors, tenants and secured lenders;
- (c) continuing to liaise with the Applicant’s general contractor, Maple Reinders Inc. (“**Maple**”), with respect to matters in connection with the now completed Nuvo Renovations, including payment in respect thereof;

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- (d) working with the Company's leasing team to continue pursuing short- and long-term rental opportunities for the Nuvo Property, now that the renovations are completed, with an emphasis on expanding studio rentals;
- (e) corresponding with Meridian, as the DIP Lender, and its legal counsel regarding the progress of the refinancing discussions and discussing potential refinancing opportunities with Meridian;
- (f) communicating with the Canada Revenue Agency (the "CRA") to obtain a Harmonized Sales Tax ("HST") refund which was owing to the Company;
- (g) with the assistance of Halo, preparing updated cash flow projections, rent rolls and materials reflecting the updated financial position of the Company and the Nuvo Property, to assist with the refinancing discussions; and
- (h) with the assistance of the Monitor, preparing an updated cash flow forecast in connection with the Applicant's request for an extension of the Stay Period to March 19, 2021.

11. I understand that the Monitor will be filing the Fourth Report in connection with the within motion, which will include the updated cash flow forecast through to the end of the proposed extension of the Stay Period to March 19, 2021, showing that the Applicant will have sufficient liquidity to operate through the extension of the Stay Period.

B. Status of the Nuvo Renovations

12. As described in the SISP Termination Affidavit, Maple returned to the site in March 2020 to restart the Nuvo Renovations and was forced to temporarily suspend work on April 4, 2020 following the Declaration of Emergency by the Province of Ontario due to the COVID-19 pandemic. Maple was able to return to the site to resume the Nuvo Renovations on April 20, 2020 after being designated as an essential service provider. This required that Maple re-hire employees, acquire materials that had been delayed by Maple's suppliers due to the impact of

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the COVID-19 pandemic on them, and institute proper safety plans and procedures under the new requirements for working during COVID-19.

13. My team and I worked on a daily and weekly basis to coordinate the Nuvo Renovation in order to mitigate, as best as possible, the aforementioned delays in respect of the COVID-19 pandemic, together with slight delays related to certain unanticipated maintenance work, which accounts for the delay from the original September 2020 completion date. As set out in the SISP Termination Affidavit, as of November 18, 2020, the Nuvo Renovations were substantially complete. On October 30, 2020, Maple issued a Certificate of Substantial Performance with respect to the Nuvo Property, and on October 30, 2020, the architecture firm overseeing the Nuvo Renovations wrote to the City of Burlington to confirm that, subject to the approval of the municipal building inspector, the Nuvo Property is fit and ready for occupancy.

14. A primary focus of the CCAA Proceedings and the DIP financing approved in March 2020 was to permit the Applicant to complete renovations to the Nuvo Property. The DIP advance sought and made on January 25, 2021 permitted the required payments to Maple to be made, such that Maple is paid in full for the renovations of the Nuvo Property. The only remaining payment to be made to Maple is in respect of a \$190,000 interest payment. On November 18, 2020, Maple agreed to defer this payment to March 31, 2021 in light of, among other factors, a delay in the payment of the Company's anticipated HST refunds by the CRA (as discussed below). I understand that the Company's cashflows to be included in the Fourth Report will reflect this interest payment being made to Maple during the proposed extension of the Stay Period from the final advance under the DIP Agreement which is scheduled to be made during that time.

15. The completion of the Nuvo Renovations has had a very positive impact on the Company. The Nuvo Property looks spectacular and has received numerous compliments from existing and potential tenants as well as parties visiting the Nuvo Property. The completion of the Nuvo Renovations has also permitted us to focus on attempting to lease out additional short- and long-term rentals of studio space. Some potential users of the studio space had expressed some concern about the impact potential noise from the Nuvo Renovations would have on the ability to use the studios, but with those concerns now eliminated we have seen increased interest in the studio rentals, which has ultimately improved the financial position of the Company.

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16. We have seen expanded interest in renting space for the Nuvo Property since November 2020. As noted in further detail below and in the cashflows to be filed with in the Fourth Report, since the completion of the Nuvo Renovations, the Company has generated its highest monthly rental revenues since the Company's acquisition of the Nuvo Property in 2018, and the Company's rental revenues in January 2021 exceeded projections. We believe we are seeing an upward trend of potential rental revenue for the Nuvo Property.

C. Impact of the COVID-19 Pandemic on Operations

17. As noted in the SISP Termination Affidavit, the Company implemented various measures to ensure that tenants and employees could continue to attend the Nuvo Property in a safe manner following the onset of the COVID-19 pandemic. We continue to maintain those measures through the second wave of the pandemic and the second State of Emergency issued by the provincial government.

18. The COVID-19 pandemic has also affected rental revenues, as certain tenants of the Nuvo Property were unable to continue operations, resulting in a decrease of the Company's monthly rental revenue of approximately 11% between March and July 2020. The Company made various efforts to mitigate these losses, including launching a sale campaign to generate new opportunities for rental revenues for event space, studios and IT services. As a result of these efforts, the Company managed to maintain an approximately 90% occupancy rate while the Nuvo Renovations were being carried out between July and December 2020.

19. The COVID-19 pandemic also presented challenges in implementing a refinancing or sale of the Nuvo Property in 2020 and to date given the uncertainty caused by the pandemic. The various provincially mandated shut-downs of operations for most business enterprises throughout 2020 and again in January 2021 have caused confusion in terms of the ability to access the Nuvo Property and uncertainty regarding future rental needs.

20. Financing opportunities were reduced in that some traditional and distressed lenders who would historically be prepared to enter the market were reluctant to do so during the uncertainty of the COVID situation. We continue pursuing various refinancing options and believe that a

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number of factors will assist in opening up available financing options to the Company, including the completion of the Nuvo Renovations, increased studio and rental revenue projections, the COVID vaccine and hope that there is an economic recovery possible in 2021, causing various lenders to look for investment opportunities in 2021.

21. As will be outlined below, the Applicant and Halo were able to attract and explore further refinancing opportunities following the issuance of the SISP Termination Order and in early 2021 in particular, and the Applicant is seeking an extension of the Stay Period to permit these opportunities to be pursued.

D. HST Refund

22. On October 6, 2020, the CRA issued a "Notice of assessment for goods and services/harmonized sales tax (GST/HST)" (the "**NOA**") for the period of August 1, 2020-August 31, 2020 which was delivered to the Company. The NOA outlined that a GST/HST refund in the amount of \$336,301.01 was owing to the Company (the "**Refund**"). The NOA also stated that the Refund was being withheld pending a review by CRA of the Company's account. I understand that the CRA subsequently revised the NOA to indicate that a Refund of \$434,761.82 was owing to the Company.

23. Following receipt of the NOA, I understand that the Monitor communicated with individuals at the CRA in connection with the review in order to ensure the release of the Refund.

24. Following numerous efforts by the Monitor and the Company, the CRA released the Refund on January 19, 2021 and it was deposited in the Company's account on that date. The receipt of the Refund assists with the Company's cash flow situation.

E. Property Tax Reassessment

25. In December 2020, the Company received a letter from the City of Burlington enclosing Supplementary/Omitted Tax Bills for the 2018, 2019 and 2020 tax years (collectively, the "**Omitted Tax Bills**"), based on a re-assessment of the value of the Nuvo Property carried out by the Municipal Property Assessment Corporation ("**MPAC**"). The Omitted Tax Bills indicate that

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the Company retroactively owes a total of \$179,233.64 in property taxes for 2018, 2019 and 2020, based on a re-assessment of the value of the Nuvo Property carried out by MPAC.

26. My team and I were surprised by the receipt of the Omitted Tax Bills. This was the first time we became aware that MPAC was conducting a re-assessment of the Nuvo Property. MPAC did not visit the Nuvo Property for the purpose of conducting the reassessment and did not communicate with the Company's management or any Company representatives during the course of its reassessment. Prior to receiving the Omitted Tax Bills, the Company had kept current on its property tax obligations for the Nuvo Property.

27. The Company has retained a consultant to assist it in exploring all of its options in connection with the MPAC reassessment of the Nuvo Property, including a potential appeal of MPAC's reassessment and the associated re-assessed property tax obligations reflected in the Omitted Tax Bills on or before March 31, 2021.

28. The Company is also considering which portion of the re-assessed property tax amounts will be subject to the CCAA stay of proceedings and plans to address this issue with the City of Burlington and/or the Court in a subsequent hearing.

F. Status of the DIP Agreement

29. In connection with the SISP Termination Motion, the Company and Meridian entered into the Third DIP Amendment, which provided for the following amended timelines with respect to a sale or refinancing transaction:

- (a) on or before January 15, 2021, the Company must provide to the DIP Lender either
 - (i) a firm agreement of purchase and sale with a closing date on or before January 29, 2021, or (ii) a firm commitment to refinance all obligations owing by the Company to Meridian, with a closing date on or before January 29, 2021; and
- (b) close a sale or refinancing transaction by no later than January 29, 2021.

30. Despite our efforts, as outlined in further detail below, we were not able to obtain a signed term sheet by January 15, 2021. On January 19, 2021, the Company received a letter from Meridian

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indicating that an Event of Default had occurred under the DIP Agreement, as amended through the Third DIP Amendment, due to the Company's inability to provide a firm written refinancing commitment or agreement of purchase and sale by January 15, 2021, with a closing date on or before January 29, 2021.

31. We continue to seek to secure the necessary refinancing term sheet and work with Meridian in this regard. Despite the calling of an event of default, a further DIP advance was sought and provided by Meridian on January 25, 2021, which permitted the payment of amounts owing to Maple for the completion of the Nuvo Renovations, as discussed above. At this time a total of \$7,050,000 has been funded by Meridian under the DIP Facility. The cashflows to be filed do not anticipate requiring any financing above the previously committed DIP amounts during the proposed extension of the Stay Period.

II. STATUS OF ONGOING REFINANCING AND SALE DISCUSSIONS

32. As noted in the SISP Termination Affidavit, following the approval of the SISP, the Company, with the assistance of Halo and MA, entered into negotiations with interested parties with respect to a potential refinancing transaction. The SISP Termination Order terminated the SISP but enabled the Applicant, the Monitor and the Brokers to continue to have discussions in respect of, and continue to advance, any new or existing refinancing or sale proposals with respect to the Nuvo Property.

33. These discussions are ongoing. Currently, there are four parties, including potential strategic counterparties and credit unions, actively considering potential refinancing transactions. The Company and the Brokers are advancing discussions with these active interested parties, with the assistance of the Monitor, with a view to completing a transaction before the expiration of the requested extension of the Stay Period to March 19, 2021.

34. We have been keeping Meridian updated in respect of the refinancing opportunities that were being pursued. In December 2020 and January 2021, the Company, with the assistance of Halo and the Monitor, also engaged Meridian in discussions regarding their potential future participation and support for the Nuvo Property. The Company understood that Meridian's

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willingness to provide any future financial support for the Nuvo Property was contingent on the Company obtaining third party investment in the Nuvo Property from a subordinate lender which would reduce Meridian's ultimate financial exposure. Meridian provided a general range of potential terms through which a refinancing might be possible, subject to ongoing internal approvals. As a result, the Company and Halo returned to the market and focused their efforts on soliciting interest in a potential second lien lender position from various interested parties that may fall within the range of terms outlined by Meridian, as well as pursuing the ongoing overall refinancing options.

35. Potential lenders sought details of the potential terms of Meridian's ongoing involvement with the Nuvo Property. In January 2021, Meridian provided further information to the Company on the terms on which they were prepared to continue to participate in the Nuvo Property going forward, and this information formed the basis of ongoing refinancing discussions with interested parties in early January 2021.

36. The Company, with the assistance of Halo, continues to explore all options. Those options include the refinancing of Meridian's debt as well as the potential of Meridian maintaining a position within the debt structure of the Nuvo Property on agreeable terms.

37. The Applicant has worked with Halo to update its revenue projections post the completion of the Nuvo Renovations and in light of the increased studio rentals achieved in January 2021, as noted above. Those updated statements were provided to Meridian on January 21, 2021.

38. As noted, the uncertainty caused by the onset of the COVID-19 pandemic in 2020 presented challenges in implementing a refinancing or sale of the Nuvo Property in 2020. In late 2020, available resources in the market remained very tight. Additional lenders did come forward in January 2021 looking for investment opportunities; however, these lenders require additional time to consider the potential investment in light of the changing financial situation facing the Company.

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39. I believe that the increased interest in the refinancing opportunity is partially caused by the Company completing the Nuvo Renovations and generating its highest-ever monthly rental revenues following the completion of the Nuvo Renovations in November 2020, and the fact that the Company's revenues in January 2021 exceeded projections. The Company's revenue is growing and is expected to continue to improve now that the construction is completed and the Nuvo Property can operate at its intended capacity. As outlined in the Company's cashflows, the Company has the liquidity to operate during the requested extension of the Stay Period without the need for an increase in the DIP financing that is contemplated by the DIP Agreement, as amended.

III. STAY EXTENSION

40. Since the SISP Termination Order was granted, the Applicant has continued to act diligently and in good faith in respect of all matters relating to the CCAA Proceedings. To date, the Applicant has been working diligently to maintain the stability of its business operations, manage relationships with key stakeholders, respond to the operational and financial challenges brought on by the COVID-19 pandemic, work with Maple to ensure the timely completion of the Nuvo Renovations, and work with the Monitor and the Brokers to continue discussions with interested parties regarding a potential sale or refinancing of the Nuvo Property.

41. The Stay Period granted in the SISP Termination Order had the effect of imposing a stay of proceedings until and including January 29, 2021, to enable the Applicant, with the assistance of the Monitor and the Brokers, to continue to solicit sale or refinancing proposals with respect to the Nuvo Property. The Applicant is seeking a further extension of the Stay Period to March 19, 2021, to conclude those discussions, with a view to seeking Court approval of a transaction before the expiry of the requested extension of the Stay Period.

42. I understand that the Fourth Report will include the Applicant's prepared cash flows, demonstrating that the Applicant has sufficient funding to continue operations through to the requested extension of the Stay Period to March 19, 2021.

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43. In the circumstances, I do not believe that any creditor will suffer material prejudice as a result of the extension of the Stay Period.

I confirm that while connected via video conference technology, Shawn Saulnier showed me the front and back of his government-issued photo identity document and that I am reasonably satisfied it is the same person and the document is current and valid.

Sworn before me remotely by video conference by Shawn Saulnier from the City of Knoxville in the State of Tennessee, United States of America, to the City of Toronto in the Province of Ontario, Canada, on January 26, 2021, in accordance with O. Reg 431/20 *Administering Oath or Declaration Remotely*.

DocuSigned by:
Sanja Sopic
E820930A2731482...

Commissioner for Taking Affidavits
Sanja Sopic, LSO#66487P

DocuSigned by:
Shawn Saulnier
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Shawn Saulnier

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EXHIBIT “A”

THIS IS EXHIBIT "A", referred to in the Affidavit of SHAWN SAULNIER, sworn on January 26, 2021.

DocuSigned by:

Sanja Sopic

E820930A2731482

Commissioner for taking Affidavits

Court File No.CV-20-00636875-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF 2607380 ONTARIO INC.

(Applicant)

AFFIDAVIT OF SHAWN SAULNIER
(Sworn July 7, 2020)

I, Shawn Saulnier, of the Town of Campbellville, Ontario MAKE OATH AND SAY:

1. I am the President and Chief Executive Officer of 2607380 Ontario Inc. ("**Company**" or the "**Applicant**"). As a result of my role with the Applicant, I have knowledge of the matters to which I hereinafter depose. I have also reviewed the books and records of the Applicant and have spoken with certain of the directors, officers and/or employees of the Applicant, as necessary and applicable. Where I have relied upon information received from such individuals, I believe such information to be true.
2. All references to currency in this affidavit are references to Canadian dollars, unless otherwise indicated.
3. This affidavit is sworn in support of a motion brought by the Applicant (the "**SISP Motion**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**", and such proceedings, the "**CCAA Proceedings**") seeking an Order substantially in the form of the draft order attached as Tab 3 of the Motion Record,
 - (a) approving the sale and investment solicitation process (the "**SISP**"), which is further described herein, including the retainer of brokers to assist the Monitor and Applicant with the implementation of the SISP;
 - (b) sealing the unredacted version of the CBRE Engagement Letter, as defined below;

- (c) extending the stay of proceedings (the “**Stay Period**”) in respect of the Applicant, Nuvo Network Inc. and Shawn and Bridget Saulnier to November 30, 2020.

I. BACKGROUND AND STATUS OF CCAA PROCEEDINGS

4. I repeat and rely on my affidavit sworn February 24, 2020 (the “**Initial Affidavit**”) and March 4, 2020 (the “**Comeback Affidavit**”) in support of this motion. Copies of the Initial Affidavit and Comeback Affidavit (without exhibits) are attached hereto as **Exhibit “A”** and **Exhibit “B”**. All capitalized terms not otherwise defined herein are as defined in the Initial Affidavit and the Comeback Affidavit.

5. The Applicant’s business is the development and operation of the Nuvo Network Building (the “**Nuvo Building**”) located at 1295 North Service Road, Burlington, Ontario, which is a multi-purpose commercial building which leases out space to a variety of businesses, several television studios and for corporate and personal events.

6. As set out in greater detail my Initial Affidavit, the Applicant sought, and obtained CCAA protection on February 25, 2020 due to its lack of access to the necessary liquidity required to complete renovations of the Nuvo Building and the threat of enforcement actions being taken by a number of lenders, the combination of which halted construction, prevented the completion of the Nuvo Building, and caused the Company and certain related entities to default on their obligations to their lenders.

7. As a result of these and other factors described in the Initial Affidavit, the Applicant sought and obtained creditor protection and related relief under the CCAA pursuant to a February 25, 2020 order of this Court (the “**Initial Order**”). Richter Advisory Group Inc. was appointed Monitor of the Applicant in the CCAA Proceedings. On March 6, 2020, the Court granted the Amended and Restated Initial Order, which, among other things, provided the Applicant with more fulsome restructuring capabilities, approved the DIP Agreement and granted a stay of proceedings until October 24, 2020 (the “**Stay Period**”). A copy of the Amended and Restated Initial Order is attached hereto as **Exhibit “C”**, and is available, along with all other filings in the CCAA Proceedings, on the Monitor’s website for these proceedings at <https://www.richter.ca/insolvencycase/2607380-ontario-inc/>.

A. Status of Proceedings

8. Since the granting of the Amended and Restated Initial Order on March 6, 2020, the Applicant, with the oversight and assistance of the Monitor, has been working diligently to maintain the stability of its business operations, manage relationships with key stakeholders, and respond to the operational and financial challenges brought on by the COVID-19 pandemic.

9. Since the Amended and Restated Initial Order was granted, the Applicant and the Monitor have taken various steps to advance the CCAA Proceedings, including the following:

- (a) managing relationships with key stakeholders, including creditors, tenants and secured lenders;
- (b) continuing to liaise with its general contractor, Maple Reinders Inc. ("**Maple**"), with respect to the ongoing renovations at the Nuvo Building (the "**Nuvo Renovations**");
- (c) responding to the COVID-19 pandemic situation, including working to obtain the essential service designation for Maple in order to enable Maple to continue its work to complete the Nuvo Renovations;
- (d) administering the leases at the Nuvo Property;
- (e) working, in consultation with the Monitor, to manage the Company's cash flows and make payments in accordance with the Amended and Restated Initial Order;
- (f) engaging Halo Advisory and Mortgage Alliance to assist in carrying out the Refinancing Process;
- (g) preparing materials, including a confidential information memorandum ("**Refinancing CIM**"), and materials to be included in the data room in connection with the refinancing solicitation process to be undertaken for the Nuvo Property (the "**Refinancing Process**"), as described below;
- (h) working with its counsel and the Monitor to identify and introduce potential refinancing sources in connection with the Refinancing Process;

- (i) working with the Monitor to design the SISP;
- (j) corresponding with realtors in connection with the SISP, including reviewing listing agent proposals, attending virtual meetings and conducting tours of the Nuvo Property;
- (k) engaging CBRE Limited (“**CBRE**”) to carry out the Sale Process contemplated by the SISP;
- (l) working with CBRE and the Monitor to prepare materials, including a confidential information memorandum (“**SISP CIM**”), and materials to be included in the data room in connection with the Sale Process, as described below;
- (m) corresponding with the DIP Lender and its legal counsel regarding the progress of the SISP; and
- (n) with the assistance of the Monitor, preparing an updated cash flow forecast in connection with the Applicant’s request for an extension of the Stay Period to November 30, 2020.

10. I understand that the Monitor will be filing a report in connection with the within motion describing the status of the Refinancing Process and the SISP in detail and including the updated cash flow forecast through to the extension of the Stay Period through to November 30, 2020.

B. Status of Nuvo Renovations

11. A primary focus of the CCAA Proceedings and the DIP financing approved on in March 2020 was to permit the Applicant to complete renovations to the Nuvo Property. As outlined in the Comeback Affidavit, Maple had been retained to assist with the Nuvo Renovations.

12. Following the issuance of the Amended and Restated Initial Order, the Applicant with the assistance of the Monitor, completed the documentation necessary to ensure that Maple returned to the site, including signing an amended Work Order setting out the timing and conduct of the Nuvo Renovations.

13. Following the completion of the documentation and payment of initial payments to Maple as approved by the Court and contemplated by the DIP Agreement, Maple returned to the site on March 16, 2020, and renovation work restarted. The construction budget and timeline that Maple provided to the Monitor and Applicant in early March 2020 contemplated a completion date of September 2020 for the Nuvo Renovations.

14. I and my team at the Company work on a daily and weekly basis to coordinate the Renovations together with our tenants to ensure that the Maple schedule can be completed. We coordinate studio schedules and timing for renovations in various aspects of the Nuvo Building in an effort to reduce the operational impact of the renovations on our tenants, to the greatest extent possible.

C. Impact of the COVID-19 Pandemic on Operations

15. On March 17, 2020, the Province of Ontario issued a Declaration of pursuant to the *Emergency Management and Civil Protection Act* (the “**Declaration of Emergency**”). On March 23, 2020, the Province of Ontario announced the closure of non-essential businesses. As a result of the Declaration of Emergency, most non-essential construction activity was suspended, including the renovation work being carried out by Maple. Maple was forced to stop the Nuvo Renovations on April 4, 2020.

16. It was critical to the Applicant that the Nuvo Renovations re-commence and be completed in accordance with the schedule agreed to with the DIP Lender. Following the shut down of the Nuvo Renovations, I wrote to the local Member of Provincial Parliament (“**MPP**”) to confirm that Maple’s services with respect to the Nuvo Renovations are essential. Following further communications with the MPP’s office, Maple’s classification as an essential service provider was acknowledged. The Company ensured that local police were aware of the Nuvo Renovations and the MPP’s acknowledgment that Maple could continue the Nuvo Renovations.

17. On April 20, 2020, Maple began re-activation and re-mobilization efforts to resume the Nuvo Renovations, including re-hiring employees, acquiring materials that had been delayed by Maple’s suppliers due to the impact of the COVID-19 pandemic on them, and instituting proper safety plans and procedures under the new requirements for working during COVID-19.

18. The construction budget and timeline that Maple provided to the Monitor in early March 2020 contemplated a completion date of September 2020 for the Nuvo Renovations. The Nuvo Renovations remain substantially on time and on budget.

19. The COVID-19 pandemic has also affected rental revenues, as certain tenants of the Nuvo Building were unable to continue operations. As a result, the Company's monthly rental revenue has decreased by approximately \$20,000 since the onset of the pandemic, representing a decrease of approximately 11% of the Company's monthly average rental revenue. The Company has made efforts to mitigate these losses. To date, the Company has entered into new rental agreements for certain office spaces, and has received multiple enquiries for venue space, including booking a 3-day event with catering later this month. The Company has also launched a sales campaign commencing the week of July 6, 2020, to generate new opportunities for rental revenues for event space, studios and IT services. The Company has also sought to identify potential savings in respect of operational expenses.

20. The Company applied for and received financial assistance from the federal government following the onset of the pandemic, which the Company intends to use for funding operations and paying for miscellaneous capital expenditures.

21. As a result of these efforts, the Company has been able to address the loss in revenue caused by COVID with minimal utilisation of the DIP facility.

D. Nuvo Taste Partnership with Food for Life

22. I do wish to note one further impact of the COVID pandemic on Nuvo operations generally. 2691484 Ontario Inc. ("**Nuvo Taste**") is a sister company to the Applicant which operates from the Nuvo Building. Nuvo Taste provides catering services for various events at the Nuvo Building, as well as the Hamilton airport and certain regional sports teams. As a result of the reduced travel brought about by the COVID-19 pandemic, as well as cancellation of many sporting activities, Nuvo Taste initially expected that its operations would be significantly reduced. However we were able to continue to operate Nuvo Taste and make use of the kitchen facilities in a positive way.

23. Following the onset of the COVID-19 pandemic, Nuvo Taste partnered with Food for Life, an organization which sources and distributes fresh food to isolated seniors, individuals with

disabilities, and individuals who are financially challenged or have limited income in the City of Hamilton and the Halton region. Through this partnership, Nuvo Taste and Food for Life created the Good Soup Project, through which Nuvo Taste was able to provide healthy and nutritious soups, which were delivered to the Food for Life community. To date, Nuvo Taste has produced 29,000 litres of soup for the Good Soup Project, and intends to produce an additional 3,600 more litres to by July 17, 2020. In this way, Nuvo Taste was able to keep its team employed while also giving back to the local community.

II. SALE AND INVESTOR SOLICITATION PROCESS

24. The DIP Agreement required that the Company initiate and pursue refinancing and sales efforts.

25. The Applicant worked with the Monitor to design the SISP, a copy of which is attached hereto as **Exhibit "D"**. The SISP consist of (i) the Refinancing Process, and (ii) a process (the "**Sale Process**") to solicit interest in the acquisition of the Nuvo Property prior to November 30, 2020 (the "**Outside Date**"). The SISP contemplates that the Refinancing Process and the Sales Process will run in parallel.

E. Refinancing Process

26. On May 16, 2020, the Applicant retained a financial advisor, Halo Advisory ("**Halo**") to perform pre-marketing tasks for the Refinancing Process. On May 18, 2020, the Applicant retained Halo's mortgage broker, Mortgage Alliance ("**MA**"), to carry out the Refinancing Process as a licensed mortgage broker. Halo and MA are controlled by the same people. Copies of the Halo engagement and the MA engagement (the "**MA Engagement Letter**") are attached hereto as **Exhibit "E"** and "**F**", respectively.

27. The engagement with Halo provides for an application fee of \$5,000 and an additional remuneration of \$5,000 upon receipt of a discussion paper or letter of intent in connection with the Refinancing Process.

28. The key terms of the MA Engagement Letter include:

- (a) the term of the engagement is for a period of 180 days (the "**Term**") through to November 16, 2020;

- (b) a brokerage fee of 0.5% of the quantum of the financing obtained (the “**Brokerage Fee**”);
- (c) in the event that during the Term, the Company directly or indirectly accepts financing from a third party, then the Company shall be responsible for the payment of the Brokerage Fee to MA; and
- (d) in the event that the Company obtains financing from any lender initially approached by MA for the period that is 365 days following the expiry of the Term, the Brokerage Fee will be payable by 260 to MA.

29. Halo and MA have, in accordance with the Amended and Restated Initial Order and the DIP Agreement (as amended), commenced the Refinancing Process under the supervision of the Monitor. In addition, the Monitor and our counsel have and will continue to assist in identifying and pursuing refinancing options within the Refinancing Process.

30. MA, in consultation with the Monitor and the Company, has prepared marketing materials, including a teaser and a Refinancing CIM, and developed a targeted list of prospective lenders for which to present the refinancing opportunity.

31. To date, the Applicant, Monitor and MA have contacted several parties identified as prospective lenders to provide financing to the Applicant, including banks, mortgage lenders, private equity firms and alternative lenders (the “**Interested Parties**”). Interested Parties who have signed a non-disclosure agreement (“**NDA**”) have been provided with the opportunity to access a confidential data room furnished with information pertaining to the Company, including a Refinancing CIM, and other relevant information about the Company. The Interested Parties’ diligence is in progress. Any refinancing proposals submitted by Interested Parties will be reviewed by MA, the Monitor and the Company.

32. Pursuant to the DIP Agreement (as amended), the Applicant is permitted to continue the Refinancing Process up to the date that a definitive agreement of purchase and sale is executed with any other party pursuant to the Sale Process. This requirement is reflected in the SISF.

33. If, in the Monitor’s view, the Refinancing Process identifies a transaction that is able to be completed in advance of the date that a definitive agreement of purchase and sale is signed (contemplated to be on or before October 30, 2020), the Monitor is able to pursue such a

transaction and terminate the Sale Process. The Applicant will seek Court approval of the refinancing transaction on or before the Outside Date (contemplated to be on or before November 30, 2020).

F. Sale Process

34. Commencing in early May 2020, the Monitor solicited proposals from various potential brokers to act as sales broker for the Nuvo Property. I and the Company's Chief Operating Officer, together with the Monitor, were involved in interviews and assessments of the various proposals that were received. The Monitor's Report will provide greater detail of the various proposals and selection process.

35. Ultimately the Monitor and Applicants agreed with the selection of CBRE (the "**Broker**") to assist in the development and execution of the Sale Process and related marketing strategy, subject to Court approval. The terms of the Applicant's proposed engagement letter with the Broker (the "**CBRE Engagement Letter**") are outlined in the Second Report.

36. The Monitor and Applicants have consulted with the Broker on the form of Sales Process to be undertaken to solicit offers for the Nuvo Property. Details of the Sales Process will be outlined in the Second Report of the Monitor, to be filed (the "**Second Report**"), however I have outlined a general summary below.

37. The Sale Process will proceed in two phases and be carried out by the Monitor, with assistance of the Broker. During Phase 1 of the Sale Process, which will commence as soon as possible after the SISP Order is granted, the Monitor and the Broker, in consultation with Company, will prepare a list of potential bidders capable of submitting a proposal for the purchase of the Nuvo Building (the "**Known Potential Bidders**"), which list may be periodically expanded as additional potential bidders and parties who wish to participate in the Sale Process are identified (the "**Potential Bidders**"). The Monitor and the Broker will circulate a teaser letter to Known Potential Bidders, and will also make available a CIM and provide access to an electronic data room containing financial and other due diligence information to Potential Bidders that have executed an NDA with the Applicant.

38. During Phase 1 of the Sale Process, the Monitor and the Broker will solicit expressions of interest in the form of non-binding expressions of intent from Potential Bidders to acquire the

Nuvo Property. To be considered a Qualified LOI, an LOI must, among other things, be delivered by the Phase I Bid Deadline, contemplated to be September 30, 2020, contain a description of the purchase price, indicate and describe the sources of financing, and include a description of all due diligence to be performed and conditions to closing sought by the Participating Bidder. Following the Phase I Bid Deadline, the Monitor, Company and the Broker will review the LOIs received and will invite Participating Bidders who have submitted Qualified LOIs to proceed to Phase 2 of the Sale Process.

39. During Phase 2 of the Sale Process, each Participating Bidder that is not eliminated from the Sale Process will continue to have access to due diligence information and will be invited to submit a Final Bid by the Phase 2 Deadline, contemplated to be October 23, 2020. The Final Bid is to be in the form of a template purchase agreement to be provided by the Monitor. The Sale Process provides certain requirements for the submission of a Final Bid, including the provision of deposits. The Monitor, in consultation with the Broker and the Company, will review the Final Bids submitted and determine in their reasonable business judgment it is likely that the Participating Bidder will be able to consummate a sale transaction on or before the Outside Date (November 30, 2020) in a manner that complies with all requirements of the Sale Process. The Monitor, in consultation with the Broker and the Company will select the Final Bid that it considers most favourable (the "**Selected Final Bid**"). Once a Selected Final Bid has been identified, the Broker and Monitor, in consultation with the Company, shall negotiate and settle the terms of a definitive agreement in respect of the Selected Final Bid, all of which will be conditional upon Court approval.

40. A summary of key dates for the SISF is included in the table below:

Milestone	Date(s)
Phase 1: Formal Marketing and Initial Due Diligence Period	August 4, 2020 to September 30, 2020
Phase 1 Bid Deadline	September 30, 2020
Phase 2: Secondary Due Diligence Period and satisfaction of conditionality for	October 5, 2020 to October 23, 2020

Participating Bidders who have submitted Qualified LOIs	
Phase 2 Bid Deadline	October 23, 2020
Signed APA subject to Court Approval	October 30, 2020
Court Approval of Successful Bid	No later than November 13, 2020
Targeted Close Date	No later than November 30, 2020

41. The Applicant worked with the Monitor and Broker to design the SISP. The SISP establishes a comprehensive process to canvass the market for sale and refinancing opportunities in order to maximize the value obtained for the Applicant's assets and recoveries for the Applicant's stakeholders.

42. As noted above, the SISP contemplates that the Sale Process and the Refinancing Process will be running in parallel and a refinancing transaction can be entered into through the signing of a firm Agreement of purchase and sale. In the event that a refinancing is pursued instead of a sale transaction, the CBRE Engagement Letter provides for a fee that the Broker will be entitled to receive upon the completion of the refinancing.

G. DIP Amendments

43. The Applicant and Meridian entered into the DIP Agreement on March 4, 2020, a copy of which is attached hereto as **Exhibit "G"**. The DIP Agreement contained certain milestone dates in connection with the SISP.

44. In light of the widespread economic disruption caused by the onset of the COVID-19 pandemic, the Province of Ontario's declaration of the State of Emergency on March 17, 2020 and associated disruption to the progress of the Nuvo Renovations, the Company, in consultation with the Monitor, negotiated an amendment to the DIP Agreement to extend the deadline to obtain an order approving the SISP to June 8, 2020 (the "**First DIP Amendment**"). A copy of the First DIP Amendment is attached hereto as **Exhibit "H"**.

45. As the Applicant and Monitor continued to consider the terms of SISP, it was anticipated that a further change in the timelines outlined in the First DIP Amendment may be appropriate. The Monitor has been in consultation with the DIP Lender to update them in respect of the proposed process and timelines. It was ultimately agreed that a further amendment would be entered into in conjunction with the SISP (the “**Second DIP Amendment**”), a copy of which is attached hereto as **Exhibit “I”**. The Second DIP Amendment provides for the following amended timelines:

- (a) on or before July 15, 2020, or such later date as agreeable to the Monitor and DIP Lender, the Company was required to hire a sales agent and work with the sales agent to establish the steps for the SISP, including if desirable, an electronic data room and to complete drafts of the confidential information memorandum (“**CIM**”), a confidentiality agreement, a prospective buyers list and the teaser letter and provide same to the DIP Lender for its approval;
- (b) on or before July 15, 2020, or such later date as agreeable to the Monitor and DIP Lender, the Company was required to obtain an order from the Court in form and substance satisfactory to the Monitor and the DIP Lender, acting reasonably, setting out the specific steps of the SISP and the timing thereof;
- (c) on or before October 30, 2020, the Company was required to provide a firm agreement of purchase and sale with a closing date on or before November 30, 2020; and
- (d) the closing of the agreement of purchase and sale was required to occur on or before November 30, 2020.

H. Sealing

46. The CBRE Engagement Letter contains commercially sensitive information, including certain information regarding the potential threshold price for a sale transaction involving the Company, which could have an adverse effect on the SISP. As a result, the Company is seeking that the commercially sensitive provisions of the CBRE Engagement Letter be sealed pending further Order of this Court.

III. STAY EXTENSION

47. Since the Amended and Restated Initial Order was granted, the Applicant has continued to act diligently and in good faith in respect of all matters relating to the CCAA Proceedings. To date, the Applicant has been working diligently to maintain the stability of its business operations, manage relationships with key stakeholders, respond to the operational and financial challenges brought on by the COVID-19 pandemic, and work with Maple to ensure the timely progression of the Nuvo Renovations.

48. The Stay Period granted in the Amended and Restated Initial Order, had the effect of imposing a stay of proceedings until and including October 24, 2020. The Applicant is requesting an extension of the Stay Period until and including November 30, 2020, to coincide with the Outside Date of the SISP.

49. I understand that the Second Report will include the Applicant's prepared cash flows, demonstrating that the DIP Agreement (as amended) is expected to provide the Applicant with sufficient funding to continue operations through to the requested extension of the Stay Period to November 30, 2020.

50. In the circumstances, I do not believe that any creditor will suffer material prejudice as a result of the extension of the Stay Period.

I confirm that while connected via video conference technology, Shawn Saulnier showed me the front and back of his government-issued photo identity document and that I am reasonably satisfied it is the same person and the document is current and valid. I confirm that I have reviewed each page of this affidavit with Shawn Saulnier and verify that the pages are identical.

Sworn before me by video conference from the Town of Campbellville, Ontario to the City of Toronto, Ontario, on July 7, 2020.

DocuSigned by:
Sanja Sopic
E820930A2731482

Commissioner for Taking Affidavits

Sanja Sopic

DocuSigned by:
Shawn Saulnier
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Shawn Saulnier

EXHIBIT “B”

THIS IS EXHIBIT "B", referred to in the Affidavit of SHAWN SAULNIER, sworn on January 26, 2021.

DocuSigned by:

Sanja Sopic

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Commissioner for taking Affidavits

Court File No.CV-20-00636875-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF 2607380 ONTARIO INC.

(Applicant)

AFFIDAVIT OF SHAWN SAULNIER
(Sworn November 18, 2020)

I, Shawn Saulnier, of the Town of Campbellville, Ontario MAKE OATH AND SAY:

1. I am the President and Chief Executive Officer of 2607380 Ontario Inc. ("**Company**" or the "**Applicant**"). As a result of my role with the Applicant, I have knowledge of the matters to which I hereinafter depose. I have also reviewed the books and records of the Applicant and have spoken with certain of the directors, officers and/or employees of the Applicant, as necessary and applicable. Where I have relied upon information received from such individuals, I believe such information to be true.
2. All references to currency in this affidavit are references to Canadian dollars, unless otherwise indicated.
3. This affidavit is sworn in support of a motion brought by the Applicant pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**", and such proceedings, the "**CCAA Proceedings**") seeking an Order substantially in the form of the draft order attached as Tab 3 of the Motion Record:
 - (a) terminating the SISP and enabling the Company, the Monitor and the Brokers to continue to solicit sale or refinancing proposals with respect to the Nuvo Property (as such terms are defined below) and to take such steps and execute such documentation as may be necessary or incidental to such sale or financing efforts

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provided, however, that any binding sale or financing transaction is to be subject to the approval of this Court;

- (b) approving the Pre-Filing Report of the Monitor dated February 24, 2020, the First Report of the Monitor dated March 5, 2020, the Second Report of the Monitor dated July 8, 2020 and the Third Report of the Monitor, to be filed (the “**Third Report**”) and the activities of the Monitor described in each of those reports; and
- (c) extending the stay of proceedings (the “**Stay Period**”) up to and including January 29, 2021, with respect to the Applicant, Nuvo Network Inc., Shawn Saulnier and Bridget Saulnier.

I. BACKGROUND AND STATUS OF CCAA PROCEEDINGS

4. I repeat and rely on my affidavits sworn February 24, 2020 (the “**Initial Affidavit**”), March 4, 2020 (the “**Comeback Affidavit**”) and July 7, 2020 (the “**SISP Affidavit**”) in support of this motion. Copies of the Comeback Affidavit and the SISP Affidavit (without exhibits) are attached hereto as **Exhibit “A”** and **Exhibit “B”**. All capitalized terms not otherwise defined herein are as defined in the Comeback Affidavit and the SISP Affidavit.

5. The Applicant’s business is the development and operation of the Nuvo Network building located at 1295 North Service Road, Burlington, Ontario (the “**Nuvo Property**”), which is the site of a multi-purpose commercial building that leases out space to a variety of businesses, several television studios and for corporate and personal events.

6. As set out in greater detail my Initial Affidavit, the Applicant sought and obtained CCAA protection on February 25, 2020 due to its lack of access to the necessary liquidity required to complete renovations of the Nuvo Property and the threat of enforcement actions by a number of lenders, the combination of which halted construction, prevented the completion of the Nuvo Property, and caused the Company and certain related entities to default on their obligations to their lenders.

7. As a result of these and other factors described in the Initial Affidavit, the Applicant sought and obtained creditor protection and related relief under the CCAA pursuant to a

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February 25, 2020 order of this Court (the “**Initial Order**”). Richter Advisory Group Inc. was appointed Monitor of the Applicant in the CCAA Proceedings. On March 6, 2020, the Court granted the Amended and Restated Initial Order, which, among other things, provided the Applicant with more fulsome restructuring capabilities, approved the DIP Agreement and extended the Stay Period until October 24, 2020.

8. On July 10, 2020, the Court granted the SISP Order, which, among other things, approved the sale and investor solicitation process (the “**SISP**”) with respect to the Nuvo Property, approved the engagement letters of Halo, MA and CBRE, the consultants engaged to assist with the SISP, and extended the Stay Period to November 30, 2020. A copy of the SISP Order is attached hereto as **Exhibit “C”**, and is available, along with all other filings in the CCAA Proceedings, on the Monitor’s website for these proceedings at <https://www.richter.ca/insolvencycase/2607380-ontario-inc/>.

A. Status of Proceedings

9. The CCAA Proceedings were commenced immediately prior to the onset of the COVID-19 pandemic in Canada. The COVID-19 pandemic has affected numerous elements of the Applicant’s business, anticipated restructuring, SISP and business needs. We have tried to react, respond and rebuild as much as possible since March 2020. However, we have not been able to meet all of the expectations or deadlines as a result of the unforeseen circumstances caused by the pandemic.

10. Since the granting of the SISP Order on July 10, 2020, the Applicant, with the oversight and assistance of the Monitor, has been working diligently to maintain the stability of its business operations and carry out the SISP.

11. Since the SISP Order was granted, the Applicant and the Monitor have taken various steps to advance the CCAA Proceedings, including the following:

- (a) managing relationships with key stakeholders, including creditors, tenants and secured lenders;

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- (b) continuing to liaise with the Applicant's general contractor, Maple Reinders Inc. ("**Maple**"), with respect to the ongoing renovations at the Nuvo Property (the "**Nuvo Renovations**"), which are near completion, as further described below;
- (c) responding to the COVID-19 pandemic situation by implementing protective measures to reduce the risk of COVID-19 transmission on the Nuvo Property, as further described below;
- (d) administering the leases at the Nuvo Property;
- (e) conducting an extensive marketing campaign to solicit interest for new tenants of the Nuvo Property, as further described below;
- (f) working, in consultation with the Monitor, to manage the Company's cash flows and make payments in accordance with the Amended and Restated Initial Order;
- (g) working with the Monitor, MA, Halo and CBRE (collectively, the "**Brokers**") to carry out the SISP;
- (h) corresponding with realtors in connection with the SISP, including attending virtual meetings and conducting tours of the Nuvo Property;
- (i) corresponding with the DIP Lender and its legal counsel regarding the progress of the SISP; and
- (j) with the assistance of the Monitor, preparing an updated cash flow forecast in connection with the Applicant's request for an extension of the Stay Period to January 29, 2021.

12. I understand that the Monitor will be filing a report in connection with the within motion. That report is to describe the status of the SISP in greater detail and include the updated cash flow forecast through to the end of the proposed extension of the Stay Period, January 29, 2021.

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B. Status of the Nuvo Renovations

13. A primary focus of the CCAA Proceedings and the DIP financing approved in March 2020 was to permit the Applicant to complete renovations to the Nuvo Property. As outlined in the Comeback Affidavit, Maple had been retained to assist with the Nuvo Renovations. Following the issuance of the Amended and Restated Initial Order, the Applicant with the assistance of the Monitor, completed the documentation necessary to ensure that Maple returned to the site, including signing an amended Work Order setting out the timing and conduct of the Nuvo Renovations.

14. As described in the SISP Affidavit, Maple returned to the site on March 16, 2020 to restart the Nuvo Renovations. Following the Declaration of Emergency by the Province of Ontario due to the COVID-19 pandemic, Maple was forced to temporarily suspend renovation work and leave the site on April 4, 2020. As a result of the Company's efforts, Maple was designated as an essential service provider and was able to return to the site to resume the Nuvo Renovations on April 20, 2020. This required that Maple re-hire employees, acquire materials that had been delayed by Maple's suppliers due to the impact of the COVID-19 pandemic on them, and institute proper safety plans and procedures under the new requirements for working during COVID-19.

15. My team and I worked on a daily and weekly basis to coordinate the Nuvo Renovations with our tenants, ensuring that Maple's work could be completed on time and on budget, including taking steps to reduce the operational impact of the renovations on our tenants to the greatest extent possible. Specifically, commencing in April 2020 when Maple returned to the site, I, along with the Chief Operating Officer and Property Manager, participated in daily update calls with Maple regarding the progress of the Nuvo Renovations, to ensure that they were proceeding on time and on budget. We also scheduled weekly meetings with Maple, during which the status of construction work was discussed in greater detail. The Nuvo Renovations proceeded on time and on budget overall, with slight delays related to certain unanticipated maintenance work, which accounts for the slight delay from the original September 2020 completion date.

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16. As of the date of the swearing of this affidavit, the Nuvo Renovations are substantially complete. On October 30, 2020, Maple issued a Certificate of Substantial Performance with respect to the Nuvo Property, a copy of which is attached hereto as **Exhibit "D"**.

17. On October 30, 2020, the architecture firm overseeing the Nuvo Renovations wrote to the City of Burlington to confirm that, subject to the approval of the municipal building inspector, the Nuvo Property is fit and ready for occupancy.

C. Impact of the COVID-19 Pandemic on Operations

18. The Company implemented various measures to ensure that tenants and employees could continue to attend the Nuvo Property in a safe manner following the onset of the COVID-19 pandemic. Specifically, the Company reorganized the layout of the co-working spaces and main hallway, and imposed restrictions on the number of people who are permitted inside any of the meeting rooms and studios at any given time in order to ensure that social distancing can be accomplished. The Company also made arrangements to ensure that an employee would be present in every film production space during shooting to monitor compliance with the Company's COVID-19 measures. Further, the Company installed plexi-glass barriers in the main lobby, made face masks and hand sanitizer available to tenants and visitors to the site, and increased the frequency of professional cleaning of the Nuvo Property. The increased expenditures associated with these measures have directly affected the Company's liquidity.

19. As noted in the SISP Affidavit, the COVID-19 pandemic has also affected rental revenues, as certain tenants of the Nuvo Property were unable to continue operations. Between March and July 2020, the Company's monthly rental revenue decreased by approximately \$20,000, representing a decrease of approximately 11% of the Company's monthly average rental revenue.

20. The Company made efforts to mitigate these losses. The Company launched a sales campaign commencing the week of July 6, 2020, to generate new opportunities for rental revenues for event space, studios and IT services. This involved an extensive email and telephone campaign which was conducted over the course of several months, targeting potential tenants for the office and studio space on the Nuvo Property, with a focus on the film and television and industry and advertising agencies. As a result of these efforts, the production studios in the Nuvo

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Property have been booked steadily between September and November of this year, and further opportunities for studio and office space rentals in December.

21. Moreover, the Company has also adapted to the growing trend toward virtual gatherings by renting out the conference rooms in the Nuvo Property in order to host virtual conferences. In line with its values of giving back to the community, the Company also hosted a virtual Hackathon in collaboration with McMaster Innovation Park, an innovation and research facility. The Hackathon enabled emerging companies to showcase their proposed solution to a particular business problem, to be judged by a panel of local business leaders. The Hackathon involved 50 participants from the Halton region and internationally.

22. As a result of the efforts outlined above, the Company has managed to maintain an approximately 90% occupancy rate for the Nuvo Property between July and September 2020.

23. The Company used pandemic-related financial assistance provided by the federal government to fund operations, payroll contributions and miscellaneous capital expenditures.

II. SALE AND INVESTOR SOLICITATION PROCESS

24. As noted in the SISP Affidavit, the DIP Agreement required that the Company initiate and pursue refinancing and sales efforts. The Company worked with the Monitor to design the SISP, which consists of the Sale Process and the Refinancing Process to be carried out in parallel, and was approved through the SISP Order.

D. Refinancing Process

25. The SISP Order approved the Company's engagement of Halo and MA to carry out the Refinancing Process.

26. In accordance with the Amended and Restated Initial Order and the DIP Agreement (as amended), Halo and MA commenced the Refinancing Process under the supervision of the Monitor in May 2020. MA, in consultation with the Monitor and the Company, prepared marketing materials, including a teaser and a confidential information memorandum ("**CIM**") setting out, in further detail, the refinancing opportunity (the "**Refinancing CIM**"), and

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developed a targeted list of prospective lenders for which to present the refinancing opportunity. The Third Report will provide greater detail on the progress of the Refinancing Process. I provide a general summary below.

27. Since the SISP Order was granted, the Applicant, the Monitor and MA contacted several parties identified as prospective lenders to provide financing to the Applicant, including banks, mortgage lenders, private equity firms and alternative lenders (the “**Interested Parties**”). Interested Parties who signed a non-disclosure agreement (“**NDA**”) were provided with the opportunity to access a confidential data room furnished with information pertaining to the Company, including the Refinancing CIM, and other relevant information about the Company.

28. The Company, with the assistance of the Monitor, Halo and MA, entered into negotiations with Interested Parties with respect to a potential refinancing transaction. These discussions are ongoing, and the Company, the Monitor, Halo and MA are advancing discussions with a view to completing a transaction before the expiration of the requested extension of the Stay Period on January 29, 2021.

29. Pursuant to the DIP Agreement (as amended), the Company is required to seek Court approval of a refinancing or sale transaction on or before November 30, 2020. Since negotiations remain ongoing regarding a potential refinancing, the Company and the Monitor are seeking an extension of this date to January 29, 2021, to coincide with the requested extension of the Stay Period. The amendments to the DIP Agreement (as amended) are described below.

E. Sale Process

30. As noted in the SISP Affidavit, the Monitor and the Applicants selected CBRE to assist in the development and execution of the Sale Process and related marketing strategy, which was approved through the SISP Order. Details of the Sale Process were outlined in the Second Report of the Monitor dated July 8, 2020 which was appended to the SISP Affidavit.

31. The Sale Process originally contemplated a Phase I Bid Deadline of September 30, 2020 for the submission of Qualified LOIs. As will be outlined in the Third Report, the Monitor, in

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consultation with CBRE and with the consent of the DIP Lender, decided to extend the Phase I Bid Deadline of the Sale Process to October 31, 2020.

32. The Third Report will provide greater detail on the conduct and outcome of the Sale Process. I provide a general summary below.

33. The Sale Process was to proceed in two phases and be carried out by the Monitor, with the assistance of CBRE. During Phase 1 of the Sale Process, which commenced immediately after the SISP Order was granted, the Monitor and CBRE, in consultation with Company, prepared a list of Potential Bidders, circulated a teaser letter to the Potential Bidders, made available a CIM and provided access to an electronic data room containing financial and other due diligence information to Potential Bidders who executed an NDA with the Applicant.

34. During Phase 1 of the Sale Process, the Monitor and CBRE solicited expressions of interest in the form of non-binding expressions of intent from Potential Bidders to acquire the Nuvo Property. As noted, the Monitor extended the Phase I Bid Deadline for the submission of Qualified LOIs from September 30, 2020 to October 31, 2020, with the consent of the DIP Lender. Following the Phase I Bid Deadline, the Monitor, the Company and CBRE reviewed the LOIs received. As will be described in further detail in the Third Report, although one LOI was received by the Phase I Bid Deadline, as extended, the Monitor and CBRE determined that it was not a Qualified LOI within the meaning of the SISP. As noted in the Third Report, the Monitor and CBRE are also of the view that there is no reasonable prospect of obtaining a Final Bid. As a result, the Monitor and CBRE suspended the Sale Process component of the SISP as of October 31, 2020.

35. The Company and the Monitor are seeking an order of this Court terminating the SISP, and enabling the Company, the Monitor and the Brokers to continue to solicit sale or refinancing proposals with respect to the Nuvo Property, with a view to seeking Court approval of a transaction before the expiry of the requested extension of the Stay Period.

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F. DIP Amendments

36. As outlined in the SISP Affidavit, the Applicant and Meridian entered into the DIP Agreement on March 4, 2020, which contains certain milestone dates in connection with the SISP. In light of the widespread economic disruption caused by the onset of the COVID-19 pandemic, the Province of Ontario's declaration of the State of Emergency on March 17, 2020 and associated disruption to the progress of the Nuvo Renovations, the Company, in consultation with the Monitor, negotiated the First DIP Amendment and the Second DIP Amendment to, among other things, extend certain milestones originally contemplated in the DIP Agreement. Copies of the DIP Agreement, the First DIP Amendment and the Second DIP Amendment are attached hereto as **Exhibit "E", "F" and "G"**, respectively.

37. The Monitor has been in consultation with the DIP Lender to update it in respect of the proposed process and timelines in the SISP and the DIP Agreement (as amended). Given the suspension of the Sale Process component of the SISP on October 31, 2020, the requested termination of the SISP, and the ongoing negotiations regarding a potential refinancing, it was ultimately agreed that a further amendment of the DIP Agreement would be entered into to reflect the ability of the Company, the Monitor and the Brokers to continue soliciting interest with respect to a potential sale or refinancing with the aim of completing a transaction on or before January 29, 2021 (the **"Third DIP Amendment"**). I understand that a copy of the Third DIP Amendment will be attached to the Third Report.

III. STAY EXTENSION

38. Since the SISP Order was granted, the Applicant has continued to act diligently and in good faith in respect of all matters relating to the CCAA Proceedings. To date, the Applicant has been working diligently to maintain the stability of its business operations, manage relationships with key stakeholders, respond to the operational and financial challenges brought on by the COVID-19 pandemic, work with Maple to ensure the timely progression of the Nuvo Renovations, and work with the Monitor and the Brokers to carry out the SISP.

39. The Stay Period granted in the SISP Order had the effect of imposing a stay of proceedings until and including November 30, 2020. The Applicant is requesting an extension of the Stay

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Period until and including January 29, 2021, to enable the Applicant, with the assistance of the Monitor and the Brokers, to continue to solicit sale or refinancing proposals with respect to the Nuvo Property, with a view to seeking Court approval of a transaction before the expiry of the requested extension of the Stay Period.

40. I understand that the Third Report will include the Applicant's prepared cash flows, demonstrating that the DIP Agreement (as amended) is expected to provide the Applicant with sufficient funding to continue operations through to the requested extension of the Stay Period to January 29, 2021.

41. In the circumstances, I do not believe that any creditor will suffer material prejudice as a result of the extension of the Stay Period.

I confirm that while connected via video conference technology, Shawn Saulnier showed me the front and back of his government-issued photo identity document and that I am reasonably satisfied it is the same person and the document is current and valid.

Sworn before me by video conference from the City of Punta Gorda, Florida, United States of America, to the City of Toronto, Ontario, Canada on November 18, 2020.

DocuSigned by:
Sanja Sopic

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Commissioner for Taking Affidavits

Sanja Sopic

DocuSigned by:
Shawn Saulnier

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Shawn Saulnier

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EXHIBIT “C”

THIS IS EXHIBIT "C", referred to in the Affidavit of SHAWN SAULNIER, sworn on January 26, 2021.

DocuSigned by:

Sanja Sopic

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Commissioner for taking Affidavits

Court File No. CV-20-00636875-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE

)

MONDAY, THE 23RD

JUSTICE CAVANAGH

)

DAY OF NOVEMBER, 2020

)



IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF 2607380 ONTARIO INC. (the "Applicant")

ORDER

(Re: SISP Termination and Stay Extension)

THIS MOTION, made by the Applicant pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), proceeded on this day by way of videoconference due to the COVID-19 crisis.

ON READING the affidavit of Shawn Saulnier sworn November 18, 2020, and the Exhibits thereto, the Third Report of Richter Advisory Group Inc., in its capacity as the Court-appointed Monitor of the Applicant (the "Monitor") dated November 19, 2020 (the "Third Report"), filed, and on hearing the submissions of counsel for the Applicant, counsel for the Monitor, and counsel for Crossroads Christian Communications Incorporated, counsel for Bridging Finance Inc., no one appearing for any other party although duly served as appears from the affidavit of service of Nicholas Avis sworn November 20, 2020, filed;

SERVICE

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

EXTENSION OF STAY PERIOD

2. **THIS COURT ORDERS** that the Stay Period referred to in the Initial Order of this Court dated February 25, 2020 (as amended and restated on March 6, 2020, the “**Initial Order**”) is hereby extended up to and including January 29, 2021, with respect to the Applicant, Nuvo Network Inc., and Shawn and Bridget Saulnier.

TERMINATION OF THE SALE AND INVESTMENT SOLICITATION PROCESS

3. **THIS COURT ORDERS** that the Sale and Investment Solicitation Process (the “**SISP**”) approved by this Court pursuant to the Order (Approving SISP and Extending Stay of Proceedings) dated July 10, 2020 (the “**SISP Order**”) is hereby terminated and the Monitor, the Applicant, the Brokers (as defined in the SISP Order) and their respective advisors are not required to take any further steps or actions in connection with the SISP.

4. **THIS COURT ORDERS** that, notwithstanding the termination of the SISP, the Monitor, the Applicant, the Brokers and their respective advisors are authorized to have discussions in respect of and advance any existing or new sale or refinancing proposals with respect to the Nuvo Property (as defined in the SISP Order) as they may deem appropriate and to take such steps and execute such documentation as may be necessary or incidental to such sale or financing efforts; provided, however, that any binding sale or financing transaction is to be subject to the approval of this Court.

5. **THIS COURT ORDERS** that the Monitor, the Applicant, the Brokers and their respective assistants, affiliates, partners, directors, employees, advisors, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing their duties under paragraph 4, except to the extent of such losses, claims, damages or liabilities arising or resulting from the gross negligence or willful misconduct of the Monitor, the Applicant, or the Brokers, as applicable, as determined by this Court.

PIPEDA

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Applicant and the Monitor may disclose personal information of identifiable individuals to prospective purchasers or lenders (and their respective advisors) who participate in any sale or financing efforts described in paragraph 4, but only to the extent desirable or required to carry out the sale or financing activities described in paragraph 4. Each prospective purchaser or lender (and their respective advisors) to whom any such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information solely to its evaluation of a transaction involving some or all of the Applicant's business and/or assets, and if it does not complete such a transaction, shall return all such information to the Applicant or Monitor, or in the alternative destroy all such information. The purchaser of some or all of the Applicant's business and/or assets shall be entitled to continue to use the personal information provided to it, and related to such property, in a manner that is in all material respects identical to the prior use of such information by the Applicant, and shall return all other personal information to the Applicant, or ensure that all other personal information is destroyed.

MONITOR'S REPORTS AND ACTIVITIES

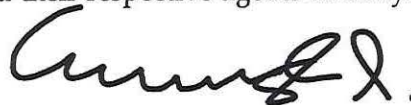
7. **THIS COURT ORDERS** that the Pre-Filing Report of the Monitor dated February 24, 2020, the First Report of the Monitor dated March 5, 2020, the Second Report of the Monitor dated July 8, 2020 and the Third Report and the activities of the Monitor described in each of those reports be and hereby are approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or use in any way such approval.

GENERAL

8. **THIS COURT ORDERS** that the Applicant or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties under this Order or under the SISP.

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in

carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.



Mr. Justice Peter
Cavanagh

Digitally signed by Mr.
Justice Peter Cavanagh
Date: 2020.11.23
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ON / BOOK NO:
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PER / PAR:



IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 2607380 ONTARIO INC.

Court File No.: CV-20-00636875-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

ORDER
(Re: SISP Termination and Stay Extension)

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Lawyers for the Applicant

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 2607380 ONTARIO INC.

Court File No.: CV-20-00636875-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

AFFIDAVIT OF SHAWN SAULNIER
(SWORN JANUARY 26, 2021)

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Lawyers for the Applicant

TAB 3

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	FRIDAY, THE 29 TH
)	
JUSTICE DIETRICH)	DAY OF JANUARY, 2021

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF 2607380 ONTARIO INC. (the "**Applicant**")

ORDER
(Re: Stay Extension)

THIS MOTION, made by the Applicant pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), proceeded on this day by way of videoconference due to the COVID-19 crisis.

ON READING the affidavit of Shawn Saulnier sworn January 26, 2021, and the Exhibits thereto, the Fourth Report of Richter Advisory Group Inc. ("**Richter**"), in its capacity as the Court-appointed Monitor of the Applicant (the "**Monitor**") dated January 27, 2021 (the "**Fourth Report**"), filed, and on hearing the submissions of counsel for the Applicant, counsel for the Monitor, and counsel for Crossroads Christian Communications Incorporated, counsel for Bridging Finance Inc., no one appearing for any other party although duly served as appears from the affidavit of service of ● sworn January ●, 2021, filed;

SERVICE

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

EXTENSION OF STAY PERIOD

2. **THIS COURT ORDERS** that the Stay Period referred to in the Initial Order of this Court dated February 25, 2020 (as amended and restated on March 6, 2020, the “**Amended and Restated Initial Order**”) is hereby extended up to and including March 19, 2021, with respect to the Applicant, Nuvo Network Inc., and Shawn and Bridget Saulnier.

MONITOR’S FEES AND ACTIVITIES

3. **THIS COURT ORDERS** that the Fourth Report and the activities of the Monitor described in the Fourth Report are hereby approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or use in any way such approval.

4. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and the Monitor’s counsel, Bennett Jones LLP, as disclosed in the Fourth Report and detailed in the Affidavit of Paul van Eyk sworn January 27, 2021 and the Affidavit of Raj Sahni sworn January 27, 2021, respectively, as appended to the Fourth Report, be and hereby are approved.

GENERAL

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

6. **THIS COURT ORDERS** that this Order and all of its provisions are effective from the date it is made without the need for entry and filing.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 2607380 ONTARIO INC.

Court File No.: CV-20-00636875-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

ORDER
(Re: Stay Extension)

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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 2607380 ONTARIO INC.

Court File No.: CV-20-00636875-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

MOTION RECORD
(RETURNABLE JANUARY 29, 2021)

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