

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

*IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended,
and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3,
as amended*

B E T W E E N:

NATIONAL BANK OF CANADA

Applicant

- and -

**NIMBUS ENVIRONMENTAL SOLUTIONS INC., OAKDALE ENTERPRISES INC.,
NIMBUS WATER SYSTEMS INC., 365 PRO INSTALLATIONS INC.,
2242462 ONTARIO LIMITED AND WATER FILTER CART INC.**

Respondents

**MOTION RECORD
(Returnable September 13, 2021)**

September 8, 2021

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Lawyers for the Receiver

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Court File No. CV-21-00667395-00CL

**ONTARIO
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(COMMERCIAL LIST)**

*IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended,
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TAB 1

Court File No. CV-21-00667395-00CL

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

B E T W E E N:

NATIONAL BANK OF CANADA

Applicant

- and -

**NIMBUS ENVIRONMENTAL SOLUTIONS INC., OAKDALE ENTERPRISES INC.,
NIMBUS WATER SYSTEMS INC., 365 PRO INSTALLATIONS INC., 2242462
ONTARIO LIMITED AND WATER FILTER CART INC.**

Respondents

IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985 c. B-3, AS AMENDED; AND
SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

**NOTICE OF MOTION
(Motion Returnable September 13, 2021 at 12:00 p.m.)**

BDO Canada Limited (“**BDO**”), in its capacity as receiver and manager, without security, of all of the assets, undertakings, and properties (collectively, the “**Property**”) of each of the Respondents (in such capacity, the “**Receiver**”), will make a motion to the Honourable Justice Hainey on Monday, September 13, 2021, at 12:00 p.m. (Eastern Time), or as soon after that time as the motion can be heard, by Zoom videoconference due to the COVID-19 pandemic.

PROPOSED METHOD OF HEARING:

This motion is to be heard via Zoom videoconference, the details of which are attached at Schedule “A” hereto.

THIS MOTION IS FOR:

1. An order, pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended (the “**BIA**”) and the *Courts of Justice Act*, R.S.O 1990 c. C-43, as amended (the “**CJA**”), substantially in the form attached at Tab 3 of the motion record of the Receiver, among other things:
 - (a) increasing the Receiver’s Borrowings Charge from \$100,000 to \$250,000;
 - (b) requiring any person in possession of a Related Party Vehicle (as defined below) to immediately make arrangements with the Receiver for the return of such vehicle and, in the event that such person does not make such arrangements on or before September 17, 2021, that person shall be deemed to be in contempt of Court for failing to comply with the Receivership Order;
 - (c) requiring any person in possession of any funds properly belonging to the Respondents, including but not limited to Kimolla Blair, to immediately make arrangements with the Receiver for the return of such funds and, in the event that any such person does not return the funds in their possession on or before September 17, 2021, that person shall be deemed to be in contempt of Court for failing to comply with the Receivership Order;
 - (d) approving the transaction contemplated by the stalking horse agreement dated September 6, 2021 (the “**Stalking Horse Agreement**”) between the Receiver and 2752837 Ontario Inc., a company associated with JLHD Investments Inc., (the “**Stalking Horse Bidder**”) and the Receiver’s execution thereof;

- (e) approving the Receiver's proposed sale and investment solicitation process (the "SISP");
 - (f) authorizing the Receiver to assign each member of the Nimbus Group into bankruptcy and appoint BDO as trustee in bankruptcy; and
 - (g) approving the First Report of the Receiver dated September 8, 2021 (the "**First Report**") and the activities, decisions and conduct of the Receiver set out therein.
2. Such other relief as this Honourable Court deems necessary.

THE GROUNDS FOR THIS MOTION ARE:

Capitalized Terms

3. Capitalized terms not expressly defined herein are defined in the First Report.

Background

4. The Nimbus Group is a Canadian privately owned and operated group of companies located in North York, Ontario, that provide sales, installation and service of water treatment systems for residential, commercial and industrial clients across Canada.
5. Panagioti (Peter) Bozzo ("**Bozzo**") is the sole officer and director of each of the Respondents.
6. As a result of the Bank's concerns with respect to the financial position of the Nimbus Group and the deterioration of the Bank's security position, the Bank brought an application under section 243(1) of the BIA and section 101 of the CJA pursuant to which BDO was appointed by order of the Court dated August 23, 2021 (the "**Receivership Order**") as Receiver of the Property of each of the Respondents.

Interference with Receiver & Return of Nimbus Group Property

7. As detailed in the First Report, since the commencement of the Receivership Proceeding, Bozzo has interfered with the Receiver's ability to carry out its mandate on multiple occasions. As such, the Receiver delivered the Cease and Desist Letters to Bozzo's Counsel advising that, pursuant to the terms of the Receivership Order, Bozzo is required to immediately cease and desist from interfering with the Receiver's activities or otherwise failing to comply with the provisions of the Receivership Order.
8. Neither Bozzo nor Bozzo's Counsel have responded to the Cease and Desist Letters.
9. In addition, the Receiver understands that certain corporate vehicles of the Nimbus Group (the "**Related Party Vehicles**") are currently in the possession or control of Bozzo, certain members of the Bozzo family, and a close friend of Bozzo's. By letter to each such individual dated August 27, 2021, the Receiver demanded that each Related Party Vehicle in their possession be returned by August 30, 2021.
10. None of the Related Party Vehicles have been returned to the Receiver and no response has been received to the Related Party Vehicle Letters.
11. The Cease and Desist Letters further requested that Bozzo immediately provide the Receiver with all access codes and passwords required to take possession and control of the email servers and other electronic systems of the Nimbus Group ("**Passcodes**"). As of today's date, Bozzo has not provided any of the Passcodes.
12. In addition, on August 27, 2021, the Receiver became aware that an individual named Kimolla Blair ("**Blair**") had collected \$120,000 on behalf of Nimbus (the "**Funds**") and

offered to deposit the Funds into Bozzo's personal account (as opposed to a Nimbus Group account) "because of the bank issues".

13. Blair has failed to comply with the Receiver's requests confirm the nature and source of the Funds, to turn over the Funds, or otherwise respond to the Receiver.
14. In light of the foregoing, the Receiver seeks an order requiring any person in possession or control of any of the Property of the Nimbus Group, including, without limitation, the Related Party Vehicles, the Funds, and the Passcodes, to make arrangements to turn over such Property to the Receiver on or before September 17, 2021, and in the event that any such person fails to make such arrangements on or before September 17, 2021, that person shall be deemed to be in contempt of Court for failing to comply with the Receivership Order.

Stalking Horse Agreement & Sale and Investment Solicitation Process

15. As the next step in the Receiver's broader strategy of maximizing value for stakeholders, the Receiver seeks Court approval of the Stalking Horse Agreement and the SISP.
16. Shortly after the commencement of the Receivership Proceeding, the Receiver engaged in discussions with JLHD Investments Inc. ("**JLHD**"), a secured creditor of the Nimbus Group, whereby JLHD expressed an interest in acquiring substantially all of the Property of the Nimbus Group with a view to continuing operating the Business as a going concern.
17. These discussions culminated in the Stalking Horse Agreement between the Receiver and the Stalking Horse Bidder, pursuant to which the Stalking Horse Bidder agrees to purchase substantially all of the Property and assume certain of the Nimbus Group's liabilities,

subject to Court approval, the terms of the SISP, and the terms and conditions of the Stalking Horse Agreement.

18. The Stalking Horse Agreement and the transaction contemplated thereunder are supported by the senior secured creditor of the Nimbus Group, represent a fair and reasonable “base level” for the SISP, and should therefore be approved.
19. In conjunction with the Stalking Horse Agreement, the Receiver has developed a detailed SISP to market the Business and Property in an open and transparent manner designed to maximize realizations. The SISP is summarized in the First Report and a full copy of the SISP is appended thereto as Appendix “F”.
20. The Receiver’s proposed SISP is expected to take approximately 30 days from the date of Court approval and the key milestone dates are summarized in the following table. The SISP was designed to be relatively streamlined and short as the operations of the Company are not generating sufficient cash flow at this time to support a lengthier process.

Milestone	Deadline
Commencement of SISP	September 13, 2021
Distribution of the Teaser Letter and Bid Letter	September 13, 2021
Globe & Mail Advertisement	No later than September 17, 2021
Bid Deadline	October 13, 2021
Auction	No later than October 20, 2021
Sale Approval Hearing	No later than October 29, 2021
Outside Closing Date Deadline	November 26, 2021

21. The Receiver is of the view that the SISP is reasonable and appropriate in the circumstances and should therefore be approved by the Court. The senior secured creditor of the Nimbus Group supports the SISP.

Powers to Assign Nimbus Group into Bankruptcy

22. A review of Water Systems' books and records has identified various unusual transactions with certain parties and the Receiver requires information regarding the nature of these payments. The Receiver requests its powers be expanded to include the ability to assign Water Systems and any other member of the Nimbus Group into bankruptcy, at the Receiver's discretion, to make use of the investigative powers contained in the BIA. In addition to the foregoing, the Stalking Horse Bidder requires vacant possession of the Premises should it be the Successful Bid. As a result, the Receiver requests that its powers be expanded to include the ability to assign Oakdale into bankruptcy in order allow the Receiver the ability to terminate the Tenant lease should this be required by the Stalking Horse Bidder.
23. The Receiver recommends that the Court grant an order authorizing the Receiver to assign any member of the Nimbus Group into bankruptcy and appoint BDO as trustee in bankruptcy.

Increase to Receiver's Borrowings Charge

24. The Receivership Order provides the Receiver with the ability to borrow up to \$100,000. Currently, the Nimbus Group's cash receipts are insufficient to fund the operations and the receivership. The Receiver therefore requests that the Receiver's Borrowings Charge be increased to \$250,000 in order to allow the Receiver to purchase inventory which will allow it to service Nimbus' customers and continue to fund payroll and other expenses during the SISF.

Other Grounds for Relief:

25. The provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended, section 101 of the *Courts of Justice Act*, R.S.O 1990 c. C-43, as amended, and the inherent and equitable jurisdiction of this Honourable Court;
26. Rules 1.04, 1.05, 2.03, 3.02, 16, and 37, 38, 39 of the *Rules of Civil Procedure* (Ontario), R.R.O. 1990, Reg. 194.; and
27. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

- (a) the First Report of the Receiver dated September 8, 2021; and
- (b) such further and other evidence as counsel may advise and this Honourable Court may permit.

September 8, 2021

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Lawyers for the Receiver

Schedule "A"
Zoom Details

Join Zoom Meeting

<https://tgf-ca.zoom.us/j/81844223393>

Meeting ID: 818 4422 3393

Participant one tap mobile

+16473744685,,81844223393#,# Canada (Toronto)

Host one tap mobile

+16473744685,,81844223393# Canada (Toronto)

Dial by your location

+1 587 328 1099 Canada (Calgary)

+1 613 209 3054 Canada (Ottawa)

+1 647 374 4685 Canada (Toronto)

+1 778 907 2071 Canada (Vancouver)

+1 204 272 7920 Canada (Winnipeg)

+1 438 809 7799 Canada (Montreal)

+1 213 338 8477 US (Los Angeles)

+1 267 831 0333 US (Philadelphia)

+1 312 626 6799 US (Chicago)

+1 646 518 9805 US (New York)

+1 786 635 1003 US (Miami)

+1 206 337 9723 US (Seattle)

Meeting ID: 818 4422 3393

Find your local number: <https://tgf-ca.zoom.us/u/kcLLH8seTF>

Schedule "B"

SERVICE LIST
(as at September 8, 2021)

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AND TO:	<p>JIM PATTISON INDUSTRIES LTD. 1235 - 73RD Ave. S.E. Calgary, AB T2H 2X1</p> <p>Tel: (604) 688-6764 Email: admin@jp-group.com</p> <p>Nick Desmarais Managing Director, Legal Services Email: desmarais@jp-group.com</p> <p>PPSA registrant (Ontario and British Columbia)</p>
AND TO:	<p>HER MAJESTY THE QUEEN IN THE RIGHT OF THE PROVINCE OF BRITISH COLUMBIA 1802 Douglas Street, 6th Floor Victoria, BC V8T 4K6</p> <p>c/o Sonja Shaw (Receivables Management Office) Fax: 1 (250) 356-1090 Email: Sonja.Shaw@gov.bc.ca</p> <p>Crown charge registration pursuant to Provincial Sales Tax (British Columbia)</p>

AND TO:	<p>KRMC LLP 25 Sheppard Avenue West – Suite 1100 Toronto, ON M2N 6S6</p> <p>Ron Aisenberg Tel: (416) 218-5616 Email: raisenberg@krmc-law.com</p> <p>Lawyers for Bank of Nova Scotia</p>
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AND TO:	<p>ROYAL BANK OF CANADA 10 York Mills Road, 3rd Floor Toronto, ON M2P 0A2</p> <p>Fax: 1 (844) 877-8646</p> <p>PPSA registrant (Ontario)</p>

AND TO:	<p>MERCEDES-BENZ FINANCIAL SERVICES CANADA CORPORATION 2680 Matheson Blvd E. Suite 500 Mississauga, ON L4W 0A5</p> <p>Fax: 1 (866) 246-4435</p> <p>Hina Latif Legal Counsel Email: hina.latif@daimler.com</p>
AND TO:	<p>DEPARTMENT OF JUSTICE (CANADA) Ontario Regional Office 120 Adelaide Street West, Suite 400 Toronto, ON M5H 1T1</p> <p>Diane Winters Email: diane.winters@justice.gc.ca</p>
AND TO:	<p>HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS REPRESENTED BY THE MINISTER OF FINANCE INSOLVENCY UNIT 6th Floor, 33 King Street West Oshawa, ON L1H 8H5</p> <p>Leslie Crawford Tel: (905) 433-5657 Email: leslie.crawford@ontario.ca</p> <p>Insolvency Unit Email: insolvency.unit@ontario.ca</p>
AND TO:	<p>MITCHELL & ASSOCIATES 420 Kildare Road Suite 201 Windsor, ON N8Y 3G4</p> <p>Bruce R. Mitchell Tel: (519) 253-1226 Fax: (519) 253-6941 Email: bruce@mitchell77.com</p> <p>Lawyer for Ford Credit Canada Company</p>

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(as at September 8, 2021)

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IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended

NATIONAL BANK OF CANADA

- and -

NIMBUS ENVIRONMENTAL SOLUTIONS INC., et al

Applicant

Respondents

Court File No. CV-21-00667395-00CL

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

Proceedings commenced at Toronto, Ontario

NOTICE OF MOTION

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Lawyers for the Receiver

TAB 2

Court File No. CV-21-00667395-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial list)**

BETWEEN:

NATIONAL BANK OF CANADA

Applicant

- and -

**NIMBUS ENVIRONMENTAL SOLUTIONS INC., OAKDALE ENTERPRISES INC., NIMBUS WATER
SYSTEMS INC., 365 PRO INSTALLATIONS INC., 2242462 ONTARIO LIMITED AND
WATER FILTER CART INC. (collectively, the “Nimbus Group”)**

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985 c. B-3, AS AMENDED; AND SECTION 101 OF
THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

**FIRST REPORT TO THE COURT OF BDO CANADA LIMITED, IN ITS CAPACITY AS COURT
APPOINTED RECEIVER OF THE NIMBUS GROUP**

September 8, 2021

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C	August 27 Email
D	August 31 Letter
E	Stalking Horse Agreement
F	Sale and Investment Solicitation Process Document

INTRODUCTION

1. This report dated September 8, 2021 (the “**First Report**”) is filed by BDO Canada Limited (“**BDO**”) in its capacity as the receiver and manager (the “**Receiver**”) of the property, assets and undertakings (collectively, the “**Property**”) of Nimbus Environmental Solutions Inc. (“**Environmental**”), Oakdale Enterprises Inc. (“**Oakdale**”), Nimbus Water Systems Inc. (“**Nimbus Water**”), 365 Pro Installations Inc. (“**365 Pro**”), 2242462 Ontario Limited (“**224**”) and Water Filter Cart Inc. (“**Water Filter**” and together with Environmental, Oakdale, Nimbus Water, 365 Pro, 224 the “**Company**” or the “**Nimbus Group**”). BDO was appointed as Receiver on August 23, 2021 on application by National Bank of Canada (the “**Bank**”) pursuant to an order of the Honourable Justice Hainey (the “**Receivership Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”).
2. This Report and all other court materials and orders issued and filed in this receivership proceeding (the “**Receivership Proceeding**”) are available on the Receiver’s case website at: <https://www.bdo.ca/en-ca/extranets/nimbusgroup/> and will remain available on the website for a period of six (6) months following the Receiver’s discharge.

PURPOSE OF THE REPORT

3. The purpose of this First Report is to provide the Court with an update regarding the Receivership Proceeding and information in connection with the Receiver’s motion returnable on Monday, September 13, 2021 for an order, among other things:
 - (a) approving this First Report and the actions and activities of the Receiver described herein;
 - (b) approving the Receiver’s sales and investment solicitation process (the “**SISP**”) pursuant to which the Receiver will solicit offers for the sale of, or investment in, all or part of the Company’s business (the “**Business**”) or the Property;
 - (c) approving the transaction contemplated by the stalking horse agreement dated September 6, 2021 (the “**Stalking Horse Agreement**”) between the Receiver and 2752837 Ontario Inc., a company associated with JLHD Investments Inc., (the “**Stalking Horse Bidder**”) and the Receiver’s execution thereof,
 - (d) increasing the Receiver’s Borrowings Charge (as defined in the Receivership Order) from the principal amount of \$100,000 to \$250,000;
 - (e) requiring certain parties to turn over the Property of the Nimbus Group to the Receiver; and

- (f) authorizing the Receiver to assign each member of the Nimbus Group into bankruptcy and appointing BDO as trustee in bankruptcy.

SCOPE AND TERMS OF REFERENCE

4. This First Report has been prepared for this Court and the Nimbus Group's stakeholders to provide general information relating to the Company and to assist the Court in making a determination on whether to grant the relief sought herein. Accordingly, the reader is cautioned that this First Report may not be appropriate for any other purpose.
5. Except as otherwise described in this First Report, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants of Canada Handbook. The Receiver expresses no opinion or other form of assurance with respect to such information except as expressly stated herein.
6. Capitalized terms used herein and not defined in this First Report shall have the meaning ascribed to them in the Receivership Order.
7. All monetary amounts contained herein are expressed in Canadian dollars unless otherwise noted.

BACKGROUND

8. The Nimbus Group is a Canadian privately owned and operated group of companies that provide sales, installation and service of water treatment systems for residential, commercial and industrial clients across Canada. Approximately 50 full and part time employees were employed by the Nimbus Group at the commencement of the Receivership Proceeding.
9. Mr. Peter Bozzo ("**Bozzo**") is the sole officer and director of each of the companies within the Nimbus Group.
10. Water Systems is the operating company and conducts business predominately from a 35,413 square foot leased facility located at 112 Oakdale Road, North York, Ontario (the "**Real Estate**" or the "**Premises**"). In addition to the Property located in Ontario, Nimbus Water has operations, inventory, vehicles and employees in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec and Nova Scotia.
11. The Real Estate is owned by Oakdale. The Premises are currently occupied by Water Systems and a non-related tenant (the "**Tenant**"). The Tenant entered a one-year lease which expired on July 29, 2021 and is currently on a month-to-month lease.

12. Environmental is the parent company and wholly owns and controls Nimbus Water. The Receiver understands that the operations of Water Filter, 365 Pro and 224 operations are currently dormant.
13. Prior to its appointment as Receiver, BDO was engaged as financial advisor to the Bank (in such capacity, the "FA"). During the FA mandate, BDO found that the Company's books and records had not been maintained nor had inventory counts been performed since 2019. It also appeared that any controls, policies or procedures which had been developed were not being followed. Further, with the exception of the service technicians, all of the employees were short tenured. The foregoing have necessitated the Receiver to spend considerable time to understand the Company's Property and obligations.

RECEIVER'S ACTIVITIES

14. On August 23, 2021, immediately following the granting of the Receivership Order, the Receiver attended the Premises and took possession of the Property and Company's books and records. In addition, the Receiver:
 - (a) changed the locks at the Premises in order to safeguard the Property. The Receiver understands that the Property primarily consist of the Real Estate, equipment, inventory, warehouse fixtures, office furniture and equipment and accounts receivable;
 - (b) installed security cameras and retained security personnel;
 - (c) advised the Nimbus Group's security company of the Receiver's appointment and changed all access codes to the Premises;
 - (d) arranged to continue the Company's insurance policies;
 - (e) engaged in discussions with the Company's largest customers and suppliers to advise of the Receivership Proceeding, understand timing of payments and such customers' and suppliers' willingness to continue purchasing from, or supplying to, the Nimbus Group while operating under the control of the Receiver;
 - (f) continued the operations of the Company in order to preserve the value of the Business while soliciting interest in an *en bloc* sale of or investment in the Business or Property;
 - (g) opened Canadian trust accounts in the name of Receiver;
 - (h) filed the statutory notices and statements pursuant to sections 245 and 246 of the *Bankruptcy and Insolvency Act* (Canada) ("BIA") with the Office of the Superintendent of Bankruptcy and emailed or mailed the notices to all known creditors of the Company;

- (i) engaged real estate and inventory appraisers to assist in understanding the value of the Property and evaluating offers expected to be received pursuant to the SISP (as described herein);
 - (j) engaged in preliminary discussions with a potential purchaser who provided a stalking horse bid for the *en bloc* purchase of substantially all of the Property of Water Systems, Oakdale and Environmental;
 - (k) terminated certain employees;
 - (l) engaged in discussions with the Tenant;
 - (m) directed counsel to register the Receivership Order on title to the Real Property; and
 - (n) directed counsel to deliver the Cease and Desist Letters and the Related Party Vehicle Letters (each as defined and described below).
15. During the process of inspecting and safeguarding the Premises, the Receiver discovered, among other things: (i) various weapons; (ii) several kilograms of controlled substances; and (iii) a cannabis growing operation on the Premises. With the assistance of the Toronto Police, these items have since been removed from the Premises.
16. During the afternoon of August 24, 2021, the power at the Premises was shut off despite the Company being current with respect to its utility payments. The Receiver's discussions with Toronto Hydro indicated that while an individual had contacted Toronto Hydro and requested that the power be shut off, Toronto Hydro declined to do so. Upon further investigation, the Receiver found that someone had removed a padlock installed by Toronto Hydro on the exterior electrical room and turned the power to the building off. This action disrupted operations for several hours.
17. On August 27, 2021, shortly after the receipt of the August 27 Email (as defined and described below) the Receiver was advised by the Bell Canada technicians who attended the Premises that the phone and internet wires had been tampered with and that someone had cut the Tenant's internet lines.
18. On September 2, 2021, the day after the Receiver discovered and secured the cannabis growing operation in a section of the Premises, the Receiver found that the new locks had been compromised. While the cannabis was still on the Premises, it was evident that someone had entered the Premises. Security footage shows a vehicle parked at a bay door and the Receiver found that bolt cutters had been used to compromise the locking mechanism to open the bay doors. It is uncertain what, if anything, was removed from the Premises. Security footage shows an

individual on the Tenant's side of the building using a staircase that had been walled off to gain access to the area.

19. On September 7, 2021, the Receiver found that the Premises had again been broken into. It appeared that access was likely gained through the roof and ventilation system. The individual was able to access the boardroom that the Receiver typically occupies while on site, seemingly through the ventilation system, as no alarms or motion sensors were activated. In addition, the security footage shows an individual removing certain of the security cameras and altering others so as to avoid being captured on video. The Receiver understands that the break in on September 7, 2021, approximately \$1,000 was stolen from five water vending machines, which are used by the general public to purchase water from the Premises. In addition, a small portable safe with personal items of Mr. Bozzo and certain photos were removed from the boardroom. It is unclear what, if anything, else was removed from the Premises during the break in.

INTERFERENCE WITH THE RECEIVER & RETURN OF COMPANY PROPERTY

20. Since the commencement of the Receivership Proceeding, Bozzo has interfered with the Receiver's ability to carry out its mandate on multiple occasions, including by:
 - (a) failing to return certain Property in his possession and control to the Receiver;
 - (b) continuing to hold himself out as a representative of the Nimbus Group and attempting to secure or negotiate contracts in connection with the Business;
 - (c) failing to provide the Receiver with certain passwords and access codes related to the email servers and other electronic systems of the Nimbus Group; and
 - (d) otherwise failing to cooperate with the Receiver's requests for information regarding the Business and the Property.
21. As a result of the foregoing, by letters dated August 27, 2021 and September 2, 2021, Thornton Grout Finnigan LLP ("**TGF**"), counsel to the Receiver, wrote to Capo Sgro LLP, counsel for the Nimbus Group and Bozzo ("**Bozzo's Counsel**"), advising that, pursuant to the terms of the Receivership Order, Bozzo is to immediately cease and desist from interfering with the Receiver's activities or otherwise failing to comply with the provisions of the Receivership Order (collectively, the "**Cease and Desist Letters**"). Copies of the Cease and Desist Letters are attached hereto as **Appendix "A"**.
22. As of today's date, neither Bozzo nor Bozzo's Counsel have responded to the Cease and Desist Letters.

23. In addition, the Receiver understands from the books and records of the Nimbus Group that the following corporate vehicles of the Nimbus Group (each, a “**Related Party Vehicle**” and collectively, the “**Related Party Vehicles**”) are currently in the possession and/or control of Bozzo, certain members of the Bozzo family, and a close friend of Bozzo’s:

	PLATE	DRIVER ASSIGNED	VEHICLE MODEL	VIN #
1.	BWDH906	Iola Bozzo	GMC YUKON XL	1GKS2HKJ5GR396511
2.	CDZS590	Mia Bozzo	JEEP WRANGLER	1C4BJWEG4JL825117
3.	CHRP250	Peter Bozzo	INFINITI Q60	JN1FV7EL0HM702026
4.	CEEA567	Santo Bozzo	JEEP GRAND CHEROKEE	1C4RJFBG8JC262477
5.	BZHN123	Anthony Bozzo	INFINITI JX35	5N1AL0MM4DC331723
6.	AX53770	Unknown	DODGE GRAND CARAVAN	2C4RDGBG5JR349967
7.	AX53673	Peter Bozzo	DODGE GRAND CARAVAN	2C4RDGBG9JR349969
8.	BWSE451	Unknown	INFINITI G37X	JN1CV6EL5AM152891
9.	AR51825	Unknown	DODGE GR CARAVAN	2D4CN1AE3AR225909
10.	CEKF386	Unknown	MERCEDES BENZ GLS450	4JGDF6EE7JB114537
11.	CLCN611	Sergio Musci	INFINITI Q60 SPORT	JN1FV7EL0HM701619
12.	CMEV687	Chrisoula Bozzo	JEEP COMPASS	3C4NJDBB1LT124729

24. By letter to each individual listed above dated August 27, 2021, TGF demanded that each Related Party Vehicle in their possession be returned by August 30, 2021 (the “**Related Party Vehicle Letters**”). Copies of the Related Party Vehicle Letters are attached hereto as **Appendix “B”**.
25. In the Cease and Desist Letter dated September 2, 2021, TGF advised that, among other things, the Related Party Vehicles had not been returned and that the Receiver may seek the assistance of the Court if such vehicles were not returned by September 3, 2021. As of today’s date, none of the Related Party Vehicles have been returned to the Receiver and no response has been received to the Related Party Vehicle Letters or the Cease and Desist Letters. The Receiver further notes that Bozzo has not yet returned any property of the Nimbus Group in his possession to the Receiver.
26. The Cease and Desist Letters further requested that Bozzo immediately provide the Receiver with all access codes and passwords required to take possession and control of the email servers and other electronic systems of the Nimbus Group (“**Passcodes**”). As of today’s date, Bozzo has not provided any of the Passcodes.
27. In light of the foregoing, the Receiver requests an order: (i) requiring any person in possession and/or control of any Property, including any Related Party Vehicles or Passcodes, to immediately make arrangements with the Receiver to deliver same; and (ii) in the event that any such person fails to make such arrangements on or before September 17, 2021, that person shall be deemed

to be in contempt of Court for failing to comply with the Receivership Order. The Receiver anticipates that it will report the Related Party Vehicles as stolen if they are not returned by September 17, 2021.

28. On August 27, 2021, an email was received by Water Systems from an individual named Kimolla Blair (“**Blair**”) indicating that she had collected \$120,000 on behalf of Nimbus (the “**Funds**”) and offered to deposit the Funds into Bozzo’s personal account “because of the bank issues” (the “**August 27 Email**”). On the same day, the Receiver responded directly to the August 27 Email and requested that Blair immediately turn the Funds over to the Receiver. Blair responded by stating she had the “\$120” in cash and asked whether the Receiver would like to meet somewhere to pick it up. The Receiver followed up on multiple occasions to confirm the dollar value and source of the Funds and to make arrangements for turning over the Funds. Blair did not respond to these requests. A copy of the August 27 Email and the subsequent emails between the Receiver and Blair are attached hereto as **Appendix “C”**.
29. By letter to Blair dated August 31, 2021 (the “**August 31 Letter**”), TGF demanded the immediate return of the Funds and advised that the Receiver may seek the assistance of the Court in the event that Blair failed to make arrangements to turn over the Funds to the Receiver by September 1, 2021. A copy of the August 31 Letter is attached hereto as **Appendix “D”**. As of today’s date, Blair has not responded to the August 31 Letter nor has she made any arrangements to turn over the Funds to the Receiver.
30. In the Cease and Desist Letter dated September 2, 2021, the Receiver (through its counsel) requested that Mr. Bozzo provide the details of the transaction which generated the Funds, confirm the location of the Funds, assist the Receiver in obtaining the Funds and advise if any further funds have been received that have not been turned over to the Receiver. As of today’s date, neither Bozzo nor his counsel have provided a response or any assistance in this regard.
31. As such, the Receiver is seeking an order: (i) requiring any person, including Blair, in possession of funds belonging to the Nimbus Group to immediately make arrangements with the Receiver for the return of such funds; and (ii) in the event that any such person does not return the funds in their possession to the Receiver on or before September 17, 2021, that person shall be deemed to be in contempt of this Court for failing to comply with the Receivership Order.

STALKING HORSE AGREEMENT & SALE AND INVESTMENT SOLICITATION PROCESS

32. The Receiver seeks Court approval of the Stalking Horse Agreement, including authority to execute same, and the SISF. All capitalized terms not expressly defined in this section are defined in the Stalking Horse Agreement or the SISF.

Stalking Horse Agreement

33. Shortly after the commencement of the Receivership Proceeding, the Receiver engaged in discussions with JLHD Investments Inc. (“**JLHD**”), a secured creditor of the Nimbus Group, whereby JLHD expressed an interest in acquiring substantially all of the Property of the Nimbus Group with a view to continuing operating the Business as a going concern.
34. These discussions culminated in the Stalking Horse Agreement between the Receiver and the Stalking Horse Bidder, pursuant to which the Stalking Horse Bidder agrees to purchase substantially all of the Property and assume certain of the Nimbus Group’s liabilities, subject to Court approval, the terms of the SISP, and the terms and conditions of the Stalking Horse Agreement. A copy of the Stalking Horse Agreement is attached hereto as **Appendix “E”**.
35. The key terms of the Stalking Horse Agreement are summarized below:
 - (a) the Stalking Horse Bidder will pay the aggregate amount of \$13 million for the Property of Water Systems, Oakdale and Environmental (the “**Stalking Horse Bid**”) comprised of a deposit of \$650,000 (the “**Stalking Horse Deposit**”) and the balance of \$12,350,000 due upon closing. The deposit shall be held in a non-interest bearing trust account which is to be held by the Receiver until the Stalking Horse Agreement is closed or is terminated;
 - (b) the Property would be purchased on an “As Is, Where Is” basis;
 - (c) closing of the transaction is to occur 11 days after the approval and vesting order is issued with an outside closing date of November 26, 2021 (the “**Closing**”);
 - (d) the Stalking Horse Bidder is to be satisfied by September 11, 2021 that the Nimbus Group’s key suppliers and customers will continue to conduct business with the Stalking Horse Bidder after the Closing;
 - (e) the Receiver is to obtain consents to the assignment of Assumed Contracts and pay all Cure Costs related thereto;
 - (f) the Stalking Horse Bidder requires vacant possession of the Premises;
 - (g) Potential Bidders, other than the Stalking Horse Bidder, will be required to submit their offers no later than October 13, 2021;
 - (h) for a Competing Bidder to have a superior bid to the Stalking Horse Bid (a “**Superior Offer**”), the Superior Offer must exceed the Stalking Horse Bid by a minimum of the sum of:

- (i) \$250,000 fee payable to the Stalking Horse Bidder (the “**Break Fee**”) and a \$50,000 expense reimbursement fee (“**Expense Reimbursement Fee**”) also payable to the Stalking Horse Bidder; and
 - (ii) an incremental increase of \$100,000;
- (i) in the event that there is no Superior Offer, the Receiver and the Stalking Horse Bidder shall close the Stalking Horse Bid as soon as is practicable thereafter and the Receiver will seek an order vesting the Purchased Assets in and to the Stalking Horse Bidder; and
 - (j) in the event that one or more Qualified Bidders submits a Superior Offer, the Receiver shall conduct an auction for the determination and selection of a winning bid (the Bidder submitting such bid being the “**Winning Bidder**”). Upon the selection of the Winning Bidder, there shall be a binding agreement of purchase and sale between the Winning Bidder and the Receiver. The Receiver shall forthwith bring a motion following the selection of the Winning Bidder for an order approving the agreement reached with the Winning Bidder and to vest the Purchased Assets in the Winning Bidder and, if granted, shall proceed with closing the transaction.

The SISP

36. In conjunction with the Stalking Horse Agreement, the Receiver has developed a detailed SISP to market the Business and Property in an open and transparent manner designed to maximize realizations. A copy of the SISP is attached hereto as **Appendix “F”**. Although the key terms of the SISP are summarized below, the Receiver recommends that the SISP be read in its entirety and that readers do not rely solely upon the summary set out herein.
37. The Receiver’s proposed SISP is expected to take approximately 30 days from the date of Court approval and the key milestone dates are summarized in the following table. The SISP was designed to be relatively streamlined and short as the operations of the Company are not generating sufficient cash flow at this time to support a lengthier process.

Milestone	Deadline
Commencement of SISP	September 13, 2021
Distribution of the Teaser Letter and Bid Letter	September 13, 2021
Globe & Mail Advertisement	No later than September 17, 2021
Bid Deadline	October 13, 2021
Auction	No later than October 20, 2021

Sale Approval Hearing	No later than October 29, 2021
Outside Closing Date Deadline	November 26, 2021

38. During the initial phase of the SISP, the Receiver shall:
- (a) prepare a list of potential bidders which includes both industry and financial bidders (the **"Potential Bidder's List"**);
 - (b) advertise the opportunity in national edition of The Globe and Mail;
 - (c) prepare a summary describing the Opportunity, outlining the process under the SISP and invite recipients to express their interest pursuant to the SISP (the **"Teaser"**);
 - (d) prepare a standard non-disclosure agreement (the **"NDA"**) to be executed by potential bidders prior to being provided with access to confidential information;
 - (e) prepare a detailed confidential information package (**"Confidential Information Package"**) which provides information regarding the Business and the Property;
 - (f) continue to populate a virtual dataroom with relevant information and documents regarding the Nimbus Group;
 - (g) prepare a bid letter which provides instructions on the bid process, including the Bid Deadline (the **"Bid Letter"**);
 - (h) prepare a standard asset purchase agreement to allow all potential purchasers to bid on the same basis substantially in the form submitted by the Stalking Horse Bidder (the **"Template APA"**);
 - (i) contact each of the parties included on the Potential Bidders List, obtain executed NDA's and provide the Confidential Information Package and the Bid Letter; and
 - (j) solicit preliminary offers and receive expressions of interest (**"EOI"**).
39. During the second phase of the SISP, the Receiver shall:
- (a) review submitted EOI's;
 - (b) select which potential purchasers will be invited to perform additional due diligence (**"Qualified Bidders"**);
 - (c) distribute the Template APA to potential purchasers;
 - (d) arrange and participate in site tours and meetings with prospective purchasers;
 - (e) solicit final offers in the form of the marked-up Template APA;

- (f) engage in discussion with Qualified Bidders to clarify any questions relating to their Bids;
- (g) consult with primary stakeholders; and
- (h) evaluate Qualified Bids to determine if any are Superior Offers.

40. During the final phase of the SISP, the Receiver shall:

- (a) conduct the Auction process, if necessary;
- (b) select the Successful Bid;
- (c) seek Court approval of the Successful Bid; and
- (d) finalize definitive documents and close transaction.

Receiver's Observations on the SISP

41. The Receiver is of the view that the SISP, including the Stalking Horse Bid, is appropriate for the following reasons:

- (a) the Company's Property will be widely exposed to the market through the SISP;
- (b) the timeline is sufficient to allow interested parties to perform due diligence and submit offers;
- (c) the identification of potential bidders and initial contact with prospective candidates will be accompanied by an advertising campaign in the national media to increase exposure of the Property offered for sale, and an introduction to the SISP;
- (d) the senior secured creditor is supportive of the SISP and the Stalking Horse Bid;
- (e) the Stalking Horse Bid is fair and reasonable having considered the Property of the Company and the Company's current financial position;
- (f) the Stalking Horse Bid sets a fair "base level" for the SISP; and
- (g) the Receiver is of the view that the Break Fee and the Expense Reimbursement Fee are reasonable and within the conventional range usually expected in comparable agreements.

ASSIGNMENT INTO BANKRUPTCY

42. A review of Water Systems' books and records has identified various unusual transactions with certain parties and the Receiver requires information regarding the nature of these payments. The Receiver requests its powers be expanded to include the ability to assign Water Systems into

bankruptcy, at the Receiver's discretion, to make use of the investigative powers contained in the BIA. In addition to the foregoing, the Stalking Horse Bidder requires vacant possession of the Premises should it be the Successful Bid. As a result, the Receiver requests that its powers be expanded to include the ability to assign Oakdale into bankruptcy in order allow the Receiver the ability to terminate the Tenant lease should this be required by the Stalking Horse Bidder.

43. In the circumstances, the Receiver is requesting that its powers be expanded to those afforded a Trustee in Bankruptcy through the assignment of any member of the Nimbus Group into bankruptcy.

INCREASE TO THE RECEIVER'S BORROWINGS CHARGE

44. The Receivership Order provides the Receiver with the ability to borrow up to \$100,000. Currently, the Nimbus Group's cash receipts are insufficient to fund the operations and the receivership. The Receiver therefore requests that the Receiver's Borrowings Charge be increased to \$250,000 in order to allow the Receiver to purchase inventory which will allow it to service Nimbus' customers and continue to fund payroll and other expenses during the SISP.

SUMMARY AND RECOMMENDATIONS

45. Based on the foregoing, the Receiver recommends that the Court grant an Order:
- (a) approving this First Report and the actions and activities of the Receiver described herein;
 - (b) approving the SISP pursuant to which the Receiver will solicit offers for the sale of, or investment in, all or part of the Business or the Property;
 - (c) approving the Stalking Horse Agreement between the Receiver and the Stalking Horse Bidder and the Receiver's execution thereof,
 - (d) authorizing the Receiver to assign any member of the Nimbus Group into bankruptcy and appoint BDO as trustee in bankruptcy;
 - (e) approving the increase in the Receiver's Borrowings Charge to \$250,000; and
 - (f) requiring any person in possession or control of any of the Property of the Nimbus Group, including, without limitation, the Related Party Vehicles, the Funds, and the Passcodes, to make arrangements to turn over such Property to the Receiver on or before September 17, 2021, and in the event that any such person fails to make such arrangements on or before September 17, 2021, that person shall be deemed to be in contempt of Court for failing to comply with the Receivership Order.

All of which is respectfully submitted this 8 day of September, 2021.

**BDO CANADA LIMITED,
in its capacity as the Court-appointed Receiver of
Nimbus Environmental Solutions Inc., Oakdale Enterprises Inc.,
Nimbus Water Systems Inc., 365 Pro Installations Inc., 2242462
Ontario Limited and Water Filter Cart Inc. and not in its personal or
corporate capacity**

Per:



Name: Josie Parisi, CPA, CA, CBV, CIRP, LIT
Title: Senior Vice-President

APPENDIX “A”

September 2, 2021

VIA EMAIL

CAPO SGRO LLP
7050 West Road
Suite 400
Woodbridge ON L4L 8G7

Attention: Erica D. Cappello

Dear Erica:

Re: Court-appointed receivership of Nimbus Environmental Solutions Inc., et al (collectively, the “Nimbus Group”)

As you are aware, by order of the Ontario Superior Court of Justice (Commercial List) dated August 23, 2021 (the “**Appointment Order**”), BDO Canada Limited was appointed as receiver and manager of all of the assets, undertakings, and properties (collectively, the “**Property**”) of the Nimbus Group (in such capacity, the “**Receiver**”).

In addition to the Appointment Order, I refer to the email of Mr. Bozzo received on August 26, 2021 and our discussion on August 30, 2021. The Receiver and National Bank of Canada (the “**Bank**”) unequivocally deny the allegations contained in Mr. Bozzo’s email and we do not intend to outline the obvious reasons for such denial.

The Receiver is acting in accordance with the terms of the Appointment Order as an officer of the Court. Its duties and obligations are to the Court and to the stakeholders of the Nimbus Group. Pursuant to paragraph 3 of the Appointment Order, the Receiver is authorized and empowered to take certain steps that it considers necessary or desirable without interference from any other person, including Mr. Bozzo. As previously discussed, Mr. Bozzo has made attempts to interfere with the Receiver’s operation of the Nimbus Group. We require that Mr. Bozzo immediately cease and desist from continuing such actions.

The Appointment Order also details Mr. Bozzo’s positive obligations to work cooperatively with the Receiver. To this end, we have asked that Mr. Bozzo provide any administrative passwords to the computer and other systems owned and operated by the Nimbus Group. We have also requested that Mr. Bozzo return any assets of the Nimbus Group in his possession or advise as to the existence and location of any such assets in the event that they are in the possession of another party.

In particular, the Receiver has requested, by letters dated August 27, 2021, that Mr. Bozzo and certain members of his family and friends return the vehicles leased by the Nimbus Group and in their possession on or before August 30, 2021. None of the vehicles are required by these parties for the business operations of the Nimbus Group. To date, none of the vehicles have been returned. Attached is a listing of the vehicles that the Receiver has been unable to locate and that it believes are in the possession of his friends and family.

Please be advised that it is the Receiver's intention to cancel the insurance funded by the Nimbus Group in respect of the vehicles and to send a bailiff to collect the vehicles if same are not returned by **noon on September 3, 2021**. As I also made you aware, we have booked a Court attendance on September 13, 2021 at which time we may also seek the Court's assistance with the return of the vehicles.

The Receiver has also become aware of an email exchange between Mr. Bozzo and Kimolla Blair whereby Ms. Blair states that she collected \$120,000 on behalf of the Nimbus Group and offers to deposit it in Mr. Bozzo's personal account. A copy of the email exchange is attached evidencing that the Receiver requested that Ms. Blair turn over the funds in her possession to the Receiver. When that was not done, counsel sent a letter to Ms. Blair legally formalizing the request. Ms. Blair continues to be unresponsive. We request that Mr. Bozzo provide the details of the transaction which generated the funds, confirm the location of the funds, assist the Receiver in obtaining the funds and advise if any further funds have been received that have not been turned over to the Receiver. We would ask that you remind Mr. Bozzo that he is in contravention of a court order if he continues to interfere with the Nimbus Group or does not cooperate with the Receiver.

Please be advised that we have removed numerous weapons from the premises of the Nimbus Group and have contacted the police to legally dispose of large quantities of cannabis, cannabis products and cannabis plants. Please advise if Mr. Bozzo would like the Receiver to dispose of the weapons or whether he would like them returned at the conclusion of the receivership.

We appreciate your continued assistance in this matter.

Yours truly,

Thornton Grout Finnigan LLP



Leanne M. Williams

cc: Josie Parisi, *BDO Canada Limited, in its capacity as the Court-appointed Receiver of the Nimbus Group*

August 27, 2021

PRIVATE & CONFIDENTIAL

VIA EMAIL

CAPO SGRO LLP
7050 West Road
Suite 400
Woodbridge ON L4L 8G7

Attention: Erica Cappello

Dear Erica:

Re: National Bank of Canada v. Nimbus Environmental Solutions Inc. et al (the “Nimbus Group”) - Court File No. CV-21-00667395-00CL (the “Receivership Proceeding”)

As you may be aware, by order of the Ontario Superior Court of Justice (Commercial List) dated August 23, 2021 (the “**Appointment Order**”), BDO Canada Limited was appointed as receiver and manager of all of the assets, undertakings, and properties (collectively, the “**Property**”) of the Nimbus Group (in such capacity, the “**Receiver**”). A copy of the Appointment Order is enclosed for ease of reference. We write to you on behalf of the Receiver. We understand you act for Peter Bozzo.

Interference with the Receiver

Pursuant to paragraph 3 of the Appointment Order, the Receiver is authorized and empowered to, among other things:

- (i) take possession of and exercise control over the Property;
- (ii) preserve and protect the Property, including by changing any locks or security codes to prevent unauthorized individuals (including your client) from accessing the Property; and
- (iii) manage the business and affairs of the Nimbus Group.

Pursuant to paragraph 3 of the Appointment Order, in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined therein), including your client, and without interference from any Person.

Further, pursuant to paragraph 7 of the Appointment Order, if any Records (as defined therein) are stored or otherwise contained on a computer or other electronic system, all Persons in possession or control of such records shall forthwith give unfettered access to the Receiver and shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records, including by providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names, and account numbers that may be required.

Pursuant to paragraph 5 of the Appointment Order, all Persons having notice of the Appointment Order are required to forthwith advise the Receiver of the existence of any Property in such Person's possession or control, grant immediate and continued access to such Property to the Receiver, and deliver all such Property to the Receiver upon the Receiver's request.

We understand that since the Appointment Order was granted by the Court, your client has taken numerous steps to interfere with the Receiver's ability to carry out its mandate. In accordance with the provisions of the Appointment Order referred to above, your client is required to immediately:

- (i) stop taking any actions or steps in connection with the operation of the business of the Nimbus Group, including by contacting any clients of the Nimbus Group or otherwise holding himself out as a representative of the Nimbus Group. Mr. Bozzo is no longer authorized to manage the business or affairs of the Nimbus Group, nor is he authorized to exercise any control over the Property of the Nimbus Group;
- (ii) provide the Receiver with all access codes and passwords required to take possession and control of the email servers and other electronic systems of the Nimbus Group; and
- (iii) immediately return all of the Property of the Nimbus Group in his possession or control to the Receiver at 112 Oakdale Road, Toronto, Ontario.

Should your client continue to interfere with the Receiver or otherwise fail to comply with the Appointment Order, we will seek the assistance of the Court.

Return of the Vehicles

The Receiver further understands from the books and records of the Nimbus Group that your client is in possession and control of the following corporate vehicles of the Nimbus Group: (i) 2017 Infiniti Q60 (VIN: JN1FV7EL0HM702026); (ii) 2018 Dodge Caravan (VIN: 2C4RDGBG9JR349969); and (iii) 2010 Infiniti G37X (VIN: JN1CV6EL5AM152891) (collectively, the "**Vehicles**"). Please be advised that the Vehicles constitute "Property" of the Nimbus Group and must therefore be returned to the Receiver in accordance with the Appointment Order. If your client is not in possession or control of any of the Vehicles listed above, please advise us immediately who is and provide us with the necessary contact information.



Thornton Grout Finnigan LLP

3.

Please advise your client to return the Vehicles, together with any other Property of the Nimbus Group in your possession and control, to the Receiver at 112 Oakdale Road, Toronto, Ontario, as soon as possible and, in any event, by no later than 5:00 p.m. (ET) on Monday, August 30, 2021.

Should you have any questions, please do not hesitate to contact the undersigned.

Yours truly,

Thornton Grout Finnigan LLP

A handwritten signature in black ink, appearing to read 'AD', with a long horizontal stroke extending to the right.

Adam Driedger

cc: Josie Parisi, Matthew Marchand – BDO Canada Limited

APPENDIX “B”

August 27, 2021

PRIVATE & CONFIDENTIAL

VIA EMAIL & COURIER

Anthony Bozzo
45 Spalding Road
Toronto, ON
M3K 1J8

Dear Anthony:

Re: National Bank of Canada v. Nimbus Environmental Solutions Inc. et al (the “Nimbus Group”) - Court File No. CV-21-00667395-00CL (the “Receivership Proceeding”)

As you may be aware, by order of the Ontario Superior Court of Justice (Commercial List) dated August 23, 2021 (the “**Appointment Order**”), BDO Canada Limited was appointed as receiver and manager of all of the assets, undertakings, and properties (collectively, the “**Property**”) of the Nimbus Group (in such capacity, the “**Receiver**”). A copy of the Appointment Order is enclosed for ease of reference. We write to you on behalf of the Receiver.

Pursuant to paragraph 5 of the Appointment Order, all Persons (as defined therein) having notice of the Appointment Order are required to forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, grant immediate and continued access to such Property to the Receiver, and deliver all such Property to the Receiver upon the Receiver’s request.

The Receiver understands from the books and records of the Nimbus Group that you are in possession and control of the following corporate vehicle of the Nimbus Group: 2013 Infiniti JX35 (VIN: 5N1AL0MM4DC331723) (the “**Vehicle**”). Please be advised that the Vehicle constitutes “Property” of the Nimbus Group and must therefore be returned to the Receiver in accordance with the Appointment Order.

Please return the Vehicle, together with any other Property of the Nimbus Group in your possession and control, to the Receiver at 112 Oakdale Road, Toronto, Ontario, as soon as possible and, in any event, by no later than 5:00 p.m. (ET) on Monday, August 30, 2021.

Should you have any questions, please do not hesitate to contact the undersigned.



Yours truly,

Thornton Grout Finnigan LLP

A handwritten signature in black ink, appearing to read 'AD', with a long horizontal flourish extending to the right.

Adam Driedger

cc: Josie Parisi, Matthew Marchand – BDO Canada Limited

August 27, 2021

PRIVATE & CONFIDENTIAL

VIA COURIER

Chrisoula Bozzo
45 Spalding Road
Toronto, ON
M3K 1J8

Dear Chrisoula:

Re: National Bank of Canada v. Nimbus Environmental Solutions Inc. et al (the “Nimbus Group”) - Court File No. CV-21-00667395-00CL (the “Receivership Proceeding”)

As you may be aware, by order of the Ontario Superior Court of Justice (Commercial List) dated August 23, 2021 (the “**Appointment Order**”), BDO Canada Limited was appointed as receiver and manager of all of the assets, undertakings, and properties (collectively, the “**Property**”) of the Nimbus Group (in such capacity, the “**Receiver**”). A copy of the Appointment Order is enclosed for ease of reference. We write to you on behalf of the Receiver.

Pursuant to paragraph 5 of the Appointment Order, all Persons (as defined therein) having notice of the Appointment Order are required to forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, grant immediate and continued access to such Property to the Receiver, and deliver all such Property to the Receiver upon the Receiver’s request.

The Receiver understands from the books and records of the Nimbus Group that you are in possession and control of the following corporate vehicle of the Nimbus Group: 2020 Jeep Compass (VIN: 3C4NJDBB1LT124729) (the “**Vehicle**”). Please be advised that the Vehicle constitutes “Property” of the Nimbus Group and must therefore be returned to the Receiver in accordance with the Appointment Order.

Please return the Vehicle, together with any other Property of the Nimbus Group in your possession and control, to the Receiver at 112 Oakdale Road, Toronto, Ontario, as soon as possible and, in any event, by no later than 5:00 p.m. (ET) on Monday, August 30, 2021.

Should you have any questions, please do not hesitate to contact the undersigned.



Yours truly,

Thornton Grout Finnigan LLP

A handwritten signature in black ink, appearing to read 'AD', with a long horizontal line extending to the right.

Adam Driedger

cc: Josie Parisi, Matthew Marchand – BDO Canada Limited

August 27, 2021

PRIVATE & CONFIDENTIAL

VIA EMAIL & COURIER

Iola Bozzo
112 Oakdale Road
Toronto, ON
M3N 1V9

Dear Iola:

Re: National Bank of Canada v. Nimbus Environmental Solutions Inc. et al (the “Nimbus Group”) - Court File No. CV-21-00667395-00CL (the “Receivership Proceeding”)

As you may be aware, by order of the Ontario Superior Court of Justice (Commercial List) dated August 23, 2021 (the “**Appointment Order**”), BDO Canada Limited was appointed as receiver and manager of all of the assets, undertakings, and properties (collectively, the “**Property**”) of the Nimbus Group (in such capacity, the “**Receiver**”). A copy of the Appointment Order is enclosed for ease of reference. We write to you on behalf of the Receiver.

Pursuant to paragraph 5 of the Appointment Order, all Persons (as defined therein) having notice of the Appointment Order are required to forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, grant immediate and continued access to such Property to the Receiver, and deliver all such Property to the Receiver upon the Receiver’s request.

The Receiver understands from the books and records of the Nimbus Group that you are in possession and control of the following corporate vehicle of the Nimbus Group: 2016 GMC Yukon XL (VIN: 1GKS2HKJ5GR396511) (the “**Vehicle**”). Please be advised that the Vehicle constitutes “Property” of the Nimbus Group and must therefore be returned to the Receiver in accordance with the Appointment Order.

Please return the Vehicle, together with any other Property of the Nimbus Group in your possession and control, to the Receiver at 112 Oakdale Road, Toronto, Ontario, as soon as possible and, in any event, by no later than 5:00 p.m. (ET) on Monday, August 30, 2021.

Should you have any questions, please do not hesitate to contact the undersigned.



Yours truly,

Thornton Grout Finnigan LLP

A handwritten signature in black ink, appearing to read 'AD', with a long horizontal stroke extending to the right.

Adam Driedger

cc: Josie Parisi, Matthew Marchand – BDO Canada Limited

August 27, 2021

PRIVATE & CONFIDENTIAL

VIA EMAIL & COURIER

Mia Bozzo
45 Spalding Road
Toronto, ON
M3K 1J8

Dear Mia:

Re: National Bank of Canada v. Nimbus Environmental Solutions Inc. et al (the “Nimbus Group”) - Court File No. CV-21-00667395-00CL (the “Receivership Proceeding”)

As you may be aware, by order of the Ontario Superior Court of Justice (Commercial List) dated August 23, 2021 (the “**Appointment Order**”), BDO Canada Limited was appointed as receiver and manager of all of the assets, undertakings, and properties (collectively, the “**Property**”) of the Nimbus Group (in such capacity, the “**Receiver**”). A copy of the Appointment Order is enclosed for ease of reference. We write to you on behalf of the Receiver.

Pursuant to paragraph 5 of the Appointment Order, all Persons (as defined therein) having notice of the Appointment Order are required to forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, grant immediate and continued access to such Property to the Receiver, and deliver all such Property to the Receiver upon the Receiver’s request.

The Receiver understands from the books and records of the Nimbus Group that you are in possession and control of the following corporate vehicle of the Nimbus Group: 2018 Jeep Wrangler (VIN: 1C4BJWEG4JL825117) (the “**Vehicle**”). Please be advised that the Vehicle constitutes “Property” of the Nimbus Group and must therefore be returned to the Receiver in accordance with the Appointment Order.

Please return the Vehicle, together with any other Property of the Nimbus Group in your possession and control, to the Receiver at 112 Oakdale Road, Toronto, Ontario, as soon as possible and, in any event, by no later than 5:00 p.m. (ET) on Monday, August 30, 2021.

Should you have any questions, please do not hesitate to contact the undersigned.



Yours truly,

Thornton Grout Finnigan LLP

A handwritten signature in black ink, appearing to read 'AD', with a long horizontal stroke extending to the right.

Adam Driedger

cc: Josie Parisi, Matthew Marchand – BDO Canada Limited

August 27, 2021

PRIVATE & CONFIDENTIAL

VIA COURIER

Santo Bozzo
45 Spalding Road
Toronto, ON
M3K 1J8

Dear Santo

Re: National Bank of Canada v. Nimbus Environmental Solutions Inc. et al (the “Nimbus Group”) - Court File No. CV-21-00667395-00CL (the “Receivership Proceeding”)

As you may be aware, by order of the Ontario Superior Court of Justice (Commercial List) dated August 23, 2021 (the “**Appointment Order**”), BDO Canada Limited was appointed as receiver and manager of all of the assets, undertakings, and properties (collectively, the “**Property**”) of the Nimbus Group (in such capacity, the “**Receiver**”). A copy of the Appointment Order is enclosed for ease of reference. We write to you on behalf of the Receiver.

Pursuant to paragraph 5 of the Appointment Order, all Persons (as defined therein) having notice of the Appointment Order are required to forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, grant immediate and continued access to such Property to the Receiver, and deliver all such Property to the Receiver upon the Receiver’s request.

The Receiver understands from the books and records of the Nimbus Group that you are in possession and control of the following corporate vehicle of the Nimbus Group: 2018 Jeep Grand Cherokee (VIN: 1C4RJFBG8JC262477) (the “**Vehicle**”). Please be advised that the Vehicle constitutes “Property” of the Nimbus Group and must therefore be returned to the Receiver in accordance with the Appointment Order.

Please return the Vehicle, together with any other Property of the Nimbus Group in your possession and control, to the Receiver at 112 Oakdale Road, Toronto, Ontario, as soon as possible and, in any event, by no later than 5:00 p.m. (ET) on Monday, August 30, 2021.

Should you have any questions, please do not hesitate to contact the undersigned.



Yours truly,

Thornton Grout Finnigan LLP

A handwritten signature in black ink, appearing to read 'AD', with a long horizontal stroke extending to the right.

Adam Driedger

cc: Josie Parisi, Matthew Marchand – BDO Canada Limited

August 27, 2021

PRIVATE & CONFIDENTIAL

VIA EMAIL

Sergio Musci
112 Oakdale Road
Toronto, ON
M3N 1V9

Dear Sergio:

Re: National Bank of Canada v. Nimbus Environmental Solutions Inc. et al (the “Nimbus Group”) - Court File No. CV-21-00667395-00CL (the “Receivership Proceeding”)

As you may be aware, by order of the Ontario Superior Court of Justice (Commercial List) dated August 23, 2021 (the “**Appointment Order**”), BDO Canada Limited was appointed as receiver and manager of all of the assets, undertakings, and properties (collectively, the “**Property**”) of the Nimbus Group (in such capacity, the “**Receiver**”). A copy of the Appointment Order is enclosed for ease of reference. We write to you on behalf of the Receiver.

Pursuant to paragraph 5 of the Appointment Order, all Persons (as defined therein) having notice of the Appointment Order are required to forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, grant immediate and continued access to such Property to the Receiver, and deliver all such Property to the Receiver upon the Receiver’s request.

The Receiver understands from the books and records of the Nimbus Group that you are in possession and control of the following corporate vehicle of the Nimbus Group: 2017 Infiniti Q60 Sport (VIN: JN1FV7EL0HM701619) (the “**Vehicle**”). Please be advised that the Vehicle constitutes “Property” of the Nimbus Group and must therefore be returned to the Receiver in accordance with the Appointment Order.

Please return the Vehicle, together with any other Property of the Nimbus Group in your possession and control, to the Receiver at 112 Oakdale Road, Toronto, Ontario, as soon as possible and, in any event, by no later than 5:00 p.m. (ET) on Monday, August 30, 2021.

Should you have any questions, please do not hesitate to contact the undersigned.



Yours truly,

Thornton Grout Finnigan LLP

A handwritten signature in black ink, appearing to read 'AD', with a long horizontal stroke extending to the right.

Adam Driedger

cc: Josie Parisi, Matthew Marchand – BDO Canada Limited

APPENDIX “C”

Andrea Fragala

From: Adam Driedger
Sent: September 8, 2021 12:07 PM
To: Adam Driedger
Subject: FW: [EXT] Re: Payment for Nimbus

From: Peter Bozzo <peter@nimbuswatersystems.com>
Sent: Sunday, August 29, 2021 10:17 AM
To: kim blair <kimollablair@outlook.com>
Subject: [EXT] Re: Payment for Nimbus

Kim, we would like to confirm the dollar value and source of the funds you intend on delivering to the Receiver of the Nimbus Group pursuant to your obligations under the Appointment Order.

Sincerely,

BDO Canada Ltd,
in its capacity as the
Court-Appointed Receiver of
Nimbus Water Systems Inc.

From: kim blair <kimollablair@outlook.com>
Sent: Friday, August 27, 2021 2:53 PM
To: Peter Bozzo <peter@nimbuswatersystems.com>
Subject: Re: Payment for Nimbus

Hello!

I have the \$120 in cash, would you like to meet somewhere to pick it up?

Thanks,
Kim

Get [Outlook for iOS](#)

From: Peter Bozzo <peter@nimbuswatersystems.com>
Sent: Friday, August 27, 2021 2:40:34 PM
To: kimollablair@outlook.com <kimollablair@outlook.com>
Subject: Payment for Nimbus

Kim,

Pursuant to the Appointment Order of the Ontario Superior Court of Justice (Commercial List) dated August 23, 2021, a copy of which is attached for ease of reference, BDO Canada Limited was appointed as receiver and manager of the Nimbus Group (in such capacity, the "Receiver"). Pursuant to the Appointment Order, you are required to immediately

deliver all of the funds referred to in your email below to the Receiver, and not to Peter Bozzo or anyone else. Should you fail to do so, we may seek the assistance of the court.

Please confirm receipt of this email and that you will deliver the funds to the Receiver. The Receiver can be contacted at mlitwack@bdo.ca. We look forward to hearing from you.

Sincerely,
BDO Canada Ltd,
in its capacity as the
Court-Appointed Receiver of
Nimbus Water Systems Inc.

From: Kim Blair <kimb6ix@icloud.com>
Sent: Friday, August 27, 2021 1:56 PM
To: Peter Bozzo <peter@nimbuswatersystems.com>
Subject: Payment for Nimbus

I collected the \$120k.

Should I direct the payment to Nimbus or to your personal because of the bank issues.

Thanks,
Kim



Sent from my iPhone

The information contained in this communication is confidential and intended only for the use of those to whom it is addressed. If you have received this communication in error, please notify me by telephone (collect if necessary) and delete or destroy any copies of it. Thank you.

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BDO est la marque utilisée pour désigner le réseau BDO et chacune de ses sociétés membres.

Andrea Fragala

From: Adam Driedger
Sent: September 8, 2021 12:07 PM
To: Adam Driedger
Subject: FW: Nimbus Water Systems

From: Litwack, Michael
Sent: August 31, 2021 10:11 AM
To: kimollablaire@outlook.com
Cc: Marchand, Matthew <mmarchand@bdo.ca>
Subject: Nimbus Water Systems

Kim,
 I am following up on the e-mail sent to you on August 29th regarding the cash in your possession for Nimbus Water Systems Inc (“Nimbus”). As the Court-Appointed Receiver, we ask that you confirm the dollar value and source of the funds you intend on delivering to the Receiver of Nimbus pursuant to your obligations under the Appointment Order.

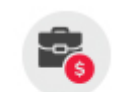
Please direct any future correspondence regarding Nimbus Water Systems to either myself or to Matthew Marchand, CC’d.

If you have any questions then please let me know.

Sincerely,
 Michael Litwack JD, CIRP, LIT
Senior Manager
 Financial Advisory Services
 BDO Canada Limited
 Direct: 705.797.3988
mlitwack@bdo.ca

202-300 Lakeshore Drive / Barrie, Ontario L4N 0B4
 Tel: 705.797.3980 / Fax: 705.792.3302
debtsolutions.bdo.ca

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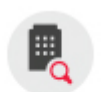
M&A & Capital
Markets



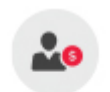
Forensic
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Investigations



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From one dream to a century of excellence
 D’un rêve à un siècle d’excellence



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BDO est la marque utilisée pour désigner le réseau BDO et chacune de ses sociétés membres.

APPENDIX “D”

August 31, 2021

PRIVATE & CONFIDENTIAL

VIA EMAIL

Dear Ms. Blair,

Re: National Bank of Canada v. Nimbus Environmental Solutions Inc. et al (the “Nimbus Group”) - Court File No. CV-21-00667395-00CL (the “Receivership Proceeding”)

As you are aware, by order of the Ontario Superior Court of Justice (Commercial List) dated August 23, 2021 (the “**Appointment Order**”), BDO Canada Limited was appointed as receiver and manager of all of the assets, undertakings, and properties (collectively, the “**Property**”) of the Nimbus Group (in such capacity, the “**Receiver**”). A copy of the Appointment Order is enclosed for ease of reference. We write to you on behalf of the Receiver.

Pursuant to paragraph 5 of the Appointment Order, all Persons (as defined therein) having notice of the Appointment Order are required to forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, grant immediate and continued access to such Property to the Receiver, and deliver all such Property to the Receiver upon the Receiver’s request.

We refer to your recent emails to P. Bozzo and with the Receiver in respect in and around August 27, 2021 wherein you advised that you are in possession and control of \$120,000 in cash that belongs to the Nimbus Group (the “**Funds**”). The Funds constitute “**Property**” of the Nimbus Group and must therefore be turned over to the Receiver immediately in accordance with the Appointment Order, together with any other Property in your possession and control, including any documents or records evidencing the source of the Funds or otherwise providing any information in respect of the Funds. Any failure to do so or to otherwise comply with the Appointment Order (including by continuing to interfere with the Receiver’s ability to carry out its mandate) puts you in contempt of a court order.

Please contact the Receiver immediately to make arrangements to turn over the Funds, all related documents and records, and any other Property in your possession and control by emailing Matthew Marchand at mmarchand@bdo.ca. Should you fail to contact the Receiver by noon on September 1, 2021, we will seek the further assistance of the court.



2.

Yours truly,

Thornton Grout Finnigan LLP

A handwritten signature in black ink, appearing to read 'AD', with a long horizontal stroke extending to the right.

Adam Driedger

cc: Josie Parisi, Matthew Marchand – BDO Canada Limited

APPENDIX “E”

STALKING HORSE ASSET PURCHASE AGREEMENT

This Agreement made this 6th day of September, 2021.

BETWEEN:

BDO CANADA LIMITED,

in its capacity as Court-appointed Receiver of the property, assets and undertakings of
Nimbus Environmental Solutions Inc., Nimbus Water Systems Inc. and Oakdale Enterprises Inc.,
and not in its personal or corporate capacity

(the "**Receiver**")

– and –

2752837 ONTARIO INC.

(the "**Purchaser**")

RECITALS:

- A. Pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) dated August 23, 2021, the Receiver was appointed as receiver of all of the assets, undertakings and properties of, among others, Nimbus Environmental Solutions Inc., Nimbus Water Systems Inc. and Oakdale Enterprises Inc.
- B. Pursuant to the Receivership Order, the Receiver is authorized to market and sell any or all of the property of the Debtors and negotiate such terms and conditions of sale as the Receiver may deem appropriate.
- C. The Receiver will bring a motion for the Sale Procedures Order to authorize the Receiver to enter into this Agreement and conduct a sales process with respect to the Purchased Assets.
- D. Subject to the designation of the Transaction as the successful bid pursuant to the Sale Procedures, the granting of the Approval and Vesting Order and the other conditions set forth herein, the Receiver has agreed to sell, convey, transfer and deliver to the Purchaser, and the Purchaser has agreed to purchase, acquire, assume and accept from the Receiver the Purchased Assets and Assumed Obligations, on the terms and subject to the conditions of this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confirmed, the Parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement and the Recitals herein, the following terms shall have the meanings set out below:

“Affiliate” means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate;

"Agreement" means this asset purchase agreement, including all schedules attached hereto and forming part hereof, and all written amendments and written restatements thereto from time to time;

"Applicable Law" means, with respect to any Person, property, transaction, event or other matter, all applicable laws, statutes, regulations, rules, by-laws, ordinances, protocols, regulatory policies, codes, guidelines, official directives, orders, rulings, judgments and decrees of any Governmental Authority;

"Approval and Vesting Order" means an order of the Court approving this Agreement and the transactions contemplated hereby and vesting, upon the delivery of the Receiver's Certificate to the Purchaser, all right, title and interest of the Debtors to the Purchased Assets in the Purchaser, free and clear of all Claims and Encumbrances pursuant to the terms and conditions of this Agreement, substantially in the form of the model order approved by the "Ontario Commercial List Users Committee", and otherwise in form and substance acceptable to the Purchaser and the Receiver;

"Article" or **"Section"** or **“Schedule”** means the specified Article, Section of or Schedule to this Agreement and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement;

“Assumed Contracts” has the meaning ascribed thereto in Section 2.9;

“Assumed Obligations” has the meaning ascribed thereto in Section 2.6(d);

“Bid Deadline” has the meaning ascribed thereto in the Sale Procedures Order;

“Books and Records” means all of the books and records relating to the Purchased Assets, including, without limitation, all personnel files/records relating to all Transferred Employees and sales books, records, books of account, sales and purchase records, lists of suppliers and customers, business reports, projections and all other documents, surveys, plans, files, records, assessments, correspondence, and other data and information, financial or otherwise, including all data, information and databases stored on computer-related or other electronic media, excluding any of the foregoing as applicable to any Excluded Asset;

“**Break Fee**” has the meaning ascribed thereto in Section 4.1(a);

“**Buildings and Lands**” means, collectively, the lands and premises municipally known as 112 Oakdale Road, Toronto and legally described as set out in **Schedule “A”** hereto and all appurtenant interests thereto, and all buildings, structures and fixed improvements located on, in or under the lands and premises, and all fixed equipment, improvements and fixtures owned by the Debtors and contained in or on such buildings, structures and fixed improvements;

“**Business**” means the business carried on by NWSI being the sale, installation and service of water treatment systems for residential, commercial and industrial customers across Canada;

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

“**Claims**” means any and all claims, demands, complaints, grievances, actions, applications, suits, causes of action, orders, charges, prosecutions or other similar processes, and “**Claim**” means any one of them;

“**Closing**” means the completion of the purchase and sale of the Purchased Assets, in accordance with the provisions of this Agreement;

“**Closing Date**” has the meaning ascribed thereto in Section 3.1 hereof;

“**Closing Time**” has the meaning ascribed thereto in Section 3.1 hereof;

“**Contracts**” means the right, title and interest of the Debtors to and in all pending and/or executory contracts, agreements, leases and arrangements Related to the Business to or by which any of the Debtors or any of the Purchased Assets or Business is bound or affected;

“**Court**” means the Ontario Superior Court of Justice (Commercial List);

“**Cure Costs**” means a payment required to cure any existing monetary default under any contract which is to become an Assumed Contract as at the date such contract becomes an Assumed Contract.

“**Debtors**” collectively means NESI, NWSI and Oakdale;

“**Deposit**” has the meaning ascribed thereto in Section 2.3(a);

“**Effective Time**” means 12:01 a.m. on the Closing Date;

“**Employee**” means an individual who was formerly employed or engaged by NWSI or, as at the Effective Time, is employed or engaged by NWSI in connection with the Business, and “**Employees**” means every Employee;

“**Employee Liabilities**” means any and all Liabilities having priority over registered security interests (whether by statute, contract, common law or otherwise) owed to any of the Employees, or otherwise arising out of, or resulting from, the relationship between NWSI and any of the

Employees, including any Liability arising as a result of such party being deemed to be a successor employer, related employer or otherwise responsible or liable for payment of any amounts owing to, on behalf of, or in respect of, any of the Employees (including, but not limited to, the Transferred Employees), whether pursuant to the *Employment Standards Act* (Ontario), the *Pay Equity Act* (Ontario) or the *Workplace Safety and Insurance Act, 1997* (Ontario). Without limiting the foregoing, Employee Liabilities shall include:

- (a) all salaries, wages, bonuses, commissions, vacation pay, public holiday pay and other compensation relating to the employment of the Employees (including accrued but unpaid vacation pay and any retroactive pay) and all Liabilities under employee benefit plans relating to employment of the Employees; and
- (b) all termination pay, severance pay, damages in lieu of reasonable notice and other related Liabilities (under statute, contract, common law or otherwise) in respect of the termination and/or severance of employment of the Employees;

"Encumbrances" means any and all security interests (whether contractual, statutory, or otherwise), mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, leases, title retention agreements, reservations of ownership, demands, executions, levies, charges, options or other rights to acquire any interest in any assets, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, and all contracts to create any of the foregoing, or encumbrances of any kind or character whatsoever, other than Permitted Encumbrances;

"Ereg" has the meaning ascribed thereto in Section 3.7;

"Equipment" means all equipment and personal property owned by the Debtors wherever located, including all fixed and tangible assets, machinery, chattels, tooling, furniture, computer hardware and other tangible assets;

"Excluded Assets" means the following:

- (a) all cash, bank balances, moneys in possession of banks and other depositories, term or time deposits and similar cash items of, owned or held by, or for the account of, the Debtors;
- (b) Lease between Oakdale and 12216485 Canada Inc. dated July 29, 2020;
- (c) any Claims against Peter Bozzo or any of his family members, and any claims to recover payments to creditors or others as a preference or transaction at undervalue;
- (d) any corporate income tax refunds;
- (e) all minute books, share ledgers, corporate seals and stock certificates of the Debtors;

- (f) original Tax records and books and records pertaining thereto, minute books, corporate seals, taxpayer and other identification numbers and other documents relating to the organization, maintenance, and existence of the Debtors, in each case that do not relate to the Business or the Purchased Assets; and
- (g) any other assets that the Purchaser elects to exclude in writing prior to Closing pursuant to Section 2.5;

“Excluded Liabilities” has the meaning ascribed thereto in Section 2.8;

“Expense Reimbursement Fee” has the meaning ascribed thereto in Section 4.1(b);

"Governmental Authorities" means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power, and **"Governmental Authority"** means any one of them;

"HST" means all of the harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada);

“Intellectual Property” means any or all of the following items, wherever located, domestic or foreign: all patents and patent rights, trademarks and trademark rights, trade names and trade name rights, service marks and service mark rights, service names and service name rights, copyrights and copyright rights, brand names, trade dress, business and product names, domain names, corporate names, logos, slogans, trade secrets, inventions, processes, formulae, industrial models, designs, specifications, data, technology, methodologies, computer programs (including all source code), confidential and proprietary information, whether or not subject to statutory registration, all related technical information, manufacturing, engineering and technical drawings, know how, all pending applications for and registrations of patents, trademarks, service marks and copyrights, including all obligations of third parties relating to the protection of the foregoing, the goodwill associated with the foregoing, and the right to sue for past payment, if any, in connection with any of the foregoing, and all documents, disks and other media on which any of the foregoing is stored, including without limitation;

“Inventory and Supplies” means all items that are held by NWSI for sale, license, rental, lease or other distribution (and includes all supplies used by NWSI in the operation of the Business) on hand at Closing;

"Liability" means any debt, loss, damage, adverse claim, fines, penalties, liability or obligation (whether direct or indirect, known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, matured or unmatured, determined or determinable, disputed or undisputed, liquidated or unliquidated, or due or to become due, and whether in or under statute, contract, tort, strict liability or otherwise), and includes all costs and expenses relating thereto

(including all fees, disbursements and expenses of legal counsel, experts, engineers and consultants and costs of investigation), and, "**Liabilities**" means the plural thereof;

"**Licences and Permits**" means all licences, permits, filings, certificates, authorizations, approvals or indicia of authority Related to the Business or the Purchased Assets or necessary for the operation or use of the Purchased Assets;

"**NESI**" means Nimbus Environmental Solutions Inc.;

"**NWSI**" means Nimbus Water Systems Inc.;

"**Oakdale**" means Oakdale Enterprises Inc.;

"**Ordinary Course**" means, with respect to an action taken or omitted to be taken by a Person, that such action is reasonably practicable and generally consistent with the recent past practices of the Person having specific regard to the recent circumstances leading up to and including the transactions contemplated by this Agreement and, as applicable, subject to the Receivership Order and the Debtors' receivership proceeding;

"**Outside Date**" means November 26, 2021;

"**Parties**" means the Receiver and the Purchaser collectively, and "**Party**" means any one of them;

"**Permitted Encumbrances**" means those Encumbrances listed in **Schedule "B"** attached hereto;

"**Person**" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity;

"**Prepaid Amounts**" means all prepayments, prepaid charges, deposits, security deposits, sums and fees Related to the Business or in respect of the Purchased Assets;

"**Purchase Price**" has the meaning ascribed thereto in Section 2.2;

"**Purchased Assets**" means all of the Debtors' right, title and interest in all of their respective assets, properties and undertakings, including but not limited to, the following assets:

- (h) Assumed Contracts;
- (i) Books and Records;
- (j) Buildings and Lands;
- (k) Claims;
- (l) Equipment;

- (m) Intellectual Property;
- (n) Inventory and Supplies;
- (o) Licenses and Permits;
- (p) Prepaid Amounts;
- (q) Receivables;
- (r) the right to receive insurance recoveries under any insurance policies in existence on the date hereof in respect only of any claims with respect to Purchased Assets;
- (s) all refundable Taxes and refunds in respect of Taxes (or assessments or reassessments for Taxes),
- (t) all rights and interests under or pursuant to all warranties, representations and guarantees, express implied or otherwise, of or made by suppliers or others in connection with the Purchased Assets or otherwise Related to the Business,
- (u) all goodwill associated with the Business, including, without limitation, the goodwill associated with the name "Nimbus Water Systems" and any variation thereof, and any internet domain names, websites, telephone and facsimile numbers, email addresses, and social media accounts Related to the Business, including the right of the Purchaser to hold itself out as operating the Business as the successor to the Debtors; and
- (v) all other property, assets and undertaking of NWSI used in or Related to the Business of whatsoever nature or kind,

other than the Excluded Assets;

"**Qualified Bid**" has the meaning ascribed thereto in the Sale Procedures;

"**Receiver's Certificate**" means a certificate from the Receiver confirming the Closing of the transactions contemplated hereby, substantially in the form attached to the Approval and Vesting Order;

"**Receivership Order**" means the Order of the Court dated August 23, 2021 appointing BDO Canada Limited as receiver of the property, assets and undertakings of the Debtors;

"**Receivables**" means the right, title and interest of the Debtors to all accounts receivable, bills receivable, trade accounts, book debts, insurance claims, and choses-in-action, now or hereafter due or owing to any of the Debtors, Related to the Business or the Purchased Assets, together with any unpaid interest accrued on such items and any security or collateral for such items, including recoverable deposits, attributable to the period prior to Closing, and without limiting the generality of the foregoing, includes all tax refunds and government subsidies;

“**Related to the Business**” means, directly or indirectly, used in, arising from, or relating in any manner to the Business;

“**Rights**” has the meaning ascribed thereto in Section 2.10;

“**Sale Procedures**” means the sale and solicitation process approved by the Sale Procedures Order and on terms substantially similar to those attached as **Schedule “C”** hereto;

“**Sale Procedures Order**” means an order of the Court approving the execution of this Agreement as a “stalking horse” asset purchase agreement, the transactions contemplated herein, and the Sale Procedures, in form and content acceptable to the Purchaser and the Receiver;

“**Stalking Horse Bid**” has the meaning ascribed thereto in Section 4.1(a);

“**Taxes**” means all taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, harmonized, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property and personal property taxes, and any other taxes, customs duties, fees, assessments or similar charges in the nature of a tax, including, Canada Pension Plan and provincial pension plan contributions (or equivalent in the jurisdiction where the Purchased Assets may be located), employment insurance payments and workers compensation premiums, together with any instalments with respect thereto, and any interest, fines and penalties, imposed by any Governmental Authority, and whether disputed or not;

“**Transaction**” means the transaction of purchase and sale and assignment and assumption contemplated by this Agreement;

“**Transferred Employees**” means Employees who have accepted an offer of employment from the Purchaser as of the Closing; and

“**Winning Bidder**” has the meaning ascribed thereto in Section 4.1(c).

1.2 Section References

Unless the context requires otherwise, references in this Agreement to Sections are to Sections of this Agreement.

1.3 Schedule

The following Schedule shall form an integral part of this Agreement:

Schedule “A”	Lands
Schedule “B”	Permitted Encumbrances
Schedule “C”	Sale Procedures

ARTICLE 2
PURCHASE AND SALE

2.1 Purchase and Sale of Purchased Assets

At the Closing Time, subject to the terms and conditions of this Agreement and the Approval and Vesting Order, the Receiver shall sell, and the Purchaser shall purchase the Purchased Assets and the Purchaser shall assume the Assumed Obligations.

2.2 Purchase Price

The purchase price payable by the Purchaser to the Receiver for the Purchased Assets shall be the sum of Thirteen Million Dollars (\$13,000,000) (the “**Purchase Price**”).

2.3 Satisfaction of Purchase Price

The Purchaser shall satisfy the Purchase Price by payment to the Receiver by way of a certified cheque, wire transfer or bank draft as follows:

- (a) an amount representing 5% of the Purchase Price will be paid by the Purchaser by 2:00 p.m. on September 10, 2021 as a deposit (the “**Deposit**”) to be held by the Receiver in trust until the Closing and will be credited toward the Purchase Price upon Closing; and
- (b) the balance on Closing.

The Receiver agrees to cause the Deposit to be placed into a non-interest-bearing account or certificate of deposit.

2.4 Allocation of Purchase Price

The Purchase Price shall be allocated among the Purchased Assets in the manner agreed to by the Purchaser and the Receiver (each acting reasonably) prior to the Closing Date.

2.5 Excluded Assets

Save and except as otherwise expressly set out herein, the Purchaser may, at its option, exclude any of the Purchased Assets from the transaction contemplated hereby at any time prior to Closing upon delivery of prior written notice to the Receiver, whereupon such assets shall be deemed to form part of the Excluded Assets, provided, however, that there shall be no reduction in the Purchase Price as a result of such exclusion.

2.6 Taxes and Elections

- (a) The Purchaser shall be responsible for the payment on Closing of all Taxes that are required to be paid or remitted in connection with the consummation of the transactions contemplated in this Agreement.
- (b) If applicable, at the Closing, the Receiver and the Purchaser shall jointly execute an election under Section 167 of the *Excise Tax Act* (Canada) to seek to cause the sale of the Purchased Assets to take place on an HST-free basis under Part IX of the *Excise Tax Act* (Canada) and the Purchaser shall file such election with its HST return for the applicable reporting period in which the sale of the Purchased Assets takes place.
- (c) If applicable, at the Closing, the Receiver and the Purchaser shall execute jointly an election in prescribed form under Section 22 of the *Income Tax Act* (Canada) in respect of the Receivables and shall file such election with their respective tax returns for their respective taxation years that include the Closing Date.
- (d) The Purchaser agrees to indemnify and save the Receiver harmless from and against all claims and demands for payment of all Taxes payable by Purchaser in connection with the purchase of the Purchased Assets, including penalties and interest thereon and any liability or costs incurred as a result of any failure to pay such Taxes when due.

2.7 Assumed Obligations

At Closing, the Purchaser shall assume and be liable for the following (collectively, the “**Assumed Obligations**”):

- (a) any Liabilities in connection with the Assumed Contracts as set out in Section 2.9;
- (b) all Liabilities and Claims arising or accruing from the use of the Purchased Assets from and after the Closing;
- (c) those Employee Liabilities set out in Section 7.2; and
- (d) all Permitted Encumbrances.

2.8 Excluded Liabilities

Except for the Assumed Obligations, the Purchaser is not assuming, and shall not be deemed to have assumed, any Liabilities of the Debtor or the Receiver not specifically assumed (collectively, the “**Excluded Liabilities**”), which Excluded Liabilities include, but are not limited to, the following:

- (a) all Liabilities and Claims arising or accruing from the use of the Purchased Assets prior to the Closing;

- (b) all Employee Liabilities that arise out of, or result from the employment or engagement by NWSI or the Receiver (or any predecessor to NWSI) of any of the Employees (other than Transferred Employees) (unless otherwise imposed by law) and/or the termination or severance of such engagement or employment; and
- (c) all Encumbrances, other than Permitted Encumbrances.

2.9 Assumed Contracts

Save and except as hereinafter set out, the Purchaser shall give notice to the Receiver in writing, at least two (2) Business Days prior to the Closing Date, of those Contracts that it elects to assume on Closing (which Contracts shall be referred to as the “**Assumed Contracts**” and of which any one of them is an “**Assumed Contract**”). This Agreement and any document delivered under this Agreement will not constitute an assignment or an attempted assignment of any Contract contemplated to be assigned to the Purchaser under this Agreement which is not assignable without the consent of a third Person if such consent has not been obtained and such assignment or attempted assignment would constitute a breach of such Contract, in which event, the provisions of Section 2.10 hereof shall govern. The Receiver, in cooperation with the Purchaser, shall take such steps as necessary to obtain the consent of the counterparties for the assignment of the Assumed Contracts. The Receiver shall be responsible for any Cure Payment required to be made to the counterparties to the Assumed Contracts which are to be assigned to the Purchaser.

2.10 Assignment of Purchased Assets

Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an assignment or transfer of any of the Purchased Assets or any right thereunder if an attempted assignment or transfer, without the consent of a third Person, would constitute a breach or in any way adversely affect the rights of the Purchaser hereunder. To the extent that any of the Purchased Assets to be transferred to the Purchaser on the Closing, or any claim, right or benefit arising under or resulting from such Purchased Assets (collectively, the “**Rights**” and each a “**Right**”) is not capable of being transferred without the approval, consent or waiver of any third Person, or if the transfer of a Right would constitute a breach of any obligation under, or a violation of, any Applicable Law unless the approval, consent or waiver of such third Person is obtained, then, except as otherwise expressly provided in this Agreement, and without limiting the rights and remedies of the Purchaser contained elsewhere in this Agreement, this Agreement shall not constitute an assignment or transfer of such Rights unless and until such approval, consent or waiver has been obtained or an order of the Court is compelling assignment. After the Closing and until all such Rights are transferred to the Purchaser, the Receiver shall:

- (a) hold the Rights as bare trustee for the Purchaser;
- (b) cooperate with the Purchaser in any reasonable and lawful arrangements designed to provide the benefits of such Rights to the Purchaser; and
- (c) enforce, at the reasonable request of and at the expense of the Purchaser, any rights of the Receiver arising from such Rights against any third Person, including

the right to elect to terminate any such Rights in accordance with the terms of such Rights upon the written direction of the Purchaser.

In order that the full value of the Rights may be realized for the benefit of the Purchaser, the Receiver shall, at the request and expense and under the direction of the Purchaser, in the name of the Receiver or otherwise as the Purchaser may specify, take all such action and do or cause to be done all such things as are, in the opinion of the Purchaser, acting reasonably, necessary or proper in order that the obligations of the Receiver under such Rights may be performed in such manner that the value of such Rights is preserved and enures to the benefit of the Purchaser, and that any moneys due and payable and to become due and payable to the Purchaser in and under the Rights are received by the Purchaser. The Receiver shall hold as bare trustee and promptly pay to the Purchaser all moneys collected by or paid to the Receiver in respect of every such Right. To the extent that such approval, consent, waiver or order of the Court has not been obtained by the 90th day following the Closing, such Right shall be deemed to be an Excluded Asset and the Receiver may terminate any agreement pertaining to such Right. The Purchaser shall indemnify and hold the Receiver harmless from and against any claim or liability under or in respect of such Rights arising because of any action of the Receiver taken in accordance with this Section.

In the event that any consent, approval or waiver cannot be obtained for any Assumed Contract, the Receiver, if requested by the Purchaser in its sole discretion, shall as soon as reasonably practicable bring a motion before the Court seeking the issuance of an order by the Court authorizing and approving the assignment of an Assumed Contract to the Purchaser with respect to each such Assumed Contract, which order shall be in form and substance acceptable to the Receiver and the Purchaser.

The Purchaser shall have the right to direct that title to any of the Purchased Assets be taken in the name of another corporation or entity (presently in existence or to be incorporated) that is an affiliate of the Purchaser.

2.11 Customer Contracts

Upon approval of this Agreement by the Court, the Purchaser shall be permitted to enter into negotiations with NWSI's customers to extend and amend existing customer contracts or enter into new customer contracts, conditional on the Purchaser being the Winning Bidder.

ARTICLE 3 **CLOSING ARRANGEMENTS**

3.1 Closing

Closing shall take place at 10:00 a.m. (the "**Closing Time**") on the eleventh (11) day following the granting of the Approval and Vesting Order or such earlier date as the Parties may agree to in writing, but in any event shall not be later than the Outside Date, and if such date falls on a holiday or weekend, it shall be the next Business Day (the "**Closing Date**"). The Closing shall take place by electronic transmission of documents, or at such other time and location, and in such other manner, as the Parties may agree upon in writing.

3.2 Tender

Except as otherwise set out herein, any tender of documents or money under this Agreement may be made upon the Parties or their respective counsel and money may be tendered by official bank draft drawn upon a Canadian chartered bank, by negotiable cheque payable in Canadian funds and certified by a Canadian chartered bank or trust company, or by wire transfer of immediately available funds to the account specified by that Party.

3.3 Receiver's Closing Deliveries

At the Closing, the Receiver shall deliver to the Purchaser the following, each in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) a copy of the Approval and Vesting Order, issued by the Court;
- (b) a statement of adjustments;
- (c) the Receiver's Certificate, executed by the Receiver;
- (d) if applicable, the elections referred to in Section 2.6;
- (e) a general conveyance with respect to the Purchased Assets;
- (f) any assignments, transfers or bills of sale as may be requested by the Purchaser to effect the transfer of the Intellectual Property;
- (g) a bring down certificate dated as of the Closing Date, confirming that all of the representations and warranties of the Receiver contained in this Agreement are true and correct as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- (h) an undertaking to re-adjust any item on or omitted from the statement of adjustments; and
- (i) such further and other documentation as is referred to in this Agreement or as the Purchaser or its lawyers may reasonably require to complete the transactions provided for in this Agreement.

3.4 Purchaser's Closing Deliveries

At the Closing, the Purchaser shall deliver to the Receiver the following, each in form and substance satisfactory to the Receiver, acting reasonably:

- (a) balance of the Purchase Price;
- (b) a bring down certificate dated as of the Closing Date, confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true and correct as of the Closing Date, with the same effect as though made on and as of the Closing Date;

- (c) a general conveyance with respect to the Purchased Assets;
- (d) if applicable, the elections referred to in Section 2.6;
- (e) if desired, a direction directing the Receiver to convey title to the Building and Lands to an entity other than the Purchaser;
- (f) an undertaking to re-adjust any item on or omitted from the statement of adjustments; and
- (g) such further and other documentation as is referred to in this Agreement or as the Receiver or its lawyers may reasonably require to complete the transactions provided for in this Agreement.

3.5 Risk

The Purchased Assets shall be and remain at the risk of the Receiver until Closing. From and after Closing, the Purchased Assets shall be at the risk of the Purchaser. In the event that the Purchased Assets shall be damaged prior to Closing, then the Receiver shall advise the Purchaser in writing within twenty-four (24) hours of the Receiver learning of same. In the event that the Purchased Assets shall be materially damaged prior to Closing then the Purchaser shall be entitled, in its sole and absolute discretion, to elect to terminate this Agreement by notice, in writing, to the Receiver and in such event the Parties hereto shall be released from all obligations and liabilities hereunder. If the Purchaser does not elect to terminate this Agreement as set out above, then the Transaction shall be completed in accordance with the terms and conditions hereof and the Purchaser shall be entitled to all proceeds of insurance payable in respect thereof, if any.

3.6 Conduct Prior to Closing

Prior to the Closing, the Receiver shall conduct the Business in the Ordinary Course, except to the extent required to allow the Receiver to comply with its obligations under this Agreement or as may be permitted with the written consent of the Purchaser (such consent not to be unreasonably conditioned, withheld, or delayed), subject in all cases to the Receivership Order, and any other Court orders granted in the Debtors' receivership proceeding. Without limiting the generality of, but subject to, the foregoing, the Receiver shall:

- (a) maintain, preserve and protect the Purchased Assets in the condition in which they exist on the date hereof, other than ordinary wear and tear and other than replacements, dispositions, modifications or maintenance in the Ordinary Course;
- (b) preserve the goodwill of the Debtors and maintain satisfactory relationships with suppliers and customers;
- (c) not terminate any Employees without the prior written consent of the Purchaser, such consent not to be unreasonably withheld;

- (d) not convey, encumber or otherwise dispose of any of the Purchased Assets except in the Ordinary Course;
- (e) not amend or modify any Assumed Contract in any material respect, waive any material rights in respect of any Assigned Agreement or disclaim any Assigned Agreement;
- (f) not enter into any material contract or agreement in respect of the Business;
- (g) continue and keep in full force and effect all insurance coverage currently held by the Receiver and/or the Debtors; and
- (h) comply in all material respects with all Applicable Laws relating to the conduct of the Business and the ownership and use of the Purchased Assets.

3.7 Electronic Registration

In the event that a system for electronic registration (“**Ereg**”) is operative and mandatory in the applicable land registry office, the Purchaser agrees to cause all necessary procedures to be taken, as may be required by the Receiver or the Receiver’s solicitors, to complete the Transaction using Ereg in accordance with the Law Society of Ontario’s guidelines. If Ereg is operative on the Closing Date, (i) the Purchaser agrees to use a lawyer authorized to use Ereg and who is in good standing with the Law Society of Ontario, (ii) the Purchaser’s solicitors will enter into the Receiver’s solicitors’ standard form of escrow closing agreement or document registration agreement, which will establish the procedures for closing the Transaction provided same are in accordance with Law Society guidelines, and (iii) if the Purchaser’s solicitors are unwilling or unable to complete the Transaction using Ereg, then the Purchaser’s solicitors must attend at the Receiver’s solicitors’ office or at another location designated by the Receiver’s solicitors at such time on Closing as directed by the Receiver’s solicitors to complete the Transaction using Ereg utilizing the Receiver’s solicitors’ computer facilities, in which event, the Purchaser shall pay to the Receiver’s solicitors a reasonable fee therefor.

3.8 Delivery of the Receiver’s Certificate

When the conditions set out in Article 5 below have been satisfied or waived, the Receiver will deliver an executed copy of the Receiver’s Certificate to the Purchaser. Upon such delivery, the Closing will be deemed to have occurred. The Receiver will thereafter promptly file a copy of the Receiver’s Certificate with the Court.

ARTICLE 4 **SALE PROCEDURE**

4.1 Sale Procedures.

- (a) The Receiver shall bring a motion on or before September 13, 2021 for approval of the Sale Procedures. The Sale Procedures Order shall recognize the Purchase Price as a baseline or “stalking horse bid” (the “**Stalking Horse Bid**”), and shall

also provide for a marketing process of the Purchased Assets by the Receiver with the potential for competitive bidding. The Purchaser acknowledges and agrees that the aforementioned process is in contemplation of determining whether a superior bid can be obtained for the Purchased Assets.

- (b) In consideration for the Purchaser's expenditure of time and money and agreement to act as the initial bidder through the Stalking Horse Bid, and the preparation of this Agreement, and subject to Court approval, the Purchaser shall be entitled to a break fee of \$250,000 (the "**Break Fee**") and an expense reimbursement fee in the amount of a maximum of \$50,000 (inclusive of HST, if any) (the "**Expense Reimbursement Fee**") payable by the Receiver to the Purchaser only in the event that a successful bid other than the Stalking Horse Bid is accepted by the Receiver, approved by the Court and completed. The payment of the foregoing amounts shall be approved in the Sale Procedures Order and shall be payable to the Purchaser out of the sale proceeds derived from and upon completion of the winning bid. The Parties acknowledge and agree that the foregoing amounts represent a fair and reasonable estimate of the expenses that will be incurred by the Purchaser as a result of preparing for and entering into this Agreement, and is not intended to be punitive in nature nor to discourage competitive bidding for the Purchased Assets. For certainty, the Break Fee and the Expense Reimbursement Fee do not form part of the Purchase Price.
- (c) In the event that one or more Persons submits a Qualified Bid, the Receiver shall conduct an auction for the determination and selection of a winning bid (the Person submitting such bid being the "**Winning Bidder**"). Upon the selection of the Winning Bidder, there shall be a binding agreement of purchase and sale between the Winning Bidder and the Receiver. The Receiver shall forthwith bring a motion following the selection of the Winning Bidder for an order approving the agreement reached with the Winning Bidder and to vest the Purchased Assets in the Winning Bidder and, if granted, shall proceed with closing the transaction forthwith.
- (d) Notwithstanding anything contained herein to the contrary, in the event that the Purchaser is not the Winning Bidder, then upon the closing of a transaction with such Winning Bidder, this Agreement shall be terminated and the Purchaser shall be entitled to the Break Fee, the Expense Reimbursement Fee and a return of the Deposit and neither Party hereto shall have any further liability or obligation, except as expressly provided for in this Agreement.
- (e) If no Qualified Bids other than the Stalking Horse Bid are received by the Bid Deadline, the Receiver shall forthwith bring a motion to the Court to obtain the Approval and Vesting Order and, if granted, shall proceed with completing the transaction contemplated hereby forthwith.

4.2 Approval and Vesting Order

The Approval and Vesting Order shall approve this Agreement and the transactions contemplated hereby and vest, upon the delivery of the Receiver's Certificate to the Purchaser, all right, title and interest of the Debtors in and to the Purchased Assets to the Purchaser, or as it may direct, free and clear of all Claims and Encumbrances pursuant to the terms and conditions of this Agreement, other than Permitted Encumbrances.

ARTICLE 5 CONDITIONS PRECEDENT

5.1 Key Suppliers and Customers

By 5:00 p.m. on September 10, 2021, the Purchaser shall have satisfied itself, acting reasonably, that NWSI's key suppliers and customers shall continue conducting business with the Purchaser after the Closing. If this condition precedent has not been waived by the Purchaser before 5:00 p.m. on September 10, 2021, or such later date as the Parties may agree to in writing, this Agreement shall, at the option of the Purchaser, be terminated and the Parties shall each be released from all obligations under this Agreement except that the Receiver shall promptly return the Deposit to the Purchaser without interest.

5.2 Conditions Precedent of the Purchaser

The Purchaser shall not be obliged to complete the transactions contemplated by this Agreement unless, at or before the Closing Time, each of the following conditions has been satisfied, it being understood that the following conditions are included for the exclusive benefit of the Purchaser and may be waived, in whole or in part, in writing, by the Purchaser at any time; and the Receiver agrees with the Purchaser to take all such commercially reasonable actions, steps and proceedings within its reasonable control as may be necessary to ensure that the following conditions are fulfilled at or before the Closing Time:

- (a) *Execution of this Agreement.* The Receiver shall deliver a fully executed copy of this Agreement to the Purchaser on or before 5 p.m. (Toronto time) on September 7, 2021.
- (b) *Representations and Warranties.* The representations and warranties of the Receiver in Section 6.1 shall be true and correct at the Closing Time;
- (c) *Sale Procedures Order.* The Sale Procedures Order shall have been issued by the Court, shall not be stayed, varied, superseded or under appeal, and the applicable time for appealing the Stalking Horse and Sale Procedures Order shall have expired;
- (d) *Winning Bidder.* The Receiver shall have determined in accordance with the Sale Procedure that this Agreement is a successful bid and the Purchaser is the Winning Bidder.

- (e) *Termination of Lease.* The Receiver shall have terminated all leases with respect to the Buildings and Lands.
- (f) *Approval and Vesting Order Final:* The Approval and Vesting Order shall have been issued by the Court, shall not be stayed, varied, superseded or under appeal, and the applicable time for appealing the Approval and Vesting Order shall have expired if the hearing for the Approval and Vesting Order is contested; and
- (g) *Receiver's Compliance.* The Receiver shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before the Closing Time and shall have executed and delivered to the Purchaser at the Closing Time all the deliveries contemplated in Section 3.3.

5.3 Conditions Precedent of the Receiver

The Receiver shall not be obliged to complete the transactions contemplated by this Agreement unless, at or before the Closing Time, each of the following conditions has been satisfied, it being understood that the following conditions are included for the exclusive benefit of the Receiver, and may be waived, in whole or in part, in writing by the Receiver at any time; and the Purchaser agrees with the Receiver to take all such commercially reasonable actions, steps and proceedings within its reasonable control as may be necessary to ensure that the following conditions are fulfilled at or before the Closing Time:

- (a) *Purchaser's Compliance.* The Purchaser shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed by or complied with at or before the Closing Time and shall have executed and delivered to the Receiver at the Closing Time all the deliveries contemplated in Section 3.4 in this Agreement.
- (b) *Sale Procedure Order.* The Sale Procedure Order shall have been issued by the Court, shall not be stayed, varied, superseded or under appeal, and the applicable time for appealing the Sale Procedure Order shall have expired;
- (c) *Approval and Vesting Order Final:* The Approval and Vesting Order shall have been issued by the Court, shall not be stayed, varied, superseded or under appeal, and the applicable time for appealing the Approval and Vesting Order shall have expired if the hearing for the Approval and Vesting Order was contested; and
- (d) *Representations and Warranties.* The representations and warranties of the Purchaser in Section 6.2 shall be true and correct at the Closing Time.

5.4 Non-Satisfaction of Conditions

If any condition precedent set out in Section 5.2 or 5.3 is not satisfied or performed prior to the Outside Date, the Party for whose benefit the condition precedent is inserted may:

- (a) waive compliance with the condition, in whole or in part, in its sole discretion by written notice to the other Party (but may not claim for any matter waived) and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part; or
- (b) elect on written notice to the other Party to terminate this Agreement, in which event each Party shall be released from all obligations under this Agreement.

ARTICLE 6 **REPRESENTATIONS AND WARRANTIES**

6.1 Representations and Warranties of the Receiver

As a material inducement to the Purchaser entering into this Agreement and completing the transactions contemplated by this Agreement and acknowledging that the Purchaser is entering into this Agreement in reliance upon the representations and warranties of the Receiver set out in this Section 6.1, the Receiver hereby represents and warrants to the Purchaser as follows:

- (a) *Due Authorization.* Subject to the granting of the Approval and Vesting Order, the Receiver has all necessary authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by it as contemplated by this Agreement and to carry out its obligations under this Agreement and such other agreements and instruments;
- (b) *Enforceability of Obligations.* Subject to the granting of the Approval and Vesting Order, if applicable, this Agreement constitutes a valid and binding obligation of the Receiver, enforceable against the Receiver, in accordance with its terms.
- (c) *HST.* The Receiver is a registrant under Part IX of the *Excise Tax Act* (Canada), and its Business Number is 89557 9084 RT0002; and
- (d) *Residency.* The Receiver is not a non-resident within the meaning of section 116 of the *Income Tax Act* (Canada).

6.2 Representations and Warranties of the Purchaser

As a material inducement to the Receiver entering into this Agreement and completing the transactions contemplated by this Agreement and acknowledging that the Receiver is entering into this Agreement in reliance upon the representations and warranties of the Purchaser set out in this Section 6.2, the Purchaser hereby represents and warrants to the Receiver as follows:

- (a) *Incorporation of the Purchaser.* The Purchaser is a corporation duly incorporated under the laws of the jurisdiction of its incorporation and is duly organized, validly subsisting and in good standing under such laws;
- (b) *Due Authorization.* The Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by it as contemplated by this Agreement and to carry

out its obligations under this Agreement and such other agreements and instruments;

- (c) *Enforceability of Obligations.* This Agreement constitutes a valid and binding obligation of the Purchaser, enforceable against the Purchaser, in accordance with its terms;
- (d) *Approvals and Consents.* Except as otherwise provided herein, no authorization, consent or approval of or filing with or notice to any Governmental Authority or other Person is required in connection with the execution, delivery or performance of this Agreement by the Purchaser or the purchase of any of the Purchased Assets hereunder;
- (e) *HST.* The Purchaser is or will on Closing be a registrant under Part IX of the *Excise Tax Act* (Canada); and
- (f) *Residency.* The Purchaser is not a non-resident within the meaning of section 116 of the *Income Tax Act* (Canada).

6.3 Acquisition of Purchased Assets on "As Is, Where Is" Basis

The Purchaser acknowledges that the Receiver is selling the Purchased Assets on an "as is, where is" basis as they shall exist on the Closing Date, subject to the terms of the Approval and Vesting Order. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Receiver does not guarantee title to the Purchased Assets and that the Purchaser has conducted such inspections of the condition of and title to the Purchased Assets as it deemed appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Receiver to sell or assign same save and except as expressly represented or warranted herein. Without limiting the generality of the foregoing, any and all conditions, warranties or representations, expressed or implied, pursuant to the *Sale of Goods Act* (Ontario) or similar legislation do not apply hereto and have been waived by the Purchaser. The Purchaser further acknowledges that all written and oral information (including analyses, financial information and projections and studies) obtained by the Purchaser from the Receiver or any of its directors, officers, employees, professional consultants or advisors with respect to the Purchased Assets or otherwise relating to the transactions contemplated in this Agreement has been obtained for the convenience of the Purchaser only and is not warranted to be accurate or complete. The Purchaser further acknowledges that the Receiver shall be under no obligation to deliver the Purchased Assets to the Purchaser and that it shall be the Purchaser's responsibility to take possession of the Purchased Assets.

6.4 Condition of Building and Lands

Notwithstanding section 6.3 herein, the Receiver agrees to remove all Excluded Assets from the Building and Lands (as applicable) prior to Closing and leave the building thereon in a clean and broom-swept condition.

ARTICLE 7 **EMPLOYEES**

7.1 Offers to Employees

The Purchaser may offer new employment, conditional upon Closing and effective as of the Effective Time, to such of the Employees as determined by the Purchaser in its sole discretion, on such terms as the Purchaser and each of the Transferred Employees may agree.

7.2 Transferred Employees

The Purchaser shall provide to the Receiver a list five (5) Business Days before Closing, indicating:

- (a) those Employees to whom offers of employment or expressions of interest have been made;
- (b) those Employees who have accepted any such offer; and
- (c) those Employees who the Purchaser has determined will not be offered employment with the Purchaser.

The Purchaser shall assume and be responsible for all Employee Liabilities following the Closing Date. The Purchaser shall also assume and be responsible for any vacation pay or wage liability with respect to the Transferred Employees, whether accruing or arising prior to or following the Closing Date.

ARTICLE 8 **TERMINATION**

8.1 Termination by the Parties

This Agreement may be terminated:

- (a) upon the mutual written agreement of the Receiver and the Purchaser;
- (b) pursuant to Section 5.1 by the Purchaser;
- (c) pursuant to Section 5.4(b) by either Party; or
- (d) pursuant to Section 4.1(d).

8.2 Deposit

If this Agreement is terminated through no fault of the Purchaser, the Parties shall each be released from all obligations under this Agreement, and the Deposit shall be immediately refunded to the Purchaser by the Receiver without interest.

8.3 Breach by Purchaser

If the Purchaser fails to comply with its obligations under this Agreement, the Receiver may by notice to the Purchaser elect to treat this Agreement as having been repudiated by the Purchaser. In that event, other than as provided for in Section 8.1 and 8.2, the Deposit and any other payments made by the Purchaser will be forfeited to the Receiver on account of its liquidated damages and the Purchaser shall have no further obligations to the Receiver, and the Purchased Assets may thereafter be sold by the Receiver to any other party.

ARTICLE 9 **POST-CLOSING MATTERS**

9.1 Post-Closing Receipts

If, following the Closing Date, any of the Purchased Assets are paid to or otherwise received by the Receiver, or if any of the Excluded Assets are paid to or otherwise received by the Purchaser, then the Receiver or the Purchaser, as the case may be, shall hold such assets in trust for the other and shall promptly deliver such assets to the Receiver or the Purchaser, as the case may be.

9.2 Books and Records

The Purchaser shall preserve and keep the Books and Records which relate to the Purchased Assets for a period of six years from the Closing Date or for any longer period as may be required by any Applicable Law or Governmental Authority. Upon reasonable advance notice, after the Closing Date, the Purchaser will grant the Receiver or any trustee in bankruptcy of the Debtors reasonable access during normal business hours, to use such Books and Records included in the Purchased Assets, including, without limitation, any personnel files/records of the Transferred Employees relating to the period up to the Closing and any Employees engaged by NWSI at or in respect of the Purchased Assets up to and including the Closing Date, and computer systems, tapes, disks, records and software acquired as part of the Purchased Assets.

9.3 Use of Business Name

If requested by the Purchaser, on or promptly following the Closing Date, the Receiver shall discontinue use of the name "Nimbus Water Systems" and any variation thereof and shall, subject to the Court's approval, as soon as is reasonably practicable file articles of amendment to change the corporate name of NWSI to another name not confusingly similar to its present name.

ARTICLE 10
GENERAL CONTRACT PROVISIONS

10.1 Headings and Sections

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

10.2 Number and Gender

Unless the context requires otherwise, words importing the singular include the plural and vice versa, and words importing gender include all genders. Where the word "including" or "includes" is used in this Agreement, it means "including (or includes) without limitation".

10.3 Currency

Except as otherwise expressly provided in this Agreement, all dollar amounts referred to in this Agreement are stated in Canadian dollars.

10.4 Statutory References

All references in this Agreement to any statute or regulation is to that statute or regulation as now enacted or as may from time to time be amended, re-enacted or replaced and includes all regulations made thereunder, unless something in the subject matter or context is inconsistent therewith or unless expressly provided otherwise in this Agreement.

10.5 No Strict Construction

The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party, including, without limitation, the doctrine of *contra proferentum*.

10.6 Entire Agreement

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and sets out all the covenants, promises, warranties, representations, conditions, understandings and agreements between the Parties relating to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, oral or written, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement. Subject to the Approval and Vesting Order being issued by the Court, this Agreement is intended to create binding obligations on the part of the Receiver as set forth herein and on acceptance by the Purchaser, is intended to create binding obligations on the part of the Purchaser, as set out herein.

10.7 Expenses

Subject to Section 4.1(b), each Party shall pay their respective legal, accounting, and other professional advisory fees, costs and expenses incurred in connection with the transactions contemplated in this Agreement, and the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement.

10.8 Notices

Any notice, consent or approval required or permitted to be given in connection with this Agreement shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by email as follows:

- (a) in the case of notice to the Receiver at

BDO Canada Limited
20 Wellington Street East, Suite 500
Toronto, ON M5E 1C5

Attention: Josie Parisi
Email: jparisi@bdo.ca

With a copy to:

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7

Attention: Leanne M. Williams
Email: lwilliams@tgf.ca

- (b) in the case of a notice to the Purchaser at:

2752837 Ontario Inc.

Attention: Michael Davidson
Email: michaeld@instorecorp.com, with a copy to
kevinw@instorecorp.com and lauralp@instorecorp.com

With a copy to:

Chaitons LLP
5000 Yonge St.
North York, Ontario, M2N 7E9

Attention: Harvey Chaiton

Email: harvey@chaitons.com

Any notice delivered or transmitted to a Party as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if the notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a Business Day then the notice shall be deemed to have been given and received on the next Business Day.

Any Party may, from time to time, change its address by giving notice to the other Party in accordance with the provisions of this Section.

10.9 Successors and Assigns

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

10.10 Third Party Beneficiaries

Unless where provided to the contrary by the specific terms hereof, this Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

10.11 Time of the Essence

Time shall be of the essence in respect of the obligations of the Parties arising prior to Closing under this Agreement.

10.12 Amendment

No amendment, supplement, modification or waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any Party, shall be binding unless executed in writing by the Party to be bound thereby.

10.13 Further Assurances

The Parties shall, with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions, whether before or after the Closing Date, provided that the reasonable costs and expenses of any actions taken after the Closing Date at the request of a Party shall be the responsibility of the requesting Party.

10.14 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement and any other agreement, document or instrument executed or delivered in connection with this

Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

10.15 Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

10.16 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the non-exclusive jurisdiction of the Courts of the Province of Ontario. The Parties consent to the jurisdiction and venue of the Court for the resolution of any disputes under this Agreement.

10.17 Non-Merger

The representations, warranties and covenants of each Party contained in this Agreement will not merge on and will survive the closing of the Transaction and will continue in full force and effect, notwithstanding the closing of the Transaction or any investigation or knowledge acquired by or on behalf of the other Party.

10.18 Independent Legal Advice

The Purchaser warrants that it has received independent legal advice in connection with this Agreement.

10.19 Execution and Delivery

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed and delivered either in original form or by electronic delivery in portable document format (PDF).

10.20 Damages

Under no circumstance shall any of the Parties or their representatives be liable for any special, punitive, exemplary, consequential or indirect damages (including loss of profits) that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the transactions contemplated herein.

10.21 No Brokers

It is understood and agreed that the Purchaser shall not be liable for any commission or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or have acted for the Receiver. It is further understood and agreed that the Receiver shall not be liable for any commission or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or have acted for the Purchaser.

10.22 Receiver's Capacity

The Purchaser acknowledges and agrees that BDO Canada Limited, acting in its capacity as receiver of the Debtors, will have no liability, in its personal capacity, in connection with this Agreement whatsoever.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS OF WHICH the Parties have executed this Agreement.

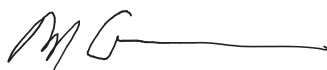
BDO CANADA LIMITED, in its capacity as Court-appointed Receiver of the property, assets and undertakings of Nimbus Environmental Solutions Inc., Nimbus Water Systems Inc. and Oakdale Enterprises Inc., and not in its personal or corporate capacity

Per: 

Name: Josie Parisi
Title: Senior Vice President

I have the authority to bind the Receiver

2752837 ONTARIO INC.

Per: 

Name: **Michael Davidson**
Title: **President**

I have the authority to bind the Corporation

SCHEDULE "A"
LAND DESCRIPTION

PIN: 10293-0072 (LT)

PCLS 123-1 & 124-1 SECT. M770 LOTS 123 & 124 PL 66M770 TWP OF YORK/NORTH
YORK, CITY OF TORONTO

**SCHEDULE “B”
PERMITTED ENCUMBRANCES**

- (a) any registered reservations, restrictions, rights of way, easements or covenants that run with the Buildings and Lands;
- (b) any registered agreements with a municipality or a supplier of utility service including, without limitation, electricity, water, sewage, gas, telephone or cable television or other telecommunication service;
- (c) all laws, by-laws and regulations and all outstanding work orders, deficiency notices and notices of violation affecting the Buildings and Lands;
- (d) any minor easements for the supply of utility service to the Buildings and Lands or adjacent properties;
- (e) encroachments disclosed by any errors or omissions in existing surveys of the Buildings and Lands or neighbouring properties and any title defect, encroachment or breach of a zoning or building by-law or any other applicable law, by-law or regulation which might be disclosed by a more up-to-date survey of the land and survey matters generally;
- (f) the exceptions and qualifications set forth in the *Land Titles Act* (Ontario);
- (g) the reservations contained in the original grant from the Crown;
- (h) liens for Taxes if such Taxes are not due and payable; and
- (i) the following instruments registered against title to the Buildings and Lands:

Reg. Num.	Date	Instrument Type	Parties From	Parties To
B22893	1958/10/31	Notice Agreement		The Corporation of the Township of North York
66BA760	1961/06/29	Plan Boundaries Act		
E317117	2000/03/27	Notice	Her Majesty The Queen in Right of the Department of Transport Canada	

SCHEDULE "C"
SALE PROCEDURES

Sale and Investment Solicitation Process

INTRODUCTION

By order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated August 23, 2021 (the “**Appointment Order**”), BDO Canada Limited (“**BDO**”) was appointed as receiver and manager (in such capacities, the “**Receiver**”), without security, of all of the assets, undertakings, and properties (the “**Property**”) of Nimbus Environmental Solutions Inc., Oakdale Enterprises Inc., Nimbus Water Systems Inc., 365 Pro Installations Inc., 2242462 Ontario Limited and Water Filter Cart Inc. (collectively, the “**Nimbus Group**”).

THE OPPORTUNITY

It is anticipated that, on or about September 13, 2021, the Receiver will, *inter alia*, apply to the Court to approve the sale and investment solicitation process (“**SISP**”) described herein (the “**Process Approval Order**”). It is further anticipated that the Process Approval Order will also (i) authorize the Receiver to enter into a fully binding and conditional purchase and sale agreement (the “**Stalking Horse Agreement**”) between the Receiver and 2752837 Ontario Inc. (the “**Stalking Horse Bidder**”) pursuant to which the Stalking Horse Bidder will make an offer to purchase substantially all of the assets of the Nimbus Group; and (ii) approve the transaction contemplated by the Stalking Horse Agreement.

The Opportunity may involve the recapitalization, investment in, arrangement or reorganization of the Nimbus Group or the business of the Nimbus Group (the “**Business**”) as a going concern or a sale of some or all of the Property as a going concern or otherwise, or some combination thereof (each, a “**Transaction**”).

The Process Approval Order, the procedures in respect of the SISP as contained herein (the “**SISP Procedures**”) and any subsequent orders issued by the Court pertaining to the SISP Procedures shall exclusively govern the process for soliciting and selecting bids for the Transaction.

The purpose of these SISP Procedures is to determine whether a better Transaction than the Stalking Horse Agreement may be obtained by the Receiver in a formal marketing process approved by the Court. For the purposes of these SISP Procedures, a “**Superior Offer**” shall mean:

- a) a credible, reasonably certain and financially viable offer made by a Qualified Bidder (as defined herein) to be a counterparty to a Transaction, the terms of which offer are more favourable and no more burdensome or conditional than the terms contained in the Stalking Horse Agreement; and
- b) an offer that provides for cash consideration in an amount equal to the purchase price in the Transaction, plus (i) the Break Fee and Expense Reimbursement (each as defined terms in the Stalking Horse Agreement) in the total amount of \$300,000.00; and (ii) an incremental increase of \$100,000.

Except to the extent otherwise set forth in a definitive sale or investment agreement with a Successful Bidder (as defined below), any sale of the Property or investment in the Nimbus Group will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Receiver, or any of their respective agents, advisors or representatives, and, in the event of a sale, all of the right, title and interest of the Nimbus Group in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to a Court order, except as otherwise provided in such Court order.

TIMELINE

The following table sets out the key milestones under the SISP:

Milestone	Deadline
Commencement of SISP	September 13, 2021
Distribution of the Notice and Teaser Letter	September 13, 2021
Bid Deadline	October 13, 2021
Auction	No later than October 20, 2021
Sale Approval Hearing	No later than October 29, 2021
Outside Closing Date Deadline	November 26, 2021

The dates set out in the SISP may be extended by the Receiver in their sole discretion, provided however that the Sale Approval Hearing shall be no later than November 9, 2021.

SOLICITATION OF INTEREST

As soon as reasonably practicable:

1. the Receiver will prepare a list of potential bidders, including (i) parties that have approached the Receiver indicating an interest in the opportunity, and (ii) local and international strategic and financial parties who the Receiver believes may be interested in purchasing all or part of the Business and Property or investing in the Nimbus Group pursuant to the SISP (collectively, “**Known Potential Bidders**”);
2. the Receiver will arrange for a notice of the SISP (and such other relevant information which the Receiver considers appropriate) (the “**Notice**”) to be published in The Globe and Mail (National Edition) and any other newspaper or journal as the Receiver considers appropriate, if any; and
3. the Receiver will prepare: (i) a process summary (the “**Teaser Letter**”) describing the opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and (ii) a non-disclosure agreement in form and substance satisfactory to the Receiver (an “**NDA**”).

The Receiver will publish the Notice and send the Teaser Letter and NDA to all Known Potential Bidders by no later than September 17, 2021 and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Receiver as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

INTERESTED PARTIES

Delivery of Confidential Information Package

Any party who wishes to participate in the SISP must provide to the Receiver, unless the Receiver confirms to such potential bidder that the below documents are already available to the Receiver, the following:

1. an NDA executed by it and a letter setting forth the identity of the potential bidder, the contact information for such potential bidder and full disclosure of the direct and indirect principals of the potential bidder; and
2. such form of financial disclosure and credit quality support or enhancement that allows the Receiver to make a reasonable determination as to the potential bidder's financial and other capabilities to consummate a transaction that would constitute a Superior Offer.

If the Receiver determines, exercising its reasonable business judgment that a bidder: (i) has delivered the documents contemplated in the immediately preceding paragraph; and (ii) has the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a sale or investment pursuant to the SISP, then such bidder shall be deemed to be a "**Qualified Bidder**". For greater certainty, no bidder shall be deemed not to be a Qualified Bidder without the approval of the Receiver.

At any time during Phase 1 of the SISP, the Receiver may, in its reasonable business judgment eliminate a Qualified Bidder from the SISP, in which case such Qualified Bidder will be eliminated from the SISP and will no longer be a Qualified Bidder for the purposes of the SISP.

The Receiver will prepare and send to each Qualified Bidder a confidential information package providing additional information considered relevant to the potential Transaction (the "**Confidential Information Package**").

The Receiver and its respective advisors make no representation or warranty as to the information contained in the Confidential Information Package or otherwise made available pursuant to the SISP, except to the extent expressly contemplated in any definitive sale or investment agreement with a Successful Bidder (as defined below) ultimately executed and delivered by the Receiver.

Qualified Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any Transaction they enter into with the Receiver.

Due Diligence

The Receiver shall, in its reasonable business judgment and subject to competitive and other business considerations, afford each Qualified Bidder such access to due diligence materials and information relating to the Property and Business as they deem appropriate. Due diligence access may include management presentations, access to electronic data rooms, on-site inspections, and other matters which a Qualified Bidder may reasonably request and as to which the Receiver in its reasonable business judgment may agree.

The Receiver will designate a representative to coordinate all reasonable requests for additional information and due diligence access from a Qualified Bidder and the manner in which such requests must be communicated. The Receiver will not be obligated to furnish any information relating to the Property or Business to any person other than to Qualified Bidder. Further, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Qualified Bidders if the Receiver determines such information to represent proprietary or sensitive competitive information.

FORMAL BINDING OFFERS

Qualified Bidders that wish to make a formal offer to purchase or make an investment in the Nimbus Group or its Property and Business (a “**Bidder**”) shall submit a binding offer (the “**Bid**”) that complies with all of the following requirements to the Receiver at the addresses specified in Schedule “**A**” hereto (including by email or fax transmission), so as to be received by them not later than 5:00 PM (Eastern Time) on October 13, 2021 (the “**Bid Deadline**”):

1. the Bid may be an offer to acquire all, substantially all or a portion of the Property (a “**Sale Proposal**”), or to make an investment in, restructure, reorganize or refinance the Business (an “**Investment Proposal**”), or such other structure as the Bidder may propose;
2. in the case of a Sale Proposal, it identifies or contains the following:
 - a. the purchase price in Canadian dollars, including details of any liabilities to be assumed by the Bidder and key assumptions supporting the valuation;
 - b. a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
 - c. a specific indication of the financial capability of the Bidder and the expected structure and financing of the transaction;
 - d. a description of the conditions and approvals required for a final and binding offer;
 - e. an outline of any additional due diligence required to be conducted in order to submit a final and binding offer; and

- f. any other terms or conditions of the Sale Proposal that the Bidder believes are material to the transaction;
3. in the case of an Investment Proposal, it identifies the following:
 - a. a description of how the Bidder proposes to structure the proposed investment;
 - b. the aggregate amount of the equity and/or debt investment to be made in the Business in Canadian dollars;
 - c. the underlying assumptions regarding the pro forma capital structure;
 - d. a specific indication of the sources of capital for the Bidder and the structure and financing of the Transaction;
 - e. a description of the conditions and approvals required for a final and binding offer;
 - f. an outline of any additional due diligence required to be conducted in order to submit a final and binding offer;
 - g. all conditions to closing that the Bidder may wish to impose; and
 - h. any other terms or conditions of the Investment Proposal that the Bidder believes are material to the transaction;
4. in the case of either a Sale Proposal or an Investment Proposal, it contains such other information as reasonably requested by the Receiver and it has a reasonable prospect of resulting in a Superior Offer.
5. the Bid includes a letter stating that the Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Bidder is selected as the Successful Bidder (as defined below), its offer shall remain irrevocable until the closing of the Transaction with the Successful Bidder;
6. the Bid includes duly authorized and executed Transaction agreements, including the purchase price, investment amount and any other key economic terms expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto;
7. the Bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed Transaction, that will allow the Receiver to make a determination as to the Bidder's financial and other capabilities to consummate the proposed Transaction;
8. the Bid is not conditional on:

- a. the outcome of any further due diligence by the Bidder, apart from, if applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which was withheld during the due diligence process prior to the Bid Deadline, or
 - b. obtaining financing;
9. the Bid fully discloses the identity of each entity or person that will be entering into the Transaction, that is participating in, or benefiting from, such bid, including any equity holders;
10. for a Sales Proposal, the Bid includes a commitment by the Bidder to provide a non-refundable deposit in the amount of not less than 5% of the Purchase Price offered upon the Bidder being selected as the Successful Bidder (as defined below);
11. for an Investment Proposal, the Bid includes a commitment by the Bidder to provide a non-refundable deposit in the amount of not less than 5% of the total new investment contemplated in the bid upon the Bidder being selected as the Successful Bidder (as defined below);
12. the Bid includes acknowledgments and representations from the Bidder that the Bidder:
 - a. has had an opportunity to conduct any and all due diligence regarding the Property, and Business prior to making its offer (apart from, to the extent applicable, the disclosure of any due diligence materials representing proprietary or sensitive competitive information withheld during the due diligence process prior to the Bid Deadline);
 - b. has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its Bid; and
 - c. did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Business or the Property or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s);
13. the Bid is received by the Bid Deadline;
14. the Bid constitutes, in the reasonable business judgment of the Receiver, a Superior Offer; and
15. the Bid contemplates closing the Transaction set out therein on or before November 26, 2021 (the “**Closing Date**”).

A Bid that qualifies with the requirements set out above shall be considered a “**Qualified Bid**”. For greater certainty, the Stalking Horse Agreement shall be deemed to be a Qualified Bid.

The Receiver may waive strict compliance with any one or more of the non-material foregoing requirements and deem such non-compliant bids to be a Qualified Bid.

SELECTION OF SUCCESSFUL BIDDERS

Following the Bid Deadline, the Receiver will assess the Bids received in consultation with the Applicant, National Bank of Canada (the “**Bank**”). The Receiver shall approve the disqualification of any Bids that are deemed not to be Qualified Bids. Only Bidders whose Bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).

The Receiver shall notify each Bidder in writing as to whether its Bid constituted a Qualified Bid within two (2) business days following the Bid Deadline, or at such later time as the Receiver deems appropriate, in consultation with the Bank.

Evaluation of Competing Bids

A Qualified Bid will be evaluated upon many factors, including, without limitation, items such as:

1. the Purchase Price and the net value provided by such Qualified Bid,
2. the identity, circumstances and ability of the Bidder to successfully complete such Transaction,
3. the proposed Transaction documents,
4. factors affecting the speed, certainty and value of the Transaction,
5. the assets included or excluded from the Bid,
6. the likelihood and timing of consummating such Transaction, and
7. whether the Transaction results in a Superior Offer.

each as determined by the Receiver, in consultation with the Bank.

Selection of Successful Bid

The Receiver shall:

1. first, review and evaluate each Qualified Bid, provided that the Receiver may contact any Bidder to clarify the terms of any Bid, and the applicable Bidder may amend, modify or vary such Bid for the purpose of clarification;
2. second, identify if any Qualified Bid is a Superior Offer; and
3. third, if one or more Qualified Bids are considered to be Superior Offers, those Qualified Bidders presenting a Superior Offer shall proceed to an auction with the Stalking Horse Bidder to be held on or before October 20, 2021 (the “**Auction**”), which

shall proceed according to the Auction Procedures set out in **Schedule “B”** to this SISP to identify the **“Successful Bid”**, and the Bidder making such Successful Bid, the **“Successful Bidder”**.

If no Superior Offer is received by the Bid Deadline, the Auction will not be held and the Stalking Horse Bidder will be declared to be the Successful Bidder. The determination of any Successful Bid by the Receiver shall be subject to approval by the Court.

Sale Approval Motion Hearing

At the hearing of the motion to approve any Transaction with a Successful Bidder (the **“Sale Approval Hearing”**), the Receiver shall seek, among other things, approval from the Court to consummate the Successful Bid. All the Qualified Bids other than the Successful Bid, if any, shall be deemed rejected by the Receiver on and as of the date of approval of the Successful Bid by the Court.

DEPOSIT

All deposits shall be held by the Receiver in a single noninterest-bearing account designated solely for such purpose. A deposit paid by a Successful Bidder shall be dealt with in accordance with the definitive documents for the transactions contemplated by the Successful Bid. Deposits, and any interest earned thereon, paid by Bidders not selected as the Successful Bidder shall be returned to such Bidder within three business days of Court approval of the Successful Bid.

CONFIDENTIALITY AND ACCESS TO INFORMATION

All discussions regarding a Transaction, Sale Proposal, Investment Proposal, Bid or Successful Bid should be directed through the Receiver. Under no circumstances should the management of the Nimbus Group or its customers be contacted directly without the prior consent of the Receiver. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP at the discretion of the Receiver.

Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Qualified Bidders, Bidders, Qualified Bids, the details of any Bids or Qualified Bids submitted or the details of any confidential discussions or correspondence between the Receiver and such other Bidders or Qualified Bidders in connection with the SISP, except to the extent that the Receiver, with the consent of the applicable participants, is seeking to combine separate Bids into a single Bid.

Notwithstanding the foregoing, under no circumstances will the Receiver share any material information concerning any of the Bids with any person other than the Bank.

SUPERVISION OF THE SISP

This SISP does not, and will not be interpreted to, create any contractual or other legal relationship between the Receiver and any Qualified Bidder, Bidder, or any other party, other than as specifically set forth in a definitive agreement that may be signed with the Receiver.

Without limiting the preceding paragraph, the Receiver shall not have any liability whatsoever to any person or party, including without limitation any Qualified Bidder, Bidder, the Successful Bidder, the Receiver or any other creditor or other stakeholder of the Receiver, for any act or omission related to the process contemplated by this SISP Procedure, except to the extent such act or omission is the result from gross negligence or wilful misconduct of the Receiver. By submitting a Bid, each Bidder or Successful Bidder shall be deemed to have agreed that it has no claim against the Receiver in respect of the SISP for any reason whatsoever, except to the extent that such claim is the result of gross negligence or wilful misconduct by the Receiver.

Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.

Schedule "A"**Addresses of Receiver****To the Receiver**

BDO Canada Limited
20 Wellington Street East, Suite 500
Toronto, ON M5E 1C5

Attention: Josie Parisi
Email: jparisi@bdo.ca

Schedule "B"

AUCTION PROCEDURES

1. On or before October 15, 2021, the Receiver will confirm those Qualified Bidders who present a Superior Offer ("**Superior Bidders**") that their Bid will be advanced to the Auction.
2. Unless otherwise ordered by the Court, only the authorized representatives, professional advisors or agents of the Stalking Horse Bidder and each Superior Bidder shall be eligible to attend at the Auction and make any Subsequent Bid (as defined below) at the Auction.
3. The Auction, if any, shall be conducted by the Receiver, on or before October 20, 2021 at 10:00 a.m. (Eastern Time) via video conference.
4. At the Auction, all Superior Bidders and the Stalking Horse Bidder shall be permitted to increase their Superior Bids and the Stalking Horse Agreement in accordance with the procedures set forth herein (each, a "**Subsequent Bid**"). All Subsequent Bids presented during the Auction shall be made and received via video conference on an open basis. All participating Superior Bidders and the Stalking Horse Bidder shall be entitled to be present for all bidding with the understanding that the true identity of each participating Superior Bidder shall be fully disclosed to all other Superior Bidders and the Stalking Horse Bidder and that all material terms of each Subsequent Bid presented during the Auction will be fully disclosed to the Stalking Horse Bidder and all other participating Superior Bidders throughout the entire Auction.
5. All Superior Bidders and the Stalking Horse Bidder at the Auction must have at least one individual representative with authority to bind such Superior Bidder and the Stalking Horse Bidder present at the Auction.
6. The Auction shall be recorded by the Receiver for their exclusive use and shall not be recorded by any other party.
7. At least three (3) days prior to the Auction, the Receiver will advise the Stalking Horse Bidder and all other Superior Bidders which of the Superior Bid or of the Stalking Horse Bidder the Receiver has determined in its reasonable business judgment, after consultation with its advisors and with the Bank, constitutes the then highest or otherwise best offer Sale Proposal or Investor Proposal (the "**Starting Bid**").
8. Bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one Subsequent Bid is submitted by a Superior Bidder or the Stalking Horse Bidder that (i) improves upon such Superior Bidder's immediately prior Superior Bid or upon the Stalking Horse Agreement, as the case may be, and meets the overbid requirement set forth in paragraph 8 below, and (ii) the Receiver determines, in its reasonable business judgment, after consultation with its advisors and with the Bank, such Subsequent Bid is a higher or otherwise better offer than the then current leading Superior Bid.

9. Bidding at the Auction shall be in increments of \$100,000 and shall continue until such time as the highest and best bid is determined by the Receiver's reasonable business judgment after consultation with its advisors and with the Bank. For the purpose of evaluating the value of the consideration provided by each bid (including any Subsequent Bid by the Stalking Horse Bidder) presented at the Auction, the value will: (i) be deemed to be the net consideration payable to the Receiver after considering, *inter alia*, any Break Fee and Expense Reimbursement due to the Stalking Horse Bidder under the Stalking Horse Agreement; and (ii) take into account any additional liabilities to be assumed by a Superior Bidder.
10. After the first round of bidding and between each subsequent round of bidding, the Receiver shall announce the Subsequent Bid that the Receiver has determined in its reasonable business judgment, after consultation with its advisors and with the Bank, to be the then highest or best bid (the "**Leading Bid**"). A round of bidding will conclude after each participating Superior Bidder and the Stalking Horse Bidder has had an opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid.
11. If no Superior Bidder or the Stalking Horse Bidder submits a Subsequent Bid (as determined by the Receiver) after a period of 30 minutes following the Receiver's acceptance of a Subsequent Bid as the Leading Bid, and the Receiver chooses not to adjourn the Auction further, the Receiver shall enter into a binding agreement of purchase and sale or investment substantially on the same terms as the Superior Bid or the Stalking Horse Agreement (as the case may be), as amended by the Leading Bid, with the Superior Bidder or the Stalking Horse Bidder (the Successful Bidder) that submitted the highest and best bid as determined by the Receiver (the "**Accepted Bid**"), whereupon the Auction will be concluded.
12. At the Auction, the Receiver, after consultation with its advisors and with the Bank, may employ and announce additional procedural rules that are fair and reasonable under the circumstances (e.g., the amount of time allotted to make Subsequent Bids) for conducting the Auction; provided, however, that such rules are (a) not inconsistent with the Auction Procedures, the *Bankruptcy and Insolvency Act*, any order of the Courts entered in connection with the Auction Procedures and (b) disclosed to each Superior Bidder and the Stalking Horse Bidder at the Auction.

APPENDIX “F”

Sale and Investment Solicitation Process

INTRODUCTION

By order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated August 23, 2021 (the “**Appointment Order**”), BDO Canada Limited (“**BDO**”) was appointed as receiver and manager (in such capacities, the “**Receiver**”), without security, of all of the assets, undertakings, and properties (the “**Property**”) of Nimbus Environmental Solutions Inc., Oakdale Enterprises Inc., Nimbus Water Systems Inc., 365 Pro Installations Inc., 2242462 Ontario Limited and Water Filter Cart Inc. (collectively, the “**Nimbus Group**”).

THE OPPORTUNITY

It is anticipated that, on or about September 13, 2021, the Receiver will, *inter alia*, apply to the Court to approve the sale and investment solicitation process (“**SISP**”) described herein (the “**Process Approval Order**”). It is further anticipated that the Process Approval Order will also (i) authorize the Receiver to enter into a fully binding and conditional purchase and sale agreement (the “**Stalking Horse Agreement**”) between the Receiver and 2752837 Ontario Inc. (the “**Stalking Horse Bidder**”) pursuant to which the Stalking Horse Purchaser will make an offer to purchase substantially all of the assets of the Nimbus Group; and (ii) approve the transaction contemplated by the Stalking Horse Agreement.

The Opportunity may involve the recapitalization, investment in, arrangement or reorganization of the Nimbus Group or the business of the Nimbus Group (the “**Business**”) as a going concern or a sale of some or all of the Property as a going concern or otherwise, or some combination thereof (each, a “**Transaction**”).

The Process Approval Order, the procedures in respect of the SISP as contained herein (the “**SISP Procedures**”) and any subsequent orders issued by the Court pertaining to the SISP Procedures shall exclusively govern the process for soliciting and selecting bids for the Transaction.

The purpose of these SISP Procedures is to determine whether a better Transaction than the Stalking Horse Agreement may be obtained by the Receiver in a formal marketing process approved by the Court. For the purposes of these SISP Procedures, a “**Superior Offer**” shall mean:

- a) a credible, reasonably certain and financially viable offer made by a Qualified Bidder (as defined herein) to be a counterparty to a Transaction, the terms of which offer are more favourable and no more burdensome or conditional than the terms contained in the Stalking Horse Agreement; and
- b) an offer that provides for cash consideration in an amount equal to the purchase price in the Transaction, plus (i) the Break Fee and Expense Reimbursement (each as defined terms in the Stalking Horse Agreement) in the total amount of \$300,000.00; and (ii) an incremental increase of \$100,000.

Except to the extent otherwise set forth in a definitive sale or investment agreement with a Successful Bidder (as defined below), any sale of the Property or investment in the Nimbus Group will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Receiver, or any of their respective agents, advisors or representatives, and, in the event of a sale, all of the right, title and interest of the Nimbus Group in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to a Court order, except as otherwise provided in such Court order.

TIMELINE

The following table sets out the key milestones under the SISP:

Milestone	Deadline
Commencement of SISP	September 13, 2021
Distribution of the Notice and Teaser Letter	September 13, 2021
Bid Deadline	October 13, 2021
Auction	No later than October 20, 2021
Sale Approval Hearing	No later than October 29, 2021
Outside Closing Date Deadline	November 26, 2021

The dates set out in the SISP may be extended by the Receiver in their sole discretion.

SOLICITATION OF INTEREST

As soon as reasonably practicable:

1. the Receiver will prepare a list of potential bidders, including (i) parties that have approached the Receiver indicating an interest in the opportunity, and (ii) local and international strategic and financial parties who the Receiver believes may be interested in purchasing all or part of the Business and Property or investing in the Nimbus Group pursuant to the SISP (collectively, “**Known Potential Bidders**”);
2. the Receiver will arrange for a notice of the SISP (and such other relevant information which the Receiver considers appropriate) (the “**Notice**”) to be published in The Globe and Mail (National Edition) and any other newspaper or journal as the Receiver considers appropriate, if any; and
3. the Receiver will prepare: (i) a process summary (the “**Teaser Letter**”) describing the opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and (ii) a non-disclosure agreement in form and substance satisfactory to the Receiver (an “**NDA**”).

The Receiver will publish the Notice and send the Teaser Letter and NDA to all Known Potential Bidders by no later than September 17, 2021 and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Receiver as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

INTERESTED PARTIES

Delivery of Confidential Information Package

Any party who wishes to participate in the SISP must provide to the Receiver, unless the Receiver confirms to such potential bidder that the below documents are already available to the Receiver, the following:

1. an NDA executed by it and a letter setting forth the identity of the potential bidder, the contact information for such potential bidder and full disclosure of the direct and indirect principals of the potential bidder; and
2. such form of financial disclosure and credit quality support or enhancement that allows the Receiver to make a reasonable determination as to the potential bidder's financial and other capabilities to consummate a transaction that would constitute a Superior Offer.

If the Receiver determines, exercising its reasonable business judgment that a bidder: (i) has delivered the documents contemplated in the immediately preceding paragraph; and (ii) has the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a sale or investment pursuant to the SISP, then such bidder shall be deemed to be a "**Qualified Bidder**". For greater certainty, no bidder shall be deemed not to be a Qualified Bidder without the approval of the Receiver.

At any time during Phase 1 of the SISP, the Receiver may, in its reasonable business judgment eliminate a Qualified Bidder from the SISP, in which case such Qualified Bidder will be eliminated from the SISP and will no longer be a Qualified Bidder for the purposes of the SISP.

The Receiver will prepare and send to each Qualified Bidder a confidential information package providing additional information considered relevant to the potential Transaction (the "**Confidential Information Package**").

The Receiver and its respective advisors make no representation or warranty as to the information contained in the Confidential Information Package or otherwise made available pursuant to the SISP, except to the extent expressly contemplated in any definitive sale or investment agreement with a Successful Bidder (as defined below) ultimately executed and delivered by the Receiver.

Qualified Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any Transaction they enter into with the Receiver.

Due Diligence

The Receiver shall, in its reasonable business judgment and subject to competitive and other business considerations, afford each Qualified Bidder such access to due diligence materials and information relating to the Property and Business as they deem appropriate. Due diligence access may include management presentations, access to electronic data rooms, on-site inspections, and other matters which a Qualified Bidder may reasonably request and as to which the Receiver in its reasonable business judgment may agree.

The Receiver will designate a representative to coordinate all reasonable requests for additional information and due diligence access from a Qualified Bidder and the manner in which such requests must be communicated. The Receiver will not be obligated to furnish any information relating to the Property or Business to any person other than to Qualified Bidder. Further, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Qualified Bidders if the Receiver determines such information to represent proprietary or sensitive competitive information.

FORMAL BINDING OFFERS

Qualified Bidders that wish to make a formal offer to purchase or make an investment in the Nimbus Group or its Property and Business (a “**Bidder**”) shall submit a binding offer (the “**Bid**”) that complies with all of the following requirements to the Receiver at the addresses specified in Schedule “**A**” hereto (including by email or fax transmission), so as to be received by them not later than 5:00 PM (Eastern Time) on October 13, 2021 (the “**Bid Deadline**”):

1. the Bid may be an offer to acquire all, substantially all or a portion of the Property (a “**Sale Proposal**”), or to make an investment in, restructure, reorganize or refinance the Business (an “**Investment Proposal**”), or such other structure as the Bidder may propose;
2. in the case of a Sale Proposal, it identifies or contains the following:
 - a. the purchase price in Canadian dollars, including details of any liabilities to be assumed by the Bidder and key assumptions supporting the valuation;
 - b. a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
 - c. a specific indication of the financial capability of the Bidder and the expected structure and financing of the transaction;
 - d. a description of the conditions and approvals required for a final and binding offer;
 - e. an outline of any additional due diligence required to be conducted in order to submit a final and binding offer; and

- f. any other terms or conditions of the Sale Proposal that the Bidder believes are material to the transaction;
3. in the case of an Investment Proposal, it identifies the following:
 - a. a description of how the Bidder proposes to structure the proposed investment;
 - b. the aggregate amount of the equity and/or debt investment to be made in the Business in Canadian dollars;
 - c. the underlying assumptions regarding the pro forma capital structure;
 - d. a specific indication of the sources of capital for the Bidder and the structure and financing of the Transaction;
 - e. a description of the conditions and approvals required for a final and binding offer;
 - f. an outline of any additional due diligence required to be conducted in order to submit a final and binding offer;
 - g. all conditions to closing that the Bidder may wish to impose; and
 - h. any other terms or conditions of the Investment Proposal that the Bidder believes are material to the transaction;
4. in the case of either a Sale Proposal or an Investment Proposal, it contains such other information as reasonably requested by the Receiver and it has a reasonable prospect of resulting in a Superior Offer.
5. the Bid includes a letter stating that the Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Bidder is selected as the Successful Bidder (as defined below), its offer shall remain irrevocable until the closing of the Transaction with the Successful Bidder;
6. the Bid includes duly authorized and executed Transaction agreements, including the purchase price, investment amount and any other key economic terms expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto;
7. the Bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed Transaction, that will allow the Receiver to make a determination as to the Bidder's financial and other capabilities to consummate the proposed Transaction;
8. the Bid is not conditional on:

- a. the outcome of any further due diligence by the Bidder, apart from, if applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which was withheld during the due diligence process prior to the Bid Deadline, or
 - b. obtaining financing;
9. the Bid fully discloses the identity of each entity or person that will be entering into the Transaction, that is participating in, or benefiting from, such bid, including any equity holders;
10. for a Sales Proposal, the Bid includes a commitment by the Bidder to provide a non-refundable deposit in the amount of not less than 5% of the Purchase Price offered upon the Bidder being selected as the Successful Bidder (as defined below);
11. for an Investment Proposal, the Bid includes a commitment by the Bidder to provide a non-refundable deposit in the amount of not less than 5% of the total new investment contemplated in the bid upon the Bidder being selected as the Successful Bidder (as defined below);
12. the Bid includes acknowledgments and representations from the Bidder that the Bidder:
 - a. has had an opportunity to conduct any and all due diligence regarding the Property, and Business prior to making its offer (apart from, to the extent applicable, the disclosure of any due diligence materials representing proprietary or sensitive competitive information withheld during the due diligence process prior to the Bid Deadline);
 - b. has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its Bid; and
 - c. did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Business or the Property or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s);
13. the Bid is received by the Bid Deadline;
14. the Bid constitutes, in the reasonable business judgment of the Receiver, a Superior Offer; and
15. the Bid contemplates closing the Transaction set out therein on or before November 26, 2021 (the “**Closing Date**”).

A Bid that qualifies with the requirements set out above shall be considered a “**Qualified Bid**”. For greater certainty, the Stalking Horse Agreement shall be deemed to be a Qualified Bid.

The Receiver may waive strict compliance with any one or more of the non-material foregoing requirements and deem such non-compliant bids to be a Qualified Bid.

SELECTION OF SUCCESSFUL BIDDERS

Following the Bid Deadline, the Receiver will assess the Bids received in consultation with the Applicant, National Bank of Canada (the “**Bank**”). The Receiver shall approve the disqualification of any Bids that are deemed not to be Qualified Bids. Only Bidders whose Bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).

The Receiver shall notify each Bidder in writing as to whether its Bid constituted a Qualified Bid within two (2) business days following the Bid Deadline, or at such later time as the Receiver deems appropriate, in consultation with the Bank.

If no Qualified Bids (either individually or in the aggregate), other than the Stalking Horse Agreement have been received by the Bid Deadline, then the Receiver may consider an extension of the Bid Deadline for up to 7 business days to allow any party that submitted a Bid to consult with the Receiver and to revise such Bid such that it would provide for, or that might reasonably be expected to provide for, a Superior Offer.

Evaluation of Competing Bids

A Qualified Bid will be evaluated upon many factors, including, without limitation, items such as:

1. the Purchase Price and the net value provided by such Qualified Bid,
2. the identity, circumstances and ability of the Bidder to successfully complete such Transaction,
3. the proposed Transaction documents,
4. factors affecting the speed, certainty and value of the Transaction,
5. the assets included or excluded from the Bid,
6. the likelihood and timing of consummating such Transaction, and
7. whether the Transaction results in a Superior Offer.

each as determined by the Receiver, in consultation with the Bank.

Selection of Successful Bid

The Receiver shall:

1. first, review and evaluate each Qualified Bid, provided that the Receiver may contact any Bidder to clarify the terms of any Bid, and the applicable Bidder may amend, modify or vary such Bid for the purpose of clarification;

2. second, identify if any Qualified Bid is a Superior Offer; and
3. third, if one or more Qualified Bids are considered to be Superior Offers, those Qualified Bidders presenting a Superior Offer shall proceed to an auction with the Stalking Horse Bidder to be held on or before October 20, 2021 (the “**Auction**”), which shall proceed according to the Auction Procedures set out in **Schedule “B”** to this SISP to identify the “**Successful Bid**”, and the Bidder making such Successful Bid, the “**Successful Bidder**”.

If no Superior Offer is received by the Bid Deadline, the Auction will not be held and the Stalking Horse Bidder will be declared to be the Successful Bidder. The determination of any Successful Bid by the Receiver shall be subject to approval by the Court.

Sale Approval Motion Hearing

At the hearing of the motion to approve any Transaction with a Successful Bidder (the “**Sale Approval Hearing**”), the Receiver shall seek, among other things, approval from the Court to consummate the Successful Bid. All the Qualified Bids other than the Successful Bid, if any, shall be deemed rejected by the Receiver on and as of the date of approval of the Successful Bid by the Court.

DEPOSIT

All deposits shall be held by the Receiver in a single noninterest-bearing account designated solely for such purpose. A deposit paid by a Successful Bidder shall be dealt with in accordance with the definitive documents for the transactions contemplated by the Successful Bid. Deposits, and any interest earned thereon, paid by Bidders not selected as the Successful Bidder shall be returned to such Bidder within three business days of Court approval of the Successful Bid.

CONFIDENTIALITY AND ACCESS TO INFORMATION

All discussions regarding a Transaction, Sale Proposal, Investment Proposal, Bid or Successful Bid should be directed through the Receiver. Under no circumstances should the management of the Nimbus Group or its customers be contacted directly without the prior consent of the Receiver. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP at the discretion of the Receiver.

Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Qualified Bidders, Bidders, Qualified Bids, the details of any Bids or Qualified Bids submitted or the details of any confidential discussions or correspondence between the Receiver and such other Bidders or Qualified Bidders in connection with the SISP, except to the extent that the Receiver, with the consent of the applicable participants, is seeking to combine separate Bids into a single Bid.

Notwithstanding the foregoing, under no circumstances will the Receiver share any material information concerning any of the Bids with any person other than the Bank.

SUPERVISION OF THE SISP

This SISP does not, and will not be interpreted to, create any contractual or other legal relationship between the Receiver and any Qualified Bidder, Bidder, or any other party, other than as specifically set forth in a definitive agreement that may be signed with the Receiver.

Without limiting the preceding paragraph, the Receiver shall not have any liability whatsoever to any person or party, including without limitation any Qualified Bidder, Bidder, the Successful Bidder, the Receiver or any other creditor or other stakeholder of the Receiver, for any act or omission related to the process contemplated by this SISP Procedure, except to the extent such act or omission is the result from gross negligence or wilful misconduct of the Receiver. By submitting a Bid, each Bidder or Successful Bidder shall be deemed to have agreed that it has no claim against the Receiver in respect of the SISP for any reason whatsoever, except to the extent that such claim is the result of gross negligence or wilful misconduct by the Receiver.

Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.

Schedule "A"**Addresses of Receiver****To the Receiver**

BDO Canada Limited
20 Wellington Street East, Suite 500
Toronto, ON M5E 1C5

Attention: Josie Parisi
Email: jparisi@bdo.ca

Schedule “B”

AUCTION PROCEDURES

1. On or before October 15, 2021, the Receiver will confirm those Qualified Bidders who present a Superior Offer (“**Superior Bidders**”) that their Bid will be advanced to the Auction.
2. Unless otherwise ordered by the Court, only the authorized representatives, professional advisors or agents of the Stalking Horse Bidder and each Superior Bidder shall be eligible to attend at the Auction and make any Subsequent Bid (as defined below) at the Auction.
3. The Auction, if any, shall be conducted by the Receiver, on or before October 20, 2021 at 10:00 a.m. (Eastern Time) via video conference.
4. At the Auction, all Superior Bidders and the Stalking Horse Bidder shall be permitted to increase their Superior Bids and the Stalking Horse Agreement in accordance with the procedures set forth herein (each, a “**Subsequent Bid**”). All Subsequent Bids presented during the Auction shall be made and received via video conference on an open basis. All participating Superior Bidders and the Stalking Horse Bidder shall be entitled to be present for all bidding with the understanding that the true identity of each participating Superior Bidder shall be fully disclosed to all other Superior Bidders and the Stalking Horse Bidder and that all material terms of each Subsequent Bid presented during the Auction will be fully disclosed to the Stalking Horse Bidder and all other participating Superior Bidders throughout the entire Auction.
5. All Superior Bidders and the Stalking Horse Bidder at the Auction must have at least one individual representative with authority to bind such Superior Bidder and the Stalking Horse Bidder present at the Auction.
6. The Auction shall be recorded by the Receiver for their exclusive use and shall not be recorded by any other party.
7. At least three (3) days prior to the Auction, the Receiver will advise the Stalking Horse Bidder and all other Superior Bidders which of the Superior Bid or of the Stalking Horse Bidder the Receiver has determined in its reasonable business judgment, after consultation with its advisors and with the Bank, constitutes the then highest or otherwise best offer Sale Proposal or Investor Proposal (the “**Starting Bid**”).
8. Bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one Subsequent Bid is submitted by a Superior Bidder or the Stalking Horse Bidder that (i) improves upon such Superior Bidder’s immediately prior Superior Bid or upon the Stalking Horse Agreement, as the case may be, and meets the overbid requirement set forth in paragraph 8 below, and (ii) the Receiver determines, in its reasonable business judgment, after consultation with its advisors and with the Bank, such Subsequent Bid is a higher or otherwise better offer than the then current leading Superior Bid.

9. Bidding at the Auction shall be in increments of \$100,000 and shall continue until such time as the highest and best bid is determined by the Receiver's reasonable business judgment after consultation with its advisors and with the Bank. For the purpose of evaluating the value of the consideration provided by each bid (including any Subsequent Bid by the Stalking Horse Bidder) presented at the Auction, the value will: (i) be deemed to be the net consideration payable to the Receiver after considering, *inter alia*, any Break Fee and Expense Reimbursement due to the Stalking Horse Bidder under the Stalking Horse Agreement; and (ii) take into account any additional liabilities to be assumed by a Superior Bidder.
10. After the first round of bidding and between each subsequent round of bidding, the Receiver shall announce the Subsequent Bid that the Receiver has determined in its reasonable business judgment, after consultation with its advisors and with the Bank, to be the then highest or best bid (the "**Leading Bid**"). A round of bidding will conclude after each participating Superior Bidder and the Stalking Horse Bidder has had an opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid.
11. If no Superior Bidder or the Stalking Horse Bidder submits a Subsequent Bid (as determined by the Receiver) after a period of 30 minutes following the Receiver's acceptance of a Subsequent Bid as the Leading Bid, and the Receiver chooses not to adjourn the Auction further, the Receiver shall enter into a binding agreement of purchase and sale or investment substantially on the same terms as the Superior Bid or the Stalking Horse Agreement (as the case may be), as amended by the Leading Bid, with the Superior Bidder or the Stalking Horse Bidder (the Successful Bidder) that submitted the highest and best bid as determined by the Receiver (the "**Accepted Bid**"), whereupon the Auction will be concluded.
12. At the Auction, the Receiver, after consultation with its advisors and with the Bank, may employ and announce additional procedural rules that are fair and reasonable under the circumstances (e.g., the amount of time allotted to make Subsequent Bids) for conducting the Auction; provided, however, that such rules are (a) not inconsistent with the Auction Procedures, the *Bankruptcy and Insolvency Act*, any order of the Courts entered in connection with the Auction Procedures and (b) disclosed to each Superior Bidder and the Stalking Horse Bidder at the Auction.

TAB 3

Court File No. CV-21-00667395-00CL

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

*IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended,
and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3,
as amended*

THE HONOURABLE)	MONDAY, THE 13 TH
)	
JUSTICE HAINEY)	DAY OF SEPTEMBER, 2021

B E T W E E N:

NATIONAL BANK OF CANADA

Applicant

- and -

**NIMBUS ENVIRONMENTAL SOLUTIONS INC., OAKDALE ENTERPRISES INC.,
NIMBUS WATER SYSTEMS INC., 365 PRO INSTALLATIONS INC.,
2242462 ONTARIO LIMITED AND WATER FILTER CART INC.**

Respondents

**ORDER
(Approving SISP)**

THIS MOTION made by BDO Canada Limited, in its capacity as receiver and manager (in such capacities, the “**Receiver**”), without security, of all of the assets, undertakings and properties of the Respondents for an order, *inter alia*, approving the sale and investment solicitation process (the “**SISP**”) and for the return of property of the Respondents, was heard this day via videoconference in light of the COVID-19 pandemic.

ON READING the First Report of the Receiver dated September 8, 2021 (the “**First Report**”) and the Appendices thereto and on hearing the submissions of counsel for the Receiver, and such other parties listed on the counsel slip, no one else appearing although duly served as appears from the Affidavit of Service of ► sworn September ►, 2021.

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged and validated such that this Motion is properly returnable today, hereby dispenses with further service thereof, and authorizes substitute service via electronic mail.
2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the First Report.

APPROVAL OF FIRST REPORT

3. **THIS COURT ORDERS** that the activities described in the First Report, and the activities and conduct of the Receiver set out therein are hereby ratified and approved.

FUNDING OF THE RECEIVERSHIP

4. **THIS COURT ORDERS** that the Receiver’s Borrowing Charge, be and is hereby increased from \$100,000 to \$250,000.

RETURN OF PROPERTY

5. **THIS COURT ORDERS** that any person in possession or control of any Related Party Vehicle attached hereto as **Schedule “A”** or any Passcodes immediately make arrangements with the Receiver for the return of such Related Party Vehicle or Passcodes. In the event that any such

person does not make such arrangements on or before September 17, 2021, that person shall be deemed to be in contempt of this Court for failing to comply with the Receivership Order.

6. **THIS COURT ORDERS** that any person in possession of any funds properly belonging to the Respondents, including but not limited to Kimolla Blair, immediately make arrangements with the Receiver for the return of such funds. In the event that any such person does not return the funds in their possession on or before September 17, 2021, that person shall be deemed to be in contempt of this Court for failing to comply with the Receivership Order.

APPROVAL OF SISP AND STALKING HORSE AGREEMENT

7. **THIS COURT ORDERS** that the Transaction is hereby approved, and the execution by the Receiver of the Stalking Horse Agreement with 2752837 Ontario Inc. (the “**Stalking Horse Bidder**”) as purchaser is hereby authorized, *nunc pro tunc*, provided that nothing herein approves the sale and the vesting of the Purchased Assets (as defined in the Stalking Horse Agreement) in and to the Stalking Horse Bidder pursuant to the Stalking Horse Agreement and that the approval of the sale and vesting of such Purchased Assets shall be considered by this Court on a subsequent motion made to this Court following completion of the sale process pursuant to the terms of the SISP.

8. **THIS COURT ORDERS** that that the SISP attached hereto as **Schedule “B”** (subject to any amendments thereto that may be made in accordance therewith and with this Order) be and is hereby approved and the Receiver is authorized and directed to carry out the SISP in accordance with its terms and this Order, and are hereby authorized and directed to take such steps as they consider necessary or desirable in carrying out each of their obligations thereunder, subject to prior approval of this Court being obtained before completion of any transaction(s) under the SISP.

9. **THIS COURT ORDERS** that the Receiver, its 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 the SISP, except to the extent of such losses, claims, damages or liabilities arising or resulting from the gross negligence or wilful misconduct of the Receiver, as determined by this Court.

BANKRUPTCY OF RESPONDENTS

10. **THIS COURT AUTHORIZES** the Receiver to file an assignment in bankruptcy on behalf of any of the Respondents with BDO as bankruptcy trustee.

GENERAL

11. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or outside of Canada to give effect to this Order and to assist the Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

13. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located,

for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

14. **THIS COURT ORDERS** that the Receiver, its counsel and counsel for the Applicant may serve or distribute this Order, or any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the applicable Respondent's Unitholders, creditors or other interested parties and their advisors (if any). For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended

NATIONAL BANK OF CANADA

- and -

NIMBUS ENVIRONMENTAL SOLUTIONS INC., et al

Applicant

Respondents

Court File No. CV-21-00667395-00CL

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

Proceedings commenced at Toronto, Ontario

**ORDER
(approving SISP)**

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Tel.: (416) 304-1152

Lawyers for the Receiver

Schedule "A"
List of Related Party Vehicles

	PLATE	DRIVER ASSIGNED	VEHICLE MODEL	VIN #
1.	BWDH906	Iola Bozzo	GMC YUKON XL	1GKS2HKJ5GR396511
2.	CDZS590	Mia Bozzo	JEEP WRANGLER	1C4BJWEG4JL825117
3.	CHRP250	Peter Bozzo	INFINITI Q60	JN1FV7EL0HM702026
4.	CEEA567	Santo Bozzo	JEEP GRAND CHEROKEE	1C4RJFBG8JC262477
5.	BZHN123	Anthony Bozzo	INFINITI JX35	5N1AL0MM4DC331723
6.	AX53770	Unknown	DODGE GRAND CARAVAN	2C4RDGBG5JR349967
7.	AX53673	Peter Bozzo	DODGE GRAND CARAVAN	2C4RDGBG9JR349969
8.	BWSE451	Unknown	INFINITI G37X	JN1CV6EL5AM152891
9.	AR51825	Unknown	DODGE GR CARAVAN	2D4CN1AE3AR225909
10.	CEKF386	Unknown	MERCEDES BENZ GLS450	4JGDF6EE7JB114537
11.	CLCN611	Sergio Musci	INFINITI Q60 SPORT	JN1FV7EL0HM701619
12.	CMEV687	Chrisoula Bozzo	JEEP COMPASS	3C4NJDBB1LT124729

Schedule "B"
Sale and Investment Solicitation Process

INTRODUCTION

By order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated August 23, 2021 (the “**Appointment Order**”), BDO Canada Limited (“**BDO**”) was appointed as receiver and manager (in such capacities, the “**Receiver**”), without security, of all of the assets, undertakings, and properties (the “**Property**”) of Nimbus Environmental Solutions Inc., Oakdale Enterprises Inc., Nimbus Water Systems Inc., 365 Pro Installations Inc., 2242462 Ontario Limited and Water Filter Cart Inc. (collectively, the “**Nimbus Group**”).

THE OPPORTUNITY

It is anticipated that, on or about September 13, 2021, the Receiver will, *inter alia*, apply to the Court to approve the sale and investment solicitation process (“**SISP**”) described herein (the “**Process Approval Order**”). It is further anticipated that the Process Approval Order will also (i) authorize the Receiver to enter into a fully binding and conditional purchase and sale agreement (the “**Stalking Horse Agreement**”) between the Receiver and 2752837 Ontario Inc. (the “**Stalking Horse Bidder**”) pursuant to which the Stalking Horse Purchaser will make an offer to purchase substantially all of the assets of the Nimbus Group; and (ii) approve the transaction contemplated by the Stalking Horse Agreement.

The Opportunity may involve the recapitalization, investment in, arrangement or reorganization of the Nimbus Group or the business of the Nimbus Group (the “**Business**”) as a going concern or a sale of some or all of the Property as a going concern or otherwise, or some combination thereof (each, a “**Transaction**”).

The Process Approval Order, the procedures in respect of the SISP as contained herein (the “**SISP Procedures**”) and any subsequent orders issued by the Court pertaining to the SISP Procedures shall exclusively govern the process for soliciting and selecting bids for the Transaction.

The purpose of these SISP Procedures is to determine whether a better Transaction than the Stalking Horse Agreement may be obtained by the Receiver in a formal marketing process approved by the Court. For the purposes of these SISP Procedures, a “**Superior Offer**” shall mean:

- a) a credible, reasonably certain and financially viable offer made by a Qualified Bidder (as defined herein) to be a counterparty to a Transaction, the terms of which offer are more favourable and no more burdensome or conditional than the terms contained in the Stalking Horse Agreement; and
- b) an offer that provides for cash consideration in an amount equal to the purchase price in the Transaction, plus (i) the Break Fee and Expense Reimbursement (each as defined terms in the Stalking Horse Agreement) in the total amount of \$300,000.00; and (ii) an incremental increase of \$100,000.

Except to the extent otherwise set forth in a definitive sale or investment agreement with a Successful Bidder (as defined below), any sale of the Property or investment in the Nimbus Group will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Receiver, or any of their respective agents, advisors or representatives, and, in the event of a sale, all of the right, title and interest of the Nimbus Group in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to a Court order, except as otherwise provided in such Court order.

TIMELINE

The following table sets out the key milestones under the SISP:

Milestone	Deadline
Commencement of SISP	September 13, 2021
Distribution of the Notice and Teaser Letter	September 13, 2021
Bid Deadline	October 13, 2021
Auction	No later than October 20, 2021
Sale Approval Hearing	No later than October 29, 2021
Outside Closing Date Deadline	November 26, 2021

The dates set out in the SISP may be extended by the Receiver in their sole discretion.

SOLICITATION OF INTEREST

As soon as reasonably practicable:

1. the Receiver will prepare a list of potential bidders, including (i) parties that have approached the Receiver indicating an interest in the opportunity, and (ii) local and international strategic and financial parties who the Receiver believes may be interested in purchasing all or part of the Business and Property or investing in the Nimbus Group pursuant to the SISP (collectively, “**Known Potential Bidders**”);
2. the Receiver will arrange for a notice of the SISP (and such other relevant information which the Receiver considers appropriate) (the “**Notice**”) to be published in The Globe and Mail (National Edition) and any other newspaper or journal as the Receiver considers appropriate, if any; and
3. the Receiver will prepare: (i) a process summary (the “**Teaser Letter**”) describing the opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and (ii) a non-disclosure agreement in form and substance satisfactory to the Receiver (an “**NDA**”).

The Receiver will publish the Notice and send the Teaser Letter and NDA to all Known Potential Bidders by no later than September 17, 2021 and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Receiver as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

INTERESTED PARTIES

Delivery of Confidential Information Package

Any party who wishes to participate in the SISP must provide to the Receiver, unless the Receiver confirms to such potential bidder that the below documents are already available to the Receiver, the following:

1. an NDA executed by it and a letter setting forth the identity of the potential bidder, the contact information for such potential bidder and full disclosure of the direct and indirect principals of the potential bidder; and
2. such form of financial disclosure and credit quality support or enhancement that allows the Receiver to make a reasonable determination as to the potential bidder's financial and other capabilities to consummate a transaction that would constitute a Superior Offer.

If the Receiver determines, exercising its reasonable business judgment that a bidder: (i) has delivered the documents contemplated in the immediately preceding paragraph; and (ii) has the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a sale or investment pursuant to the SISP, then such bidder shall be deemed to be a "**Qualified Bidder**". For greater certainty, no bidder shall be deemed not to be a Qualified Bidder without the approval of the Receiver.

At any time during Phase 1 of the SISP, the Receiver may, in its reasonable business judgment eliminate a Qualified Bidder from the SISP, in which case such Qualified Bidder will be eliminated from the SISP and will no longer be a Qualified Bidder for the purposes of the SISP.

The Receiver will prepare and send to each Qualified Bidder a confidential information package providing additional information considered relevant to the potential Transaction (the "**Confidential Information Package**").

The Receiver and its respective advisors make no representation or warranty as to the information contained in the Confidential Information Package or otherwise made available pursuant to the SISP, except to the extent expressly contemplated in any definitive sale or investment agreement with a Successful Bidder (as defined below) ultimately executed and delivered by the Receiver.

Qualified Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any Transaction they enter into with the Receiver.

Due Diligence

The Receiver shall, in its reasonable business judgment and subject to competitive and other business considerations, afford each Qualified Bidder such access to due diligence materials and information relating to the Property and Business as they deem appropriate. Due diligence access may include management presentations, access to electronic data rooms, on-site inspections, and other matters which a Qualified Bidder may reasonably request and as to which the Receiver in its reasonable business judgment may agree.

The Receiver will designate a representative to coordinate all reasonable requests for additional information and due diligence access from a Qualified Bidder and the manner in which such requests must be communicated. The Receiver will not be obligated to furnish any information relating to the Property or Business to any person other than to Qualified Bidder. Further, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Qualified Bidders if the Receiver determines such information to represent proprietary or sensitive competitive information.

FORMAL BINDING OFFERS

Qualified Bidders that wish to make a formal offer to purchase or make an investment in the Nimbus Group or its Property and Business (a “**Bidder**”) shall submit a binding offer (the “**Bid**”) that complies with all of the following requirements to the Receiver at the addresses specified in Schedule “**A**” hereto (including by email or fax transmission), so as to be received by them not later than 5:00 PM (Eastern Time) on October 13, 2021 (the “**Bid Deadline**”):

1. the Bid may be an offer to acquire all, substantially all or a portion of the Property (a “**Sale Proposal**”), or to make an investment in, restructure, reorganize or refinance the Business (an “**Investment Proposal**”), or such other structure as the Bidder may propose;
2. in the case of a Sale Proposal, it identifies or contains the following:
 - a. the purchase price in Canadian dollars, including details of any liabilities to be assumed by the Bidder and key assumptions supporting the valuation;
 - b. a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
 - c. a specific indication of the financial capability of the Bidder and the expected structure and financing of the transaction;
 - d. a description of the conditions and approvals required for a final and binding offer;
 - e. an outline of any additional due diligence required to be conducted in order to submit a final and binding offer; and

- f. any other terms or conditions of the Sale Proposal that the Bidder believes are material to the transaction;
3. in the case of an Investment Proposal, it identifies the following:
 - a. a description of how the Bidder proposes to structure the proposed investment;
 - b. the aggregate amount of the equity and/or debt investment to be made in the Business in Canadian dollars;
 - c. the underlying assumptions regarding the pro forma capital structure;
 - d. a specific indication of the sources of capital for the Bidder and the structure and financing of the Transaction;
 - e. a description of the conditions and approvals required for a final and binding offer;
 - f. an outline of any additional due diligence required to be conducted in order to submit a final and binding offer;
 - g. all conditions to closing that the Bidder may wish to impose; and
 - h. any other terms or conditions of the Investment Proposal that the Bidder believes are material to the transaction;
4. in the case of either a Sale Proposal or an Investment Proposal, it contains such other information as reasonably requested by the Receiver and it has a reasonable prospect of resulting in a Superior Offer.
5. the Bid includes a letter stating that the Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Bidder is selected as the Successful Bidder (as defined below), its offer shall remain irrevocable until the closing of the Transaction with the Successful Bidder;
6. the Bid includes duly authorized and executed Transaction agreements, including the purchase price, investment amount and any other key economic terms expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto;
7. the Bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed Transaction, that will allow the Receiver to make a determination as to the Bidder's financial and other capabilities to consummate the proposed Transaction;
8. the Bid is not conditional on:

- a. the outcome of any further due diligence by the Bidder, apart from, if applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which was withheld during the due diligence process prior to the Bid Deadline, or
 - b. obtaining financing;
9. the Bid fully discloses the identity of each entity or person that will be entering into the Transaction, that is participating in, or benefiting from, such bid, including any equity holders;
10. for a Sales Proposal, the Bid includes a commitment by the Bidder to provide a non-refundable deposit in the amount of not less than 5% of the Purchase Price offered upon the Bidder being selected as the Successful Bidder (as defined below);
11. for an Investment Proposal, the Bid includes a commitment by the Bidder to provide a non-refundable deposit in the amount of not less than 5% of the total new investment contemplated in the bid upon the Bidder being selected as the Successful Bidder (as defined below);
12. the Bid includes acknowledgments and representations from the Bidder that the Bidder:
 - a. has had an opportunity to conduct any and all due diligence regarding the Property, and Business prior to making its offer (apart from, to the extent applicable, the disclosure of any due diligence materials representing proprietary or sensitive competitive information withheld during the due diligence process prior to the Bid Deadline);
 - b. has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its Bid; and
 - c. did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Business or the Property or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s);
13. the Bid is received by the Bid Deadline;
14. the Bid constitutes, in the reasonable business judgment of the Receiver, a Superior Offer; and
15. the Bid contemplates closing the Transaction set out therein on or before November 26, 2021 (the “**Closing Date**”).

A Bid that qualifies with the requirements set out above shall be considered a “**Qualified Bid**”. For greater certainty, the Stalking Horse Agreement shall be deemed to be a Qualified Bid.

The Receiver may waive strict compliance with any one or more of the non-material foregoing requirements and deem such non-compliant bids to be a Qualified Bid.

SELECTION OF SUCCESSFUL BIDDERS

Following the Bid Deadline, the Receiver will assess the Bids received in consultation with the Applicant, National Bank of Canada (the “**Bank**”). The Receiver shall approve the disqualification of any Bids that are deemed not to be Qualified Bids. Only Bidders whose Bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).

The Receiver shall notify each Bidder in writing as to whether its Bid constituted a Qualified Bid within two (2) business days following the Bid Deadline, or at such later time as the Receiver deems appropriate, in consultation with the Bank.

If no Qualified Bids (either individually or in the aggregate), other than the Stalking Horse Agreement have been received by the Bid Deadline, then the Receiver may consider an extension of the Bid Deadline for up to 7 business days to allow any party that submitted a Bid to consult with the Receiver and to revise such Bid such that it would provide for, or that might reasonably be expected to provide for, a Superior Offer.

Evaluation of Competing Bids

A Qualified Bid will be evaluated upon many factors, including, without limitation, items such as:

1. the Purchase Price and the net value provided by such Qualified Bid,
2. the identity, circumstances and ability of the Bidder to successfully complete such Transaction,
3. the proposed Transaction documents,
4. factors affecting the speed, certainty and value of the Transaction,
5. the assets included or excluded from the Bid,
6. the likelihood and timing of consummating such Transaction, and
7. whether the Transaction results in a Superior Offer.

each as determined by the Receiver, in consultation with the Bank.

Selection of Successful Bid

The Receiver shall:

1. first, review and evaluate each Qualified Bid, provided that the Receiver may contact any Bidder to clarify the terms of any Bid, and the applicable Bidder may amend, modify or vary such Bid for the purpose of clarification;

2. second, identify if any Qualified Bid is a Superior Offer; and
3. third, if one or more Qualified Bids are considered to be Superior Offers, those Qualified Bidders presenting a Superior Offer shall proceed to an auction with the Stalking Horse Bidder to be held on or before October 20, 2021 (the “**Auction**”), which shall proceed according to the Auction Procedures set out in **Schedule “B”** to this SISP to identify the “**Successful Bid**”, and the Bidder making such Successful Bid, the “**Successful Bidder**”.

If no Superior Offer is received by the Bid Deadline, the Auction will not be held and the Stalking Horse Bidder will be declared to be the Successful Bidder. The determination of any Successful Bid by the Receiver shall be subject to approval by the Court.

Sale Approval Motion Hearing

At the hearing of the motion to approve any Transaction with a Successful Bidder (the “**Sale Approval Hearing**”), the Receiver shall seek, among other things, approval from the Court to consummate the Successful Bid. All the Qualified Bids other than the Successful Bid, if any, shall be deemed rejected by the Receiver on and as of the date of approval of the Successful Bid by the Court.

DEPOSIT

All deposits shall be held by the Receiver in a single noninterest-bearing account designated solely for such purpose. A deposit paid by a Successful Bidder shall be dealt with in accordance with the definitive documents for the transactions contemplated by the Successful Bid. Deposits, and any interest earned thereon, paid by Bidders not selected as the Successful Bidder shall be returned to such Bidder within three business days of Court approval of the Successful Bid.

CONFIDENTIALITY AND ACCESS TO INFORMATION

All discussions regarding a Transaction, Sale Proposal, Investment Proposal, Bid or Successful Bid should be directed through the Receiver. Under no circumstances should the management of the Nimbus Group or its customers be contacted directly without the prior consent of the Receiver. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP at the discretion of the Receiver.

Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Qualified Bidders, Bidders, Qualified Bids, the details of any Bids or Qualified Bids submitted or the details of any confidential discussions or correspondence between the Receiver and such other Bidders or Qualified Bidders in connection with the SISP, except to the extent that the Receiver, with the consent of the applicable participants, is seeking to combine separate Bids into a single Bid.

Notwithstanding the foregoing, under no circumstances will the Receiver share any material information concerning any of the Bids with any person other than the Bank.

SUPERVISION OF THE SISP

This SISP does not, and will not be interpreted to, create any contractual or other legal relationship between the Receiver and any Qualified Bidder, Bidder, or any other party, other than as specifically set forth in a definitive agreement that may be signed with the Receiver.

Without limiting the preceding paragraph, the Receiver shall not have any liability whatsoever to any person or party, including without limitation any Qualified Bidder, Bidder, the Successful Bidder, the Receiver or any other creditor or other stakeholder of the Receiver, for any act or omission related to the process contemplated by this SISP Procedure, except to the extent such act or omission is the result from gross negligence or wilful misconduct of the Receiver. By submitting a Bid, each Bidder or Successful Bidder shall be deemed to have agreed that it has no claim against the Receiver in respect of the SISP for any reason whatsoever, except to the extent that such claim is the result of gross negligence or wilful misconduct by the Receiver.

Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.

Schedule "A"**Addresses of Receiver****To the Receiver**

BDO Canada Limited
20 Wellington Street East, Suite 500
Toronto, ON M5E 1C5

Attention: Josie Parisi
Email: jparisi@bdo.ca

Schedule “B”

AUCTION PROCEDURES

1. On or before October 15, 2021, the Receiver will confirm those Qualified Bidders who present a Superior Offer (“**Superior Bidders**”) that their Bid will be advanced to the Auction.
2. Unless otherwise ordered by the Court, only the authorized representatives, professional advisors or agents of the Stalking Horse Bidder and each Superior Bidder shall be eligible to attend at the Auction and make any Subsequent Bid (as defined below) at the Auction.
3. The Auction, if any, shall be conducted by the Receiver, on or before October 20, 2021 at 10:00 a.m. (Eastern Time) via video conference.
4. At the Auction, all Superior Bidders and the Stalking Horse Bidder shall be permitted to increase their Superior Bids and the Stalking Horse Agreement in accordance with the procedures set forth herein (each, a “**Subsequent Bid**”). All Subsequent Bids presented during the Auction shall be made and received via video conference on an open basis. All participating Superior Bidders and the Stalking Horse Bidder shall be entitled to be present for all bidding with the understanding that the true identity of each participating Superior Bidder shall be fully disclosed to all other Superior Bidders and the Stalking Horse Bidder and that all material terms of each Subsequent Bid presented during the Auction will be fully disclosed to the Stalking Horse Bidder and all other participating Superior Bidders throughout the entire Auction.
5. All Superior Bidders and the Stalking Horse Bidder at the Auction must have at least one individual representative with authority to bind such Superior Bidder and the Stalking Horse Bidder present at the Auction.
6. The Auction shall be recorded by the Receiver for their exclusive use and shall not be recorded by any other party.
7. At least three (3) days prior to the Auction, the Receiver will advise the Stalking Horse Bidder and all other Superior Bidders which of the Superior Bid or of the Stalking Horse Bidder the Receiver has determined in its reasonable business judgment, after consultation with its advisors and with the Bank, constitutes the then highest or otherwise best offer Sale Proposal or Investor Proposal (the “**Starting Bid**”).
8. Bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one Subsequent Bid is submitted by a Superior Bidder or the Stalking Horse Bidder that (i) improves upon such Superior Bidder’s immediately prior Superior Bid or upon the Stalking Horse Agreement, as the case may be, and meets the overbid requirement set forth in paragraph 8 below, and (ii) the Receiver determines, in its reasonable business judgment, after consultation with its advisors and with the Bank, such Subsequent Bid is a higher or otherwise better offer than the then current leading Superior Bid.

9. Bidding at the Auction shall be in increments of \$100,000 and shall continue until such time as the highest and best bid is determined by the Receiver's reasonable business judgment after consultation with its advisors and with the Bank. For the purpose of evaluating the value of the consideration provided by each bid (including any Subsequent Bid by the Stalking Horse Bidder) presented at the Auction, the value will: (i) be deemed to be the net consideration payable to the Receiver after considering, *inter alia*, any Break Fee and Expense Reimbursement due to the Stalking Horse Bidder under the Stalking Horse Agreement; and (ii) take into account any additional liabilities to be assumed by a Superior Bidder.
10. After the first round of bidding and between each subsequent round of bidding, the Receiver shall announce the Subsequent Bid that the Receiver has determined in its reasonable business judgment, after consultation with its advisors and with the Bank, to be the then highest or best bid (the "**Leading Bid**"). A round of bidding will conclude after each participating Superior Bidder and the Stalking Horse Bidder has had an opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid.
11. If no Superior Bidder or the Stalking Horse Bidder submits a Subsequent Bid (as determined by the Receiver) after a period of 30 minutes following the Receiver's acceptance of a Subsequent Bid as the Leading Bid, and the Receiver chooses not to adjourn the Auction further, the Receiver shall enter into a binding agreement of purchase and sale or investment substantially on the same terms as the Superior Bid or the Stalking Horse Agreement (as the case may be), as amended by the Leading Bid, with the Superior Bidder or the Stalking Horse Bidder (the Successful Bidder) that submitted the highest and best bid as determined by the Receiver (the "**Accepted Bid**"), whereupon the Auction will be concluded.
12. At the Auction, the Receiver, after consultation with its advisors and with the Bank, may employ and announce additional procedural rules that are fair and reasonable under the circumstances (e.g., the amount of time allotted to make Subsequent Bids) for conducting the Auction; provided, however, that such rules are (a) not inconsistent with the Auction Procedures, the *Bankruptcy and Insolvency Act*, any order of the Courts entered in connection with the Auction Procedures and (b) disclosed to each Superior Bidder and the Stalking Horse Bidder at the Auction.

IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended

NATIONAL BANK OF CANADA

Applicant

- and -

NIMBUS ENVIRONMENTAL SOLUTIONS INC., et al

Respondents

CV-21-00667395-00CL

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

Proceedings commenced at Toronto, Ontario

MOTION RECORD

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