Court File No. CV-20-00639312-00CL

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

CROWN CAPITAL PRIVATE CREDIT FUND, LP, by its general partner, CROWN CAPITAL PRIVATE CREDIT MANAGEMENT INC.

Applicant

- and -

MILL STREET & CO. INC.

Respondent

APPLICATION UNDER 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

COMPENDIUM OF THE APPLICANT

May 11, 2020

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EVALUATION OF DEFAULTS OF MILL STREET & CO. INC.

ALLEGATIONS (AFFIDAVIT OF TIMOTHY OLDFIELD)	RESPONSE TO ALLEGATIONS (AFFIDAVIT OF NOAH MURAD)	FAILURE OF RESPONSE TO ADDRESS THE ALLEGATIONS
11.(a) on or about August 28, 2018, the Debtor delivered its first quarter financial statements for its 2019 fiscal year to Crown Capital, being approximately 90 days' past due per the deadline set out in section 8.1 of the Credit Agreement.	 160 With respect to the first report that after the Credit Agreement was closed on May 26, 2018, sixty days later, on July 27, 2018, and within Mill Street's time to deliver same, it delivered its first quarter report to Crown. A copy of the said correspondence, variously dated, and enclosures are attached at Exhibit "AA". 169 Under Section 11.(c) of the Credit Agreement, as Mill Street had never been aware of any default(s), it could not be held to be in default as it would be allowed time under said provision to comply with the required terms. 170 Mill Street further states that if any such default existed, Crown was aware of and accepted Mill Street's efforts to meet the requirements. 171 Mill Street complied with the provisions of the Credit Agreement as soon as practically possible such that any default which may have fleetingly existed, which are denied, were and have been cured. 	Pursuant to the section 8.1(c) of the credit agreement (the "Credit Agreement") dated May 16, 2018 between Crown Capital Private Credit Fund, LP ("Crown Capital") and Mill Street & Co. Inc. ("Mill Street"), Mill Street was obligated to provide its first quarter financial statements for its 2019 fiscal year to Crown Capital <u>no later than thirty (30) days after the end of such quarter</u> . Mill Street's first quarter for the 2019 fiscal year ended on April 30, 2018. Thirty (30) days after April 20, 2018 is May 30, 2018. <u>The information sent on July 27, 2020 pursuant to Exhibit "AA" was clearly in draft, but, even then, was still late by two months (and the non-draft statements were late by three months, as claimed).</u>
11.(b) on or about September 17, 2018, the Debtor delivered its second quarter financial statements for its 2019 fiscal year to Crown Capital, being approximately 18 days' past due per the deadline set out in section 8.1 of the Credit Agreement.	 161 The second quarter financial report were then delivered on September 17, 2018. A copy of said correspondence, dated September 17, 2018 and enclosure are attached at Exhibit "BB". 169 Under Section 11.(c) of the Credit Agreement, as Mill Street had never been aware of any default(s), it could not be held to be in default as it would be allowed time under said provision to comply with the required terms. 170 Mill Street further states that if any such default existed, Crown was aware of and accepted Mill Street's efforts to meet the requirements. 171 Mill Street complied with the provisions of the Credit Agreement as soon as practically possible such that any default which may have fleetingly existed, which are denied, were and have been cured. 	Pursuant to the section 8.1(c) of Credit Agreement, Mill Street was obligated to provide its second quarter financial statements for its 2019 fiscal year to Crown Capital <u>no later</u> than thirty (30) days after the end of such quarter. Mill Street's second quarter for the 2019 fiscal year ended on July 31, 2018. Thirty (30) days after July 31, 2018 is August 30, 2018. <u>The second quarter report delivered on September</u> 17, 2018 was therefore 18 days' late, as claimed. It is unclear how Mill Street could have been "unaware" of its default. Mill Street was obligated under section 8.1(c) of the Credit Agreement to report within a specified time period, and failed to do so. No evidence has been tendered to support Crown Capital having waived this default.

ALLEGATIONS (AFFIDAVIT OF TIMOTHY OLDFIELD)	RESPONSE TO ALLEGATIONS (AFFIDAVIT OF NOAH MURAD)	FAILURE OF RESPONSE TO ADDRESS THE ALLEGATIONS
11.(c) In December 2018, the Debtor breached its obligations under section 9.2(a) of the Credit Agreement by selling Sauve Lumber and Storage Inc., one of the entities in the "Fastway" Portfolio Group, without Crown Capital's prior written consent.	 172said consent was provided. 173 To that extent, I had hours of phone calls with Josh about selling off of the building supply companies and the structure of these sales and this is confirmed in the email attached at Exhibit "GG", December 10, 2018 where Josh asks for updates on "either Fastway sales". It is obvious that Crown was aware of the sale of Sauve Lumber which it claims was sold without consent. Crown raised no issues when Mill Street confirmed in that same email chain that the transaction had been closed and attached a copy of the Closing documents for the transaction. 174 Again, no notice of default was issued in this regard at any time prior to receipt of the April 1, 2020 letter. 175 Further and in any event, said alleged default is without merit as Crown was obliged not to withhold reasonable consent under the Credit Agreement and that it would therefore have been required to consent to the transaction referenced in its allegation. 176 Mill Street also states that at or around the same time as the alleged default, Crown was in discussion with Mill Street to convert the Credit Agreement and to provide Mill Street further funding as referenced herein. Notably in those communications also, there is no indication of any defaults by Mill Street or issues in the relationship between the parties. 	There is nothing in Mr. Murad's explanation, or in Exhibit "GG" itself, to evidence that Sauve Lumber and Storage Inc. was sold with Crown Capital's prior written consent, or that Crown Capital waived such requirement. In any event, section 11.3 of the Credit Agreement expressly provides that "Any waiver by the Lender of the strict observance, performance or compliance with any term, covenant, condition or other matter contained herein and any indulgence granted, either expressly or by course of conduct, by the Lender shall be effective only in the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any rights and remedies of the Lender under this Agreement or any other Loan Document as a result of any other default or breach hereunder or thereunder."
11.(d) On or about April 2, 2019, the Debtor delivered its fixed charge covenant calculation of 1.27 for its 2019 fiscal year, which was based on the Debtor's internal financial statements. However, a revised fixed charge covenant calculation was never submitted by the Debtor to Crown Capital to reflect the numbers in the Debtor's audited financial statements for the Debtor's 2019 fiscal year, notwithstanding this matter being brought to the Debtor's attention by Crown Capital. The calculations performed by Crown Capital and submitted to the Debtor for comment show that, based on the Debtor's audited financial statements for 2019, the Debtor is in breach of its required fixed charge coverage ratio per section 9.1(t)(i) of the Credit Agreement, and the Debtor has failed to Crown Capital.	 177 as demonstrated by correspondence attached at Exhibit "CC" throughout April, 2019, Crown confirmed receipt of the report from Mill Street. 178 Moreover while Crown alleges this default occurred in April, 2019, Mill Street had approached Crown with respect to two potential acquisition transactions and throughout the course of those communications (see Exhibit "GG") Crown did not raise issues of this alleged default. 179 I do not agree that there is any default in this regard or that Crown ever advised that it required a revision to it at any point prior to the April 1, 2020 letter. 	There is nothing in Mr. Murad's explanation, or in Exhibit "CC" itself, which addresses the fixed charge covenant default.

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ALLEGATIONS (AFFIDAVIT OF TIMOTHY OLDFIELD)	RESPONSE TO ALLEGATIONS (AFFIDAVIT OF NOAH MURAD)	FAILURE OF RESPONSE TO ADDRESS THE ALLEGATIONS
11.(e) On or about April 3, 2019, the Debtor delivered its fourth quarter financial statements for its 2019 fiscal year to Crown Capital, being approximately 31 days' past due per the deadline set out in section 8.1 of the Credit Agreement.	 162 The Credit Agreement provided for the delivery of same within 90 days from the end of the fiscal year, being January 31, and therefore, Mill Street would have had until April 30 to deliver same. 163 Attached as Exhibit "CC" is an email chain, dated April 2, 2019 confirming acknowledge of the statements alleged in the default Notably there were no issues raised with respect to the timeliness of same or Mill Street being in default. In fact, Crown representative indicated that Crown was unable to work on the Mill Street matters as it was devoting attention to another pressing matter. 169 Under Section 11.(c) of the Credit Agreement, as Mill Street had never been aware of any default(s), it could not be held to be in default as it would be allowed time under said provision to comply with the required terms. 170 Mill Street further states that if any such default existed, Crown was aware of and accepted Mill Street's efforts to meet the requirements. 171 Mill Street complied with the provisions of the Credit Agreement as soon as practically possible such that any default which may have fleetingly existed, which are denied, were and have been cured. 	Pursuant to the section 8.1(c) of Credit Agreement, Mill Street was obligated to provide its fourth quarter financial statements for its 2019 fiscal year to Crown Capital <u>no later</u> <u>than thirty (30) days after the end of such quarter</u> . Mill Street's fourth quarter for the 2019 fiscal year ended on January 31, 2019. Thirty (30) days after January 31, 2018 is March 2, 2019. <u>The fourth quarter report delivered on April 3, 2019 was therefore 31 days' late, as claimed.</u> It is unclear how Mill Street could have been "unaware" of its default. Mill Street was obligated under section 8.1(c) of the Credit Agreement to report within a specified time period, and failed to do so. No evidence has been tendered to support Crown Capital having waived this default. Even if the cure period pursuant to section 11(c) of the Credit Agreement applied (which it does not), the default was not remedied by April 1, 2019, as would have been required.
11.(f) On or about June 17, 2019, the Debtor delivered its first quarter financial statements for its 2020 fiscal year to Crown Capital, being approximately 18 days' past due per the deadline set out in section 8.1 of the Credit Agreement.	 164as demonstrated by the correspondence at Exhibit "DD", variously dated in May and June, 2019, in which Mill Street was being approved at around the same time, there was no note of any default or issues with timeliness of the delivery of the reports. 165 In addition, at this time, Crown was also aware that Mill Street had a change in its controller and thereby it acknowledged and accepted that there may be some delays for new personnel to be brought to speed with matters. An email introducing the new controller, dated July 22, 2019 is attached as Exhibit "EE". 169 Under Section 11.(c) of the Credit Agreement, as Mill Street had never been aware of any default(s), it could not be held to be in default as it would be allowed time under said provision to comply with the required terms. 170 Mill Street further states that if any such default existed, Crown was aware of and accepted Mill Street's efforts to meet the requirements. 171 Mill Street complied with the provisions of the Credit Agreement as soon as practically possible such that any default which may have fleetingly existed, which are denied, were and have been cured. 	Pursuant to the section 8.1(c) of Credit Agreement, Mill Street was obligated to provide its first quarter financial statements for its 2020 fiscal year to Crown Capital <u>no later than thirty</u> (30) days after the end of such quarter. Mill Street's first quarter for the 2020 fiscal year ended on April 30, 2019. Thirty (30) days after April 30, 2019 is May 30, 2019. <u>The first quarter report delivered on June 17, 2019 was therefore 18 days' late, as claimed.</u> It is unclear how Mill Street could have been "unaware" of its default. Mill Street was obligated under section 8.1(c) of the Credit Agreement to report within a specified time period, and failed to do so. No evidence has been tendered to support Crown Capital having waived this default.

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ALLEGATIONS (AFFIDAVIT OF TIMOTHY OLDFIELD)	RESPONSE TO ALLEGATIONS (AFFIDAVIT OF NOAH MURAD)	FAILURE OF RESPONSE TO ADDRESS THE ALLEGATIONS		
11.(g) On or about July 18, 2019, the Debtor delivered its draft audited financial statements for its 2019 fiscal year to Crown Capital, being approximately 78 days' past due per the deadline set out in section 8.1 of the Credit Agreement. Once delivered, these materials reflected significant discrepancies from the internal financial statements previously provided, thereby constituting one or more further breaches under the Credit Agreement. By way of one notable example, whereas the internal financial statements reflected cash of approximately \$3.8 million, the audited financial statements reflected cash of zero.	 180Mill Street denies said allegations. 181 First, there were no obligations requiring Mill Street to deliver draft financial statements under the Credit Agreement. As mentioned herein, Crown was aware that Mill Street had a change in controller. As such, Mill Street provided audited statements in lieu of the Credit Agreement reporting requirements, which were accepted by Crown. 182 In fact, in this process Mill Street Authorized Crown personnel to speak directly with its auditors. Accordingly, Crown was working directly with the auditors at said time on addressing any discrepancies they believed existed. Crown had complete access to ask the auditors for any and all reports they required. Copies of the emails between the parties, including with Fazzari are attached above at Exhibit "EE". 183 Accordingly, and as no notice of any default related to the allegations were provided to Mill Street prior to delivery of the April 1, 2020 letter, Mill Street reasonably believed Crown was satisfied with all reporting done by Mill Street and the auditors in this regard. 	Pursuant to the section 8.1(a) of Credit Agreement, Mill Street was obligated to provide its audited financial statements for its 2019 fiscal year to Crown Capital <u>no later</u> <u>than thirty (90) days after the end of such fiscal year</u> . Mill Street's 2020 fiscal year ended on January 31, 2019. Ninety (90) days after January is May 1 2019. <u>The report delivered</u> <u>on June 18, 2019 was therefore 78 days' late, as claimed.</u> <u>Even then, the report was only in draft form. Moreover, no explanation has been given for the significant</u> <u>discrepancies from the internal financial statements</u> <u>previously provided, including, without limitation, the</u> <u>decrease of cash from approximately \$3.8 million to zero.</u> Mill Street was obligated under section 8.1(a) of the Credit Agreement to report within a specified time period, and failed to do so. No evidence has been tendered to support Crown Capital having waived these defaults.		
11.(h) On or about August 9, 2019, the Debtor delivered its audited financial statements for its 2019 fiscal year to Crown Capital, being approximately 100 days' past due per the deadline set out in section 8.1 of the Credit Agreement. Once delivered, these materials were not accompanied by the EBITDA Report (as defined in section 8.1 of the Credit Agreement), including the comfort letter from the auditor that is required by section 8.1 of the Credit Agreement, which EBITDA Report still remains outstanding as of the date of this Affidavit, despite requests from Crown Capital. As set out in section 8.1 of the Credit Agreement, the purpose of the auditor's comfort letter is to confirm that the calculations have been made in accordance with the Credit Agreement and properly reflect the financial information of the Debtor and the Portfolio Companies.	See above.	Pursuant to the section 8.1(a) of Credit Agreement, Mill Street was obligated to provide its audited financial statements for its 2019 fiscal year to Crown Capital <u>no later</u> <u>than thirty (90) days after the end of such fiscal year</u> . Mill Street's 2020 fiscal year ended on January 31, 2019. Ninety (90) days after January is May 1 2019. <u>The report delivered</u> <u>on August 9, 2019 was therefore 100 days' late, as</u> <u>claimed. Even then, it was not accompanied by the</u> <u>EBITDA Report or associated auditor's comfort letter</u> <u>under section 8.1(b)</u> , both of which still remain <u>outstanding.</u> Mill Street was obligated under section 8.1(a) and 8.1(b) of the Credit Agreement to report within a specified time period, and failed to do so. No evidence has been tendered to support Crown Capital having waived these defaults.		
11.(i) On or about August 22, 2019, the Debtor made its interest payment for the month of July 2019 to Crown Capital after multiple follow-up requests by Crown Capital, being 22 days' past due per the August 1, 2019 deadline set out in section 4.2 of the Credit Agreement, and in further breach of the ability to cure such default within three business days, as set out in section 11.1(b) of the Credit Agreement.	 184 the payment was sent by Mill Street in a timely manner, but as noted by Tim, there was an error in the wiring instructions such that the payment was not actually received. A copy of that email exchange is set out at Exhibit "HH". The discrepancy was immediately corrected the following day and thereby, if any default existed it was cured promptly. 185 I can't help but note that even when Crown provided its initial default letter of January 17, 2020, it did not mention this alleged default. 	Pursuant to section 11.1(b) of the Credit Agreement, the cure period for the failure to pay interest is three (3) Business Days. Exhibit "HH " does not evidence any attempt to pay interest within that cure period. No evidence has been tendered to support Crown Capital having waived this default.		

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ALLEGATIONS (AFFIDAVIT OF TIMOTHY OLDFIELD)	RESPONSE TO ALLEGATIONS (AFFIDAVIT OF NOAH MURAD)	FAILURE OF RESPONSE TO ADDRESS THE ALLEGATIONS		
11.(j) On or about November 1, 2019, the Debtor delivered its second quarter financial statements for its 2020 fiscal year to Crown Capital, being approximately 62 days' past due per the deadline in the Credit Agreement.	 166at the time said reports would have been due, Crown was working directly with Mill Street's auditors and would have had access to any reports it required and were aware this was necessitated due to a change in controller for Mill Street. As such, Crown would have been aware of any delays in the reporting for said time period, and been a participant in said delays. A copy of emails between Mill Street's auditors, Fazzari + Partners LLP ("Fazzari") and members of Crown's team of various dates are attached as Exhibit "FF". 167 Mill Street further states that prior to receipt of the April 1, 2020 letter, there had been no comments or notice with respect to the failure to deliver said report in a timely manner or any previous notice of default with respect to any of these allegations. 168 Under Section 11.(c) of the Credit Agreement, as Mill Street had never been aware of any default(s), it could not be held to be in default as it would be allowed time under said provision to comply with the required terms. 169 Mill Street further states that if any such default existed, Crown was aware of and accepted Mill Street's efforts to meet the requirements. 170 Mill Street complied with the provisions of the Credit Agreement as soon as practically possible such that any default which may have fleetingly existed, which are denied, were and have been cured. 	Pursuant to the section 8.1(c) of Credit Agreement, Mill Street was obligated to provide its second quarter financial statements for its 2020 fiscal year to Crown Capital <u>no later</u> <u>than thirty (30) days after the end of such quarter</u> . Mill Street's second quarter for the 2020 fiscal year ended on July 31, 2019. Thirty (30) days after July 31, 2019 is August 30, 2019. <u>The fourth quarter report delivered on November 1,</u> <u>2019 was therefore 62 days' late, as claimed.</u> It is unclear how Mill Street could have been "unaware" of its default. Mill Street was obligated under section 8.1(c) of the Credit Agreement to report within a specified time period, and failed to do so. No evidence has been tendered to support Crown Capital having waived this default. Even if the cure period pursuant to section 11(c) of the Credit Agreement applied (which it does not), the default was not remedied by September 1, 2019, as would have been required.		

ALLEGATIONS (AFFIDAVIT OF TIMOTHY OLDFIELD)	RESPONSE TO ALLEGATIONS (AFFIDAVIT OF NOAH MURAD)	FAILURE OF RESPONSE TO ADDRESS THE ALLEGATIONS
11.(k) In December 2019, the Debtor breached its obligations under section 9.2(d) of the Credit Agreement by proceeding with a \$9.5 million debt financing with respect to GNI Management Group Inc., the operating company in the "Great Northern" Portfolio Group, without Crown Capital's prior written consent.	 186 The default at allegation items (k) to (n) all deal with the time period and circumstances during the GNI Transaction which have been detailed herein, including the delay in making the November and December, 2019 payments of interest to Crown. Mill Street denies any of the default allegations. 187 As stated herein, Crown was also aware of and in fact invited to help finance the GNI Transaction. It was also notified of the anticipated delay in payments. Crown made no objections and provided no default notices of the allegations at the time said matters would have transpired. 188 The various email chains attached at Exhibits "L", "O" and "P", variously dated, detail the events, including illustrating Crown's knowledge and involvement of the GNI Transaction as well as the benefit of the GNI Transaction to Mill Street's portfolio and thereby, Crown's investment in Mill Street. 189 Mill Street received no indication of Crown's opposition to the GNI Transaction and further states that under section 9.2, Crown would have no basis to unreasonably withhold its consent from completion of the transaction. 	Crown Capital did not lend any additional monies to finance this transaction, and there is nothing in Mr. Murad's explanation, or in Exhibits "L", "O" or "P", to evidence that the transaction proceeded with Crown Capital's prior written consent, or that Crown Capital waived such requirement
11.(I) On or about January 7, 2020, the Debtor made its interest payment for the month of November 2019 to Crown Capital after multiple follow-up requests by Crown Capital, being approximately 38 days' past due per the December 1, 2019 deadline set out in section 4.2 of the Credit Agreement, and in further breach of the ability to cure such default within three business days, as set out in section 11.1(b) of the Credit Agreement.	See above.	 Mr Murad does not deny that the payment was received on January 7, 2020, being 38 days' late, as claimed. Pursuant to section 11.1(b) of the Credit Agreement, the cure period for the failure to pay interest is only three (3) Business Days, which was not met. No evidence has been tendered to support Crown Capital having waived this default. To the contrary, Exhibit "P" to Mr. Murad's affidavit includes an email from Mr. Oldfield dated January 10, 2020, as follows: <i>"I am very frustrated with your lack of a clear and timely response with respect to the interest payments. The November payment was a month late and the December payment was due on Monday and has not yet been received and you have not responded to my requests for confirmation as to when this will be paid. I am sure you can appreciate that this is not acceptable and is not productive for our relationship. I would like a response from you today on this."</i>

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ALLEGATIONS (AFFIDAVIT OF TIMOTHY OLDFIELD)	RESPONSE TO ALLEGATIONS (AFFIDAVIT OF NOAH MURAD)	FAILURE OF RESPONSE TO ADDRESS THE ALLEGATIONS
18.(a) On or about January 22, 2020, the Debtor made its interest payment for the month of December 2019 to Crown Capital after multiple follow-up requests by Crown Capital, being approximately 22 days' past due per the January 1, 2020 deadline set out in section 4.2 of the Credit Agreement, and in further breach of the ability to cure such default within three business days, as set out in section 11.1(b) of the Credit Agreement.	See above.	 Mr Murad does not deny that the payment was received on January 22, 2020, being 22 days' late, as claimed. Pursuant to section 11.1(b) of the Credit Agreement, the cure period for the failure to pay interest is only three (3) Business Days, which was not met. No evidence has been tendered to support Crown Capital having waived this default. To the contrary, Exhibit "P" to Mr. Murad's affidavit includes an email from Mr. Oldfield dated January 10, 2020, as follows: <i>"I am very frustrated with your lack of a clear and timely response with respect to the interest payments. The November payment was a month late and the December payment was due on Monday and has not yet been received and you have not responded to my requests for confirmation as to when this will be paid. I am sure you can appreciate that this is not acceptable and is not productive for our relationship. I would like a response from you today on this."</i>
18.(b) In January 2020, the Debtor breached its obligations under sections 9.2(j) and 9.3(a)(ii) of the Credit Agreement by acquiring the remaining 25% ownership position in GNI Management Group Inc., the operating company in the "Great Northern" Portfolio Group, for an amount above the Permitted Portfolio Acquisition (as defined in the Credit Agreement) without Crown Capital's prior written consent.	See above.	Crown Capital did not lend any additional monies to finance this transaction, and there is nothing in Mr. Murad's explanation, or in Exhibits "L", "O" or "P", to evidence that the transaction proceeded with Crown Capital's prior written consent, or that Crown Capital waived such requirement or the breach of the Permitted Portfolio Acquisition.
 18.(c) For the fiscal year ended January 31, 2020, the Debtor made non-arm's length payments and distributions in excess of \$1,000,000, which: (i) is prohibited by sections 1.1(aaaa) and 9.2(h) of the Credit Agreement if a Pending Event of Default or Event of Default (as both terms are defined in the Credit Agreement) has occurred or is occurring (as was and remains the case); and (ii) even in the absence of a Pending Event of Default or Event of Default, is still prohibited without payment of a prescribed 5% fee to Crown Capital that is required by section 3.4 of the Credit Agreement, which payment was never made by the Debtor to Crown Capital. 	 190 this is the first time Mill Street has been made aware of the issue, and I do not accept that there was a default of pending event of default – especially not as of the dates of the payments. 191 In any event, under the Credit Agreement, Mill Street would have 30 days to cure any actual default. Mill Street is still involved in a back and forth with Josh investigating the allegations and if in fact, this allegation has merit, Mill Street will make payment of the 5% fee to Crown if determined to be validly owing. Attached hereto and marked as Exhibit "II" is a copy of our email exchange in this regard. 	The default pursuant to section 18.(c)(i) of the Credit Agreement is not curable, and no cure period applies. With respect to the default pursuant to section 18.(c)(ii), even if a cure period of 30 days did apply, the default was not remedied within such time period. Exhibit "II " does not evidence any waiver of Mill Street's default pursuant to the Credit Agreement.

ALLEGATIONS (AFFIDAVIT OF TIMOTHY OLDFIELD)	RESPONSE TO ALLEGATIONS (AFFIDAVIT OF NOAH MURAD)	FAILURE OF RESPONSE TO ADDRESS THE ALLEGATIONS		
18.(d) On or about February 16, 2020, the Debtor submitted its annual business plan to Crown Capital, being approximately 47 days' past due per the January 1, 2020 deadline set out in section 8.1 of the Credit Agreement. Even once submitted, the business plan was incomplete and unsatisfactory to Crown Capital, contrary to section 8.1 of the Credit Agreement. Notwithstanding a follow-up by Crown Capital, the Debtor has still not provided the missing information to Crown Capital.	2019 which included potential investment from Crown or another entity to complete the GNI Transaction as well as dealing with the potential change in structure to the relationship between Mill Street's arrangement with Crown. However, as there was uncertainty in the plan due to Crown	Mr. Murad does not deny that the annual business plan was delivered 47 days' late, as claimed, and that it was also incomplete, as also claimed. The failure to provide a complete business plan when due does not entitle Mill Street to benefit from an additional 30 day cure period in respect of the incomplete information.		
18.(e) On or about March 6, 2020, the Debtor submitted inaccurate covenant calculations to Crown Capital for the period ended January 31, 2020, thereby inaccurately representing the Debtor's financial information. Despite Crown Capital having advised that the methodology was inaccurate and inaccurately represented the Debtor's financial information, the Debtor has still failed as of the date hereof to submit revised and accurate covenant calculations to Crown Capital. The calculations performed by Crown Capital, which were provided to the Debtor, show that the Debtor is in breach of its required fixed charge coverage ratio per section 9.1(t)(i) of the Credit Agreement, and the Debtor has failed to provide any response or justification for this default to Crown Capital.	 194 as demonstrated by the email at Exhibit "KK", dated March 5, 2020, Mill Street has offered all financial information supported by its accountants to represent the calculations provided and to show that there is no breach in that regard. 195 With respect to any subsequent requests for information or alleged default, the first allegation of same was the April 1, 2020 letter and Mill Street would still be within its 30-day period to respond to any such request (and has now done so as set out at Exhibit "JJ") and hence there is no default. 	Exhibit "KK" only contains an email dated January 31, 2020, which does not reflect the email that Mr. Murad describes. In any event, the failure to provide accurate covenant calculations when due does not entitle Mill Street to benefit from an additional 30 day cure period in respect of the inaccurate information.		

ALLEGATIONS RESPONSE TO ALLEGATIONS FAILURE OF (AFFIDAVIT OF TIMOTHY OLDFIELD) (AFFIDAVIT OF NOAH MURAD)		FAILURE OF RESPONSE TO ADDRESS THE ALLEGATIONS
18.(f) At all relevant times, the Debtor has been (and remains) in breach of the requisite EBITDA concentration stipulated in section 9.1(t)(ii) of the Credit Agreement, the result of which is that the Debtor's share of one single Portfolio Group, namely the "Great Northern" Portfolio Group, has consistently exceeded 50% of the Debtor's share of the aggregate EBITDA of all the Portfolio Groups.	 196if there was a default in this regard, the first notice we received of it would be the April 1, 2020 letter, and Mill Street would still be within its 30-day period to cure any such default. 197 In this regard, I have discussed the calculations with Josh and Tim and noted to them that this covenant as originally drafted in the Credit Agreement was not suitable and needed to be restructured as GNI added significant growth to Mill Street and other portfolio companies, based on Chris' advice, had been discontinued or sold. 198 In this email exchange from prior to the Credit Agreement, Tim acknowledged that the covenant referenced was flawed and it was noted that if GNI continued its growth at the time, the referenced calculation in the covenant would need to be changed. 199 A copy of correspondence exchange in this regard, dated May 12-13, 2018 is attached as Exhibit "LL". 200 I am advised by Mill Street's controller, Trevor Harris, that in a meeting between Mill Street and Crown representatives, it was made clear that there was no expectation from Crown that this covenant would be met and in fact, acknowledged that this covenant should be changed. Once again, although Mill Street was never within the covenant as contemplated, Crown had never raised a concern with same. 	 Mr. Murad acknowledges that "Mill Street was never within the covenant as contemplated." Pursuant to section 11.1(c) of the Credit Agreement, no cure period applies to the failure of Mill Street to be in compliance with any financial covenants set forth in section 9.1(t) of the Credit Agreement. Exhibit "LL" does not evidence any waiver of Mill Street's default pursuant to the Credit Agreement. Exhibit "LL" was is also dated prior to the Credit Agreement and was not incorporated into the Credit Agreement.
18.(g) At all relevant times, the Debtor has been (and remains) in breach of the requisite obligation to submit compliance certificates executed by its President, Mr. Murad, as required by sections 8.1(e) and 8.2 of the Credit Agreement.	201 despite two years having elapsed, Crown has never raised the issue of compliance certificates not being submitted as a default. Crown accepted the default. Alternatively, if there was a default in this regard, as of the date of the April 1, 2020 letter, Mill Street would still be within its 30-day period to cure any such default, however, providing compliance certificates seems rather silly at this point.	The failure to provide the compliance certificates when due does not entitle Mill Street to benefit from an additional 30 day cure period in respect of the missing compliance certificates. Contrary to Mr. Murad's assertion that " <i>providing compliance</i> <i>certificates seems rather silly at this point</i> ," it is noteworthy that Mr. Murad has still not provided compliance certificates executed by him.
18.(h) At all relevant times, the Debtor has failed to provide any notice to Crown Capital of a Pending Event of Default or Event of Default, as required by section 9.1(h) of the Credit Agreement, notwithstanding that such events of default have clearly occurred, as detailed above in this Affidavit. This raises concern that there may also be additional defaults not known to Crown Capital as a result of the Debtor's lack of transparency.	202 Finally, with respect to item (t) and Mill Street allegedly, having failed to inform Crown of a pending default, in light of the alleged events, Crown was always kept apprised of Mill Street's acquisitions and operations through verbal and other communication, including instances whereby Mill Street would need to delay monthly interest payments, or make transactions such as the GNI Transaction. Crown was always aware of Mill Street's actions, and accordingly, and of the defaults which it now alleges.	Mr. Murad still denies the defaults even now, in clear breach of Mill Street's reporting obligations in respect of same under the Credit Agreement.

Attached is Exhibit "F"

Referred to in the

AFFIDAVIT OF TIMOTHY OLDFIELD

Sworn before me this 7th day of April, 2020 C Commissioner for taking Affidavits, etc



January 17, 2020

VIA EMAIL

Mill Street & Co. Inc. 7616 Yonge Street Thornhill, ON L4J 1V9 Email: nmurad@millstreetco.com 2394419 Ontario Limited / 997322 Ontario Inc. 7822 Yonge Street Thornhill, ON L4J 1W3 Email: nmurad@millstreetco.com

Attention: Noah Murad, President

Dear Sir:

Re: Events of Default Under Credit Agreement

We refer to the credit agreement dated May 16, 2018 (as amended, restated, supplemented or otherwise modified to the date hereof, the "Credit Agreement") between Crown Capital Private Credit Fund, LP by its general partner Crown Capital Private Credit Management Inc. ("we" or the "Lender"), as lender, and Mill Street & Co. Inc., as borrower (the "Borrower"), and guaranteed by 2394419 Ontario Limited and 997322 Ontario Inc. (collectively, the "Guarantors"). All capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Credit Agreement.

This letter constitutes formal notice that various Events of Default have occurred under the Credit Agreement including, without limitation, the following Events of Default (*which list is not intended to be an exhaustive list*):

- (a) the Borrower failed to pay accrued and unpaid interest on the Loan and the outstanding amount of the other Obligations on December 1, 2019 as required pursuant to Section 4.2 of the Credit Agreement, which failure continued unremedied for three (3) Business Days (the "November 2019 Interest Default"); and
- (b) the Borrower failed to pay accrued and unpaid interest on the Loan and the outstanding amount of the other Obligations on January 1, 2020 as required pursuant to Section 4.2 of the Credit Agreement, which failure continued unremedied for three (3) Business Days (the "December 2019 Interest Default", together with the November 2019 Interest Default, the "Specified Defaults")

Pursuant to Section 11.1(b) of the Credit Agreement, the Specified Defaults are Events of Default under the Credit Agreement and, with respect to the December 2019 Interest Default, is an Event of Default which is continuing as of the date of this Notice of Default.

The Lender has not, and shall not be deemed to have, waived the Specified Defaults, or any Event of Default or Pending Event of Default that has now or may in the future occur under the Credit Agreement or other Loan Documents. The Lender hereby provides notice to the Borrower and the Guarantors that the Lender reserves its right at any time to exercise any rights, remedies, powers and privileges afforded by law or under the Credit Agreement and the other Loan Documents with respect to the Specified Defaults.

The Lender hereby reserves all of its rights, remedies, powers and privileges afforded by law or under the Credit Agreement and the other Loan Documents with respect to any other Event of Default or Pending Event of Default which may have occurred on or prior to the date hereof.

The Loan Documents provide for certain privileges of the Borrower and Guarantors which shall no longer be exercised by the Borrower or Guarantors during the continuance of either an Event of Default or Pending Event of Default (or if an Event of Default or Pending Event of Default would result therefrom). Please govern yourself accordingly with regard to the occurrence and continuance of the December 2019 Interest Default.

Section 4.3 of the Credit Agreement provides that upon and after the occurrence of an Event of Default, and during the continuation thereof, the Principal Amount of the Loan and the other Obligations shall bear interest at a rate per annum equal to the interest rate otherwise payable pursuant to Section 4.1 of the Credit Agreement, plus two (2%) percent, and such interest shall be calculated in accordance with Section 4.4 of the Credit Agreement and shall be payable on demand by the Lender.

Due to the Specified Defaults, the Lender hereby demands payment of \$132,191.31 (the "Demand Amount"), being the accrued and unpaid interest on the Principal Amount of the Loan and the other Obligations as determined in accordance with the Credit Agreement as of January 20, 2020. If not paid to the Lender by 3:00p.m. (Ontario time) on January 20, 2020, a *per diem* of \$592.49 shall apply to the Demand Amount for each day falling within the calendar month of January, 2020 that the Demand Amount and applicable *per diem* remain outstanding. If the Demand Amount and all applicable *per diem* are not paid prior to 3:00p.m. (Ontario time) on January 31, 2020, the Lender shall issue an updated demand notice dated effective February 1, 2020 confirming the accrued and unpaid interest on the Principal Amount of the Loan and the other Obligations as determined in accordance with the Credit Agreement as of such date, which updated demand notice shall also specify the applicable *per diem* for the calendar month of February, 2020.

Without limiting the forgoing, the Lender further confirms that future interest payments under the Credit Agreement shall be at the default rate provided in Section 4.3 of the Credit Agreement, to be made on the first day of each calendar month until the foregoing sums are unconditionally and irrevocably paid to the Lender and there are no further Events of Default existing which are continuing (and thereafter at the rate of interest otherwise specified in the Credit Agreement).

This is a serious matter and we trust that the Borrower and Guarantors will give this matter their immediate attention.

Sincerely,

Crown Capital Private Credit Fund, LP, by its general partner Crown Capital Private Credit Management Inc.

Per:

Tim Oldfield Chief Investment Officer Attached is Exhibit "G"

Referred to in the

AFFIDAVIT OF TIMOTHY OLDFIELD

Sworn before me this 7th day of April, 2020 C Commissioner for taking Affidavits, etc

Jeremy Nemers

From:Noah Murad <nmurad@millstreetco.com>Sent:January 17, 2020 5:07 PMTo:Tim OldfieldSubject:Re: Events of DefaultAttachments:Notice of Default Letter_Crown Capital_Mill Street_17 Jan 2020.pdf; ATT00001.htm

Tim

Your email and attached letter is not only surprising to me but incomprehensible.

To claim that we have not given you timely reporting or disclosures is not correct. I have personally spent dozens of hours on the phone with Crown explaining and articulating details on all aspects of our business. This is in addition to the regular reports that have been provided, reports that include additional third party financial statements that we have paid for as a result of reporting requests. The comment in the attached about permitted distributions has already been explained and not commented on. If there was an issue, it was never raised except for in this letter. The fact is the team at Crown has been provided. We have sent many items with no comment or reply over the last year. We have been willing to meet at any time to address any item of concern and have been proactive in telling Crown about even the smallest details of our strategy.

What you do not seem to understand is how badly we have been mislead in our previous meetings where we have made operational decisions based on verbal commitments that we would receive additions to our loans. We believed that your attendance in these meetings and commentary was that of a group that would help. We acted accordingly. The delayed payments have been caused in part by Crown because we have represented to the market that we have a financial partner that will support our growth only to have this not be true beyond the initial loan. That you think you have no part in the delay or that communications to me have no connection to where we are today is, again, incomprehensible to me.

I am happy to meet you and your team on Monday or Tuesday at a time of your choosing however I will require that you immediately retract this letter and engage with us like partners.

If on the other hand you are going to take the position of a short term lender, I will immediately send this letter to my lawyers and we can have them discuss the legalities of your position.

Noah

On Jan 17, 2020, at 3:56 PM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

Noah,

Attached is a letter regarding certain defaults under the credit agreement between Crown and Mill Street. I was hoping to be able to meet with you in person today to discuss this, but I completely understand that you had an emergency to tend to.

The attached letter makes specific reference to the recent interest payment defaults regarding the November and December payments, which we would like to have rectified

immediately. Throughout the year we have also experienced defaults on reporting timelines as well as some potential defaults around financial covenants and permitted distributions.

We would like the opportunity to discuss this with you in person and are hoping that you have time to come and meet with Chris, Josh and I on either Monday or Tuesday next week.

Please confirm receipt of this email and let me know if there is a time that works on either Monday or Tuesday.

Sincerely,

Tim.

MILL STREET & Co.

Private and Confidential

January 20, 2020

Crown Capital Partners Inc. Bay Adelaide Centre 333 Bay Street Suite 2730 Toronto ON M5H 2R2

Attention: Tim Oldfield

Dear Mr. Oldfield:

Re: Response to Notice of Default letter dated January 17, 2020

I am writing in response to the above-noted letter from Crown Capital Partners Inc. ("**Crown**") alleging Events of Default pursuant to the Credit Agreement (all capitalized terms herein are as defined in your letter), which in our view, is a disingenuous version of events. At all material times, interest payments have been paid in a timely manner, all events both material and immaterial have been disclosed to Crown's officers and substantial time and costs have been incurred by us in providing continuous disclosure to ensure that all covenants and obligations have been maintained.

However, over the past year, Crown and its officers and representatives have made continuous material and negligent misrepresentations to Mill Street to which Mill Street has relied upon to its detriment leading to damages to the company including, but not limited to: the promises of additional capital allocated to the business; the conversion of the Credit Agreement into a differing product with differing terms; and the provision of additional financial assistance to Mill Street on certain conditions of disclosure and strategic conduct to take place on the part of the company. Despite the knowledge of the company's reliance, Crown had breached all of its promises, and, in addition, significantly delayed providing written consent to accommodate Mill Street's actions and strategic plan created in partnership with Crown. This has caused our company to be placed in harmful positions which it was required to cure both for its own interests and to protect the security position for Crown. Mill Street has, to date, mitigated its damages and continued to grow and improve Crown's investment, while at the same time, continued to provide timely disclosures and reasonably timely interest payments to Crown given the circumstances created by Crown's own misconduct.

As stated, your letter and accompanying email fails to acknowledge all of the above events and brazenly alleges Events of Default under the Credit Agreement. Ultimately, prior to entering into the Credit Agreement, Crown Capital has been represented to us as a long-term partner similar to that of an equity partner, but its actions and your letter represent to us that Crown is a short-term lender. If Crown is the former but is unable or

7616 YONGE STREET Thornhill, ontario 14J 1V9 905.764.5465

unwilling to accommodate the growth of our company, then we will move to an immediate buyout of your position and advocate for a more reasonable prepayment penalty than that in the Credit Agreement to ensure a smooth transition.

If Crown is the latter and by sending your letter is acting as a lender seeking strict technical enforcement measures regardless of its conduct and the larger context, then I assure you, we take the allegations in your letter extremely seriously and at this stage are prepared to escalate this to the proper authorities and jurisdictions until it is confirmed by Crown that no Events of Default are continuing. We expect written confirmation of your position by 5:00PM on Tuesday, January 21, 2020, failing which we will govern ourselves accordingly.

Yours truly,

MILL STREET& CO. INC.

11 _

Noah Murad President

This is Exhibit "S"

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 17, 2020

all abe

A Commissioner for taking affidavits Rahul Gandotra #70296U

From:	Noah Murad
To:	Tim Oldfield
Subject:	RE: Follow Up
Date:	Thursday, February 6, 2020 10:05:13 PM
Attachments:	LTV Mill Street.xlsx
	image001.png

Tim

In light of your last email and your alluding to a forbearance agreement and using counsel, I will respond as follows.

We have clearly stated previously, that your letter and accompanying email that claims Events of Default fails to acknowledge all of the events that took place and does not take into consideration any current information, including that your current position has improved considerably from the initial investment. I have attached a document that has been represented to me in the past as a material working document that has been used by your team to evaluate the portfolio. The chart on the bottom has been filled out by me with approximations of our trailing twelve month numbers that will be substantiated in our financial reports and by our auditors. The chart on the top was provided to me by your team and as you know contains projections of future results of the group of businesses from the original business plan. You will note that we have included a write off from TD bank on Fastway and other files, but excluded any value being given to any sold businesses.

As noted, your letter alleges Events of Default under the Credit Agreement, and our position is that none exist. We have acted at all times in the best interest of the company and Crown's investment and we will continue to do so.

We are, however, more than willing to work towards a buyout of your position if this is the direction you wish to go. In order to do so, the interested parties require a confirmation in writing that Crown is willing to reduce it's prepayment penalty to allow such a buyout to occur on reasonable terms. At all times we will continue to comply with the requirements under the debenture to make timely interest payments and provide reasonable reporting to Crown as we have always done. We will also continue to make decisions that will grow the value of the businesses we own to the benefit of your loan position.

Once we receive your letter reducing your prepayment penalty, which is the only required amendment to our existing agreements, we will reply with a more formal letter setting reasonable expectations for the buyout of your facility. In the meantime we will not be entering in to any forbearance agreement as this sort of agreement does not properly address the present situation and has certain implications which will be detrimental to our company and in fact counterproductive to you receiving a prompt buyout.

I will await your indicative letter regarding the reduction of the prepayment penalty and once received will follow up promptly with a more fulsome plan.

NOAH MURAD

president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

MILL STREET « Co.

This email may contain confidential information, and is intended only for the named recipient and may be privileged. Distribution or copying of this email by anyone other than the named recipient is prohibited. If you are not the named recipient, please notify us immediately and permanently delete this email and destroy all copies of it.

From: Tim Oldfield <tim.oldfield@crowncapital.ca>
Sent: February 4, 2020 1:43 PM
To: Noah Murad <nmurad@millstreetco.com>
Cc: Josh Axler <josh.axler@crowncapital.ca>
Subject: Follow Up

Hi Noah,

I am following up on our call from last Thursday where we spoke about the process whereby you would prepay the Crown loan. On the call you confirmed that you have already started the process of identifying and reaching out to new capital providers and you mentioned that you are putting together a letter to send to me this week that outlines your thoughts on that process. Please send this through to me as soon as you can so that we can review and discuss it with you.

On my end I indicated that we will be looking to put some structure around the prepayment process. This will be in the form of an amendment / forbearance agreement that will set out various milestones for the process and associated timelines, as well as some additional reporting requirements throughout that we may use a monitor to oversee. I plan to speak to our counsel on this to pull together the framework of the document, which we can flush out once we have input from you on the process and timelines for the refinancing.

Sincerely,

Tim.

Tim Oldfield, CPA, CA, CFA Chief Investment Officer **Crown Capital Partners Inc.** Direct 416-640-6798 <u>tim.oldfield@crowncapital.ca</u> <u>www.crowncapital.ca</u> This is Exhibit "T"

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 19, 2020

A Commissioner for taking affidavits Rahul Gandotra #70296U

 From:
 Noah Murad

 To:
 Roy Murad; Jacob Murad

 Subject:
 Fwd: Follow Up

 Date:
 Friday, February 14, 2020 5:47:32 PM

 Attachments:
 Credit Amending Agreement.pdf ATT00001.htm

Noah

Begin forwarded message:

From: Tim Oldfield <tim.oldfield@crowncapital.ca> Date: February 14, 2020 at 4:15:00 PM EST To: Noah Murad <nmurad@millstreetco.com> Subject: Re: Follow Up

Noah,

As a follow up to our email exchange below, I have given thought to your request for an amendment to our existing loan agreement to allow for prepayment of the loan at a reduced level of prepayment fee and bonus.

We are in agreement with your request and, as such, I have attached a draft amending agreement that sets out a structure that will allow this. The amendment will allow Mill Street to prepay the entire loan balance now, whereas the current loan agreement does not allow for prepayment until May 17, 2021. The amendment also provides for a reduced prepayment fee and bonus structure for a period of time and provides an incentive to complete the prepayment in the near term.

Once you have a chance to review the document I would be happy to get on a call or meet to discuss.

Sincerely,

Tim

<u>CREDIT AMENDING AGREEMENT</u> (this "Amending Agreement")

TO: Mill Street & Co. Inc. (the "Borrower")

AND TO: Crown Capital Private Credit Fund, LP, by its general partner, Crown Capital Private Credit Management Inc. (collectively, the "Lender")

RE: Credit Agreement dated as of May 16, 2018 between the Borrower and the Lender (the "Agreement")

WHEREAS the Borrower and the Lender (together with the Borrower, the "Parties") are parties to the Agreement, pursuant to which, amongst other things, and subject to the terms and conditions of the Agreement, the Lender agreed to loan to the Borrower in lawful money of Canada the principal amount of \$10,000,000 to or for the account of the Borrower (the "Loan");

AND WHEREAS the Parties now wish to make certain amendments to the Agreement;

AND WHEREAS the Agreement provides that it may not be modified, altered or amended except by an agreement in writing signed by the Parties;

NOW THEREFORE, in consideration of good and valuable consideration, as further outlined below, each of the parties hereto agrees as follows:

- 1. except as modified herein, no other change or modification to the terms of the Agreement, the other Loan Documents (as defined in the Agreement) or any other documents delivered in connection therewith is intended or implied, and in all other respects, the terms of the Agreement, the other Loan Documents and all other documents delivered in connection therewith are confirmed, and the terms of the Agreement are incorporated by reference herein;
- 2. if there is any inconsistency or conflict between the terms of this Amending Agreement and the terms of the Agreement, the other Loan Documents or any other document delivered in connection therewith, the provisions of this Amending Agreement shall prevail to the extent of the inconsistency, but the foregoing shall not apply to limit or restrict in any way the rights and remedies of the Lender in respect of the Loan, the Loan Documents or any other document delivered in connection therewith, other than as may be specifically contemplated herein;
- 3. terms that are capitalized but otherwise not defined herein shall have the same meaning given to them in the Agreement;
- 4. each of the Parties hereby acknowledges, confirms and agrees that, regardless of whether a Pending Event of Default or Event of Default is continuing prior to or after giving effect to any payment of the Loan by the Borrower (or anyone on its behalf) to the Lender (including, without limitation, any actual or any contemplated prepayment of the Loan to the Lender):
 - (a) the Borrower (or anyone on its behalf) may repay all but not less than all the outstanding Principal Amount prior to the date upon which the then outstanding

Principal Amount becomes due and payable, together with the corresponding Prepayment Fee and Bonus Payment;

- (b) regardless of whether there is a prepayment by the Borrower (or anyone on its behalf), both the Prepayment Fee and the Bonus Payment shall immediately be earned by and paid to the Lender on the earliest of (the "**Crystallization Date**"):
 - (i) the date on which the Borrower (or anyone on its behalf) actually repays the corresponding outstanding Principal Amount to the Lender;
 - (ii) the Maturity Date; and
 - (iii) any other date upon which the then outstanding Principal Amount becomes due and payable;
- (c) the Prepayment Fee shall be:
 - (i) if the Crystallization Date occurs on or prior to April 30, 2020, \$240,000;
 - (ii) if the Crystallization Date occurs after April 30, 2020 but on or prior to May 31, 2020, \$300,000;
 - (iii) if the Crystallization Date occurs after May 31, 2020 but on or prior to June 30, 2020, \$360,000;
 - (iv) if the Crystallization Date occurs after June 30, 2020 but on or prior to July 31, 2020, \$420,000;
 - (v) if the Crystallization Date occurs after July 31, 2020 but on or prior to May 16, 2023, \$1,200,000;
 - (vi) if the Crystallization Date occurs after May 16, 2023 but on or prior to May 16, 2026, \$600,000; and
 - (vii) in all other cases, \$300,000;
- (d) the Bonus Payment shall no longer be based upon the growth of the EVPS of the Borrower or any other metric of the Borrower's financial performance, and the Bonus Payment shall instead be:
 - (i) if the Crystallization Date occurs on or prior to April 30, 2020, \$1,000,000;
 - (ii) if the Crystallization Date occurs after April 30, 2020 but on or prior to May 31, 2020, \$1,250,000;
 - (iii) if the Crystallization Date occurs after May 31, 2020 but on or prior to June 30, 2020, \$1,500,000;

- (iv) if the Crystallization Date occurs after June 30, 2020 but on or prior to July 31, 2020, \$1,750,000;
- (v) if the Crystallization Date occurs after July 31, 2020 but on or prior to May 16, 2023, \$5,000,000;
- (vi) if the Crystallization Date occurs after May 16, 2023 but on or prior to May 16, 2026, \$3,000,000; and
- (vii) in all other cases, 1,000,000;
- 5. without acknowledging whether any Pending Event of Default or Event of Default exists or has existed, each of the Parties hereby acknowledges, confirms and agrees that the Lender has not waived, and is not by this Amending Agreement, waiving, and has no intention of waiving, any Pending Event of Default or Event of Default which may be continuing on the date hereof, or any other Pending Event of Default or Event of Default which may occur after the date hereof (whether the same as or similar to any existing Pending Event of Default or Event of Default or otherwise), and that the Lender reserves the right, in its sole and unfettered discretion, to exercise any or all of its rights or remedies under the Agreement, this Amending Agreement, the other Loan Documents, all other documents delivered in connection therewith and any other applicable law, and neither anything in this Amending Agreement nor any delay on the part of the Lender in exercising any such rights or remedies shall be construed as a waiver of any such rights or remedies;
- 6. in the event that any provision of this Amending Agreement, the Agreement, the other Loan Documents or any other document delivered in connection therewith would oblige the Borrower to make any payment of interest or any other payment which is construed by a court of competent jurisdiction to be interest in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Lender of interest at a criminal rate (as such term is construed under the *Criminal Code* (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted *nunc pro tunc* to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lender of interest at a criminal rate;
- 7. if any payment or collection pursuant to this Amending Agreement, the Agreement, the other Loan Documents or any other document delivered in connection therewith is determined to be contrary to law, such payment or collection shall be deemed to have been made by mutual mistake and such amount shall be refunded;
- 8. in consideration of the agreements of the Lender contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower, on its behalf and on behalf of its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably releases, remises and forever discharges the Lender and each of its successors and assigns, participants, affiliates, subsidiaries, branches, divisions, predecessors, directors, officers, attorneys, employees, and other representatives and advisors (the Lender and all such other persons being hereinafter referred to collectively as the "**Releasees**"), of and from all demands,

- 3 -

actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, complaints, rights of set-off, demands and liabilities whatsoever of every name and nature, known or unknown, suspected or unsuspected, both arising at law and in equity, which the Borrower, or any of its successors, assigns or other legal representatives, may now own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the date of this Amending Agreement;

- 9. each of the Parties acknowledges and declares that:
 - (a) it has had an adequate opportunity to read and consider this Amending Agreement and to obtain such advice in regard to it as it considers advisable, including, without limitation, independent legal advice;
 - (b) it fully understands the nature and effect of this Amending Agreement; and
 - (c) this Amending Agreement has been duly executed voluntarily; and
- 10. this Amending Agreement may be executed and transmitted by electronic means, and any signature received by electronic transmission shall be treated as an original signature.

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF the undersigned have executed this Agreement this _____ day of February, 2020.

MILL STREET & CO. INC.

By:

Name: Noah Murad Title: President

I have authority to bind the corporation.

CROWNCAPITALPRIVATECREDITFUND, LP, by its general partner,
CAPITALCROWNCROWNCAPITALPRIVATECREDITMANAGEMENT INC.CREDIT

By:

Name: Tim Oldfield Title: Chief Investment Officer

By:

Name: Title:

We have authority to bind the corporation.

38846604.3

This is Exhibit "X"

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 17, 2020

Ar, ta

A Commissioner for taking affidavits Rahul Gandotra #70296U

From:	Noah Murad
To:	<u>Chris Johnson</u>
Subject:	FW: Mill Street & Co and Crown Capital Credit Agreement
Date:	Monday, March 23, 2020 2:58:46 PM
Attachments:	<u>Credit Amending Agreement (Gowlings Comments on Crown Version 1).docx</u> <u>WS Compare Credit Amending Agreement (Crown Version 1) - Credit Amending Agreement (Gowlings <u>Comments on Crown Version 1).pdf</u> image001.png</u>

Chris,

Please see attached comments and below.

NOAH MURAD president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

MILL STREET * Co.

This email may contain confidential information, and is intended only for the named recipient and may be privileged. Distribution or copying of this email by anyone other than the named recipient is prohibited. If you are not the named recipient, please notify us immediately and permanently delete this email and destroy all copies of it.

From: Segal, Lorne <Lorne.Segal@gowlingwlg.com>
Sent: March 23, 2020 2:49 PM
To: Noah Murad <nmurad@millstreetco.com>
Cc: Jacob Murad <jmurad@millstreetco.com>
Subject: Mill Street & Co and Crown Capital Credit Agreement

Noah,

I have reviewed the form of Amending Agreement provided to you by Crown Capital, and have reviewed the related documents you and Jacob provided to me including the Credit Agreement and your correspondence with Crown Capital.

I have attached a clean and blacklined copy of the Amending Agreement. The higher level changes we recommend, and have made to the attached, reflect the following:

 While you have not conceded that there were Borrower Defaults or Events of Defaults in connection with the December 2019 and January 2020 payments, we understand that Mill Street has paid and Crown has accepted payment of these amounts. As such any alleged defaults have been remedied and ought to be put behind you, particularly given Mill Street' intention to refinance the Crown loan. Mill Street needs to be able to go to market without this allegation hanging over it, particularly in the current environment. This is in all parties' best interest;

- 2. In accordance with our discussion, we have amended the commercial terms applicable to the Prepayment Fee and Bonus Payment; and
- 3. We have deleted the release language and instead have added a more general reservation of rights applicable to all parties.

My apologies for the delay in getting this back to you. It has been a busy and challenging time for all.

Hope you and your family are all well,

Lorne

Lorne Segal *Partner* **T** +1 613 786 0141 **M** +1 613 558 0047 lorne.segal@gowlingwlg.com

My Assistant: Funmilayo Ilori T +1 613 233 1781 , 57485 funmilayo.ilori@gowlingwlg.com

Gowling WLG (Canada) LLP

Suite 2600, 160 Elgin Street Ottawa ON K1P 1C3 Canada

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gowlingwlg.com

Gowling WLG | 1,400+ legal professionals | 18 offices worldwide

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Attached is Exhibit "H" Referred to in the AFFIDAVIT OF TIMOTHY OLDFIELD Sworn before me thig 7th day of April, 2020

AIRD BERLIS

Ian Aversa Direct: 416.865.3082 Email: iaversa@airdberlis.com

March 25, 2020

DELIVERED BY EMAIL (<u>nmurad@millstreetco.com</u> and <u>ayakobson@wildlaw.ca</u>)

Mill Street & Co. Inc. 7616 Yonge Street Thornhill, ON L4J 1V9

Attention: Noah Murad, President

Mill Street & Co. Inc. c/o Wildeboer DelleIce LLP Suite 800, Wildeboer DelleIce Place 365 Bay Street Toronto, ON M5H 2V1

Attention: Ari Yakobson

Dear Messrs. Murad and Yakobson:

Re: Lending arrangements between Crown Capital Private Credit Fund, LP, by its general partner, Crown Capital Private Credit Management Inc., as lender ("Crown Capital"), and Mill Street & Co. Inc., as borrower (the "Debtor")

We are the lawyers for Crown Capital in connection with its lending arrangements with the Debtor.

The Debtor is indebted to Crown Capital with respect to certain credit facilities (the "**Credit Facilities**") made available by Crown Capital to the Debtor pursuant to and under the terms of a credit agreement dated and accepted May 16, 2018 (as same may have been amended, replaced, restated or supplemented from time to time, the "**Credit Agreement**").

A total of \$10,145,259.21 is owing for principal and interest under the Credit Agreement as of March 24, 2020, plus any applicable fees (including, without limitation, any applicable prepayment fees and/or any applicable bonus fees), accruing interest and recovery costs and expenses.

One or more Event of Default (as defined in the Credit Agreement) has occurred, including, without limitation:

(i) the failure of any Obligor (as defined in the Credit Agreement) to perform, keep or observe certain covenants contained in any of the Loan Documents (as defined in the Credit Agreement) and, in the case of such non-compliance being capable of remedy within 30 days of such Obligor becoming aware of its occurrence, such Obligor not diligently attempting to remedy such non-compliance, not continually informing the Lender of its efforts in this regard and not remedying such non-compliance within such period;

- (ii) the failure of the Debtor to be in compliance with any of the financial covenants set forth in Section 9.1(t) of the Credit Agreement; and
- (iii) the failure of the Borrower to pay any interest under the Loan Documents when due, which failure continues unremedied for three Business Days (as defined in the Credit Agreement).

On behalf of Crown Capital, we hereby make formal demand for payment of \$10,145,259.21 in principal and interest, plus any applicable fees (including, without limitation, any applicable prepayment fees and/or any applicable bonus fees), accruing interest and recovery costs and expenses (including, without limitation, Crown Capital's legal and other professional fees) (collectively, the "**Indebtedness**"). Payment is required to be made immediately. Interest continues to accrue on the Indebtedness at the rates established by the Credit Agreement and any other agreement, as applicable.

The Indebtedness is secured (the "Security") by, *inter alia*, the general security agreement dated May 16, 2018 between the Debtor and Crown Capital, which grants Crown Capital, amongst other things, a security interest in any and all of the Debtor's property, assets and undertakings.

If payment of the Indebtedness is not received immediately, Crown Capital shall take whatever steps it considers necessary or appropriate to collect and recover the amounts owing to it, including, without limitation, steps to seize some or all of the collateral granted by the Security and/or steps to appoint an interim receiver, receiver or receiver and/or manager of the Debtor, in which case Crown Capital will also be seeking all costs incurred in so doing.

On behalf of Crown Capital, we enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA Notice**").

Crown Capital hereby reserves its rights to initiate proceedings within the ten day period set out in the BIA Notice, if circumstances warrant such proceedings.

Please govern yourself accordingly.

Yours truly,

AIRD & BERLIS LLP

Ian Aversa

Ian Aversa IA/jn Encl.

cc: Client (by email)

NOTICE OF INTENTION TO ENFORCE SECURITY (Bankruptcy and Insolvency Act, Subsection 244(1))

Delivered By Email (<u>nmurad@millstreetco.com</u> and <u>ayakobson@wildlaw.ca</u>)

TO: Mill Street & Co. Inc. 7616 Yonge Street Thornhill, ON L4J 1V9

insolvent company / person

AND TO: Mill Street & Co. Inc., c/o Wildeboer DelleIce LLP Suite 800, Wildeboer DelleIce Place 365 Bay Street Toronto, ON M5H 2V1

insolvent company / person

TAKE NOTICE that:

- 1. Crown Capital Private Credit Fund, LP, by its general partner, Crown Capital Private Credit Management Inc. ("Crown Capital"), a secured creditor, intends to enforce its security on the property, assets and undertakings of Mill Street & Co. Inc. (the "Debtor"), including, without limiting the generality of the foregoing, all of the equipment, accounts, proceeds, books and records, inventory and all other personal property and real property of the Debtor.
- 2. The security that is to be enforced (the "**Security**") is in the form of, *inter alia*, the general security agreement dated May 16, 2018 between the Debtor and Crown Capital.
- 3. As at March 24, 2020, the total amount of the indebtedness secured by the Security is the sum of \$10,145,259.21 in principal and interest, plus any applicable fees (including, without limitation, any applicable prepayment fees and/or any applicable bonus fees), accruing interest and recovery costs and expenses of Crown Capital (including, without limitation, Crown Capital's legal and other professional fees).
- 4. Crown Capital will not have the right to enforce the Security until after the expiry of the ten day period following the date on which this notice is sent, unless the Debtor consents to an earlier enforcement.

DATED at Toronto this 25th day of March, 2020

CROWN CAPITAL PRIVATE CREDIT FUND, LP, by its general partner, CROWN CAPITAL PRIVATE CREDIT MANAGEMENT INC. by its lawyers, Aird & Berlis LLP

Per: Ian Aversa

Ian Aversa Brookfield Place, Suite 1800 181 Bay Street Toronto, ON M5J 2T9 Tel: 416-863-1500 Fax: 416-863-1515

39356115.1

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.
This is Exhibit "B"

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 27, 2020

Al Gu

A Commissioner for taking affidavits

Allan Kamerman Chief Financial Officer

<image001.jpg>

7616 Yonge Street Thornhill, ON L4J 1V9 416 903-2077 www.millstreetco.com

From: Allan Kamerman
Sent: April 24, 2020 7:15 PM
To: 'Josh Axler' <josh.axler@crowncapital.ca>
Cc: Trevor Harris <tharris@millstreetco.com>
Subject: Mill Street Compliance Certificates

Hi Josh

Please find the compliance certificates for the quarterly reporting periods since the commencement of the loan together with the comfort letter from our Auditors on the January 31, 2019 reporting.

Regards

Allan Kamerman Chief Financial Officer

<image001.jpg>

7616 Yonge Street Thornhill, ON L4J 1V9 416 903-2077 www.millstreetco.com

<Compliance Certificate 2019-07.pdf>

<Compliance Certificate 2019-10.pdf>

<Compliance Certificate 2020-01.pdf>

<Comfort Letter Mill St EBITDA.pdf>

<Compliance Certificate 2018- 04.pdf>

<Compliance Certificate 2018-07.pdf>

<Compliance Certificate 2018-10.pdf>

<Compliance Certificate 2019-01.pdf>

<Compliance Certificate 2019-04.pdf>





To Whom it May Concern:

Mill Street & Co. Inc. (the "Company")

We refer to the credit agreement between the above Company and Crown Capital Private Credit Fund, LP dated May 16, 2018. We are the auditors of the Company's Consolidated financial statements for the year ended January 31, 2019.

We are providing this comfort letter as required per Section 8.1(b) regarding the calculations of Portfolio EBITDA.

We have reviewed the attached Portfolio EBITDA calculation and in our opinion the calculation at January 31, 2019 has been made in accordance with the requirements set out in Section 3.3(b) to the agreement.

Fazzari + Partners

FAZZARI + PARTNERS LLP Chartered Professional Accountants Licensed Public Accountants

> Vaughan, ON April 24, 2020

EBITDA	calcu	lation

EBITDA Calculation		Net income			Amortization	Amortization		Extrao	rdinary items per P	s				to	
Company I Comm	Revenue	(loss)	Interest	Taxes	(PPE)	(Intangibles)	EBITDA	Discontinued operations	Gain on disposal	Other items (Note 1)	Other (Note 2)	Adjusted EBITDA	Ownership	Mill Street	25
Company/Group			67,169.04	TERES	1111	(mean protect)	136,937.31	(48,239.99)				88,697.32	60%	53,218.39	1%
2332361 01	174,061_07	69,768.27			00 700 45		141.348.62	(40,232.33)	-	1,500.00		142,848.62	100%	142,848.62	3%
2455432 OI	168,625.00	(37,190.92)	141,803.38	×	36,736.16					_,	300,000,00	583,733.16	100%	583,733.16	
All Source Group	7,200,305.13	(162,638.28)	288,461.85	(72,535.00)	290,444.59	5	343,733.16			(60,000.00)	300,000.00				
Dfendus Group	545.053.56	(113,924.01)	41,846,99				(72,077.02)	146,094.39	*	9,999.39	· • ·	84,016.76	100%	84,016.76	
GNI Group	55,115,656.24	643,635,06	944,163.44	(31,942.64)	1,492,700.18	270,600.00	3,319,156.04		-	501,000.00	(m)	3,820,156.04	75%	2,865,117.03	57%
		·	11.251.42	(31,342,04)	70,717.00	2	125,786.38	.e.:	×			125,786.38	95%	119,497.06	2%
Lumbermens	1,351,625,51	43,817,96			70,717.00					784,700.00	426.067.92	(1,989,010.55)	100%	(1,989,010.55)	-40%
Mill Street (unconsolidated)	× .	(4,134,082 59)	934,304.12		(m)		(3,199,778.47)	676	44 004 004 041	·	420,001 52	746.441.87	100%	745,441.87	
The Fastway Group	2,376,027.21	(7,055,738,23)	223,862,75	100	298,860,69		(6,533,014.79)	8,339,606.50	(1,061,001.84)	852.00					
Tuque		(716,420,48)	6,490.14				(709,930.34)	712,806.67		*7	(e)	2,876.33	95%	2,732.51	
HVAC Group	17.582.913.39	253,407,20	369,380.26	(3,849.00)	258,427.11		877,365.57	349,303.94			(B)	1,226,669.51	50%	613,334.76	
Saleevent.com Group	3,781,439.24	4,779,800,16	55,328.54	109,720.00	120		4,944,848.70	668,523.92	(2,609,354.70)	<u>*</u>	1.0	3,004,017.92	60%	1,802,410.75	36%
8	88,295,706.35	(6,429,565.86)	3 084 061 93	1,393.36	2,447,885.73	270,600.00	(625,624.84)	10,168,095,43	(3,670,356.54)	1,238,051.39	726,067.92	7,836,233.36	: :	5,024,340.36	100%
	FS	(0,429,505.00) FS	FS	FS	PS PS	FS	10000	FS Note 21	FS Note 21	FS Note 21		147			

Note 1

Significant balances in the "Other items" category of Extraordinary items are as follows:

\$784,700 impairment of related party loan receivable from Mere Investments (Mill Street (unconsolidated))

\$226,000 contingent liability for WSIB payment (GNI Group)

\$275,000 one-time management fees to non-controlling interests (GNI Group)

Note Z

One-time consulting fees paid to Crown, not already included in extraordinary items of \$426,067.92 One-time management restructuring costs, not already included in extraordinary items of \$300,000.00 EBITDA attributable



COMPLIANCE CERTIFICATE

TO:	Crown Capital Private Credit Fund, LP (the "Lender")							
10.	c/o	Crown	Ca	pital	Partners	Inc.		
	Suite	4330,	77	King	Street	West		
	Toronto, ON	M5K 1H6						
	Attention:	Chris				Johnson		
	Fax No.:	chris.johnso	n@crowncap	ital.ca				
FROM:	MILL STRE	ET & CO. INC	. (the "Borr	ower")				
RE:					e between the B sed, restated or re			

DATE: April 30 2018

The undersigned, the President of the Borrower, hereby certifies, in that capacity and without personal liability, that:

- I have read and am familiar with the provisions of the Credit Agreement and have made such examinations and investigations, including a review of the applicable books and records of the Borrower and Obligors as are necessary to enable me to express an informed opinion as to the matters set out herein. Unless otherwise defined herein terms used herein have the meanings ascribed thereto in the Credit Agreement.
- I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to furnish this Certificate, and I have furnished this Certificate with the intent that it may be relied upon by the Lender as a basis for determining compliance by the Borrower and the Obligors with their covenants and obligations under the Credit Agreement and the other Loan Documents as of the date of this Certificate.
- The representations and warranties contained in the Credit Agreement and each other Loan Document are true and correct on the date of this Certificate with reference to facts subsisting on such date, with the same effect as if made on such date except for those representations and warranties which speak to a specific date which shall be true as of such date
- All of the covenants required by the Credit Agreement have been observed, performed or satisfied, as applicable, and no Pending Event of Default or Event of Default has occurred and is continuing on the date of this Certificate [[except: Section 9.1(t)(ii). The explanation for the result has been discussed with Crown Capital Partners management, has been accepted and compliance of this covenant has been waived.]

The attached financial statements for the **quarter** ending **April 30 2018** fairly present in all material respects the information contained in such financial statements, and such financial statements, and all calculations of financial covenants and presentation of financial information in this Certificate and the Appendices to this Certificate, have been prepared in accordance with GAAP.

As of April 30 2018:

The Fixed Charge Coverage Ratio was 4.71:1, calculated as follows:

Sum of items in (i) of definition of Fixed Charge Coverage Ratio	\$1,211,900
Sum of items in (ii) of definition of Fixed Charge Coverage Ratio	\$257,200
(i) divided by (ii)	4.71

The Borrower's share of a single Portfolio Group does not exceed 50% of the Borrower's share of the aggregate EBITDA of all of the Portfolio Groups.

Per:

Name: Title:

WD00219338.DOCX:7 2234350v8



COMPLIANCE CERTIFICATE

TO:	Crown Capital Private Credit Fund, LP (the "Lender")						
10.	c/o	Crown	Ca	pital	Partners	Inc.	
	Suite	4330,	77	King	Street	West	
	Toronto, ON	M5K 1H6					
	Attention:	Chris				Johnson	
	Fax No.:	chris.johnso	n@crowncap	oital.ca			
FROM:	MILL STRE	ET & CO. INC	c. (the "Borr	rower")			
RE:	Credit Agre Borrower, a	ement dated and the Lender (as of May 1 as amended,	l6, 2018, mad modified, revi	e between the B sed, restated or re	orrower, as placed from	

DATE: July 31 2018

The undersigned, the President of the Borrower, hereby certifies, in that capacity and without personal liability, that:

- I have read and am familiar with the provisions of the Credit Agreement and have made such examinations and investigations, including a review of the applicable books and records of the Borrower and Obligors as are necessary to enable me to express an informed opinion as to the matters set out herein. Unless otherwise defined herein terms used herein have the meanings ascribed thereto in the Credit Agreement.
- I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to furnish this Certificate, and I have furnished this Certificate with the intent that it may be relied upon by the Lender as a basis for determining compliance by the Borrower and the Obligors with their covenants and obligations under the Credit Agreement and the other Loan Documents as of the date of this Certificate.
- The representations and warranties contained in the Credit Agreement and each other Loan Document are true and correct on the date of this Certificate with reference to facts subsisting on such date, with the same effect as if made on such date except for those representations and warranties which speak to a specific date which shall be true as of such date
- All of the covenants required by the Credit Agreement have been observed, performed or satisfied, as applicable, and no Pending Event of Default or Event of Default has occurred and is continuing on the date of this Certificate [[except: Section 9.1(t)(ii). The explanation for the result has been discussed with Crown Capital Partners management, has been accepted and compliance of this covenant has been waived.]

The attached financial statements for the **Fiscal Quarter** ending **July 30 2018** fairly present in all material respects the information contained in such financial statements, and such financial statements, and all calculations of financial covenants and presentation of financial information in this Certificate and the Appendices to this Certificate, have been prepared in accordance with GAAP.

As of July 31 2018:

The Fixed Charge Coverage Ratio was 1.76:1, calculated as follows:

Sum of items in (i) of definition of Fixed Charge Coverage Ratio	\$1,445,000
Sum of items in (ii) of definition of Fixed Charge Coverage Ratio	\$822,400
(i) divided by (ii)	1.76

The Borrower's share of a single Portfolio Group does not exceed 50% of the Borrower's share of the aggregate EBITDA of all of the Portfolio Groups.

Per:

Name: Title:



COMPLIANCE CERTIFICATE

TO:	Crown Capital Private Credit Fund, LP (the "Lender")							
10.	c/o	Crown	Ca	pital	Partners	Inc.		
	Suite	4330,	77	King	Street	West		
	Toronto, ON	M5K 1H6						
	Attention:	Chris				Johnson		
	Fax No.:	chris.johnso	n@crowncap	oital.ca				
FROM:	MILL STRE	ET & CO. INC	. (the "Borr	rower")				
RE:					e between the B sed, restated or re			

DATE: October 31 2018

The undersigned, the President of the Borrower, hereby certifies, in that capacity and without personal liability, that:

- I have read and am familiar with the provisions of the Credit Agreement and have made such examinations and investigations, including a review of the applicable books and records of the Borrower and Obligors as are necessary to enable me to express an informed opinion as to the matters set out herein. Unless otherwise defined herein terms used herein have the meanings ascribed thereto in the Credit Agreement.
- I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to furnish this Certificate, and I have furnished this Certificate with the intent that it may be relied upon by the Lender as a basis for determining compliance by the Borrower and the Obligors with their covenants and obligations under the Credit Agreement and the other Loan Documents as of the date of this Certificate.
- The representations and warranties contained in the Credit Agreement and each other Loan Document are true and correct on the date of this Certificate with reference to facts subsisting on such date, with the same effect as if made on such date except for those representations and warranties which speak to a specific date which shall be true as of such date
- All of the covenants required by the Credit Agreement have been observed, performed or satisfied, as applicable, and no Pending Event of Default or Event of Default has occurred and is continuing on the date of this Certificate [except: Section 9.1(t)(ii). The explanation for the result has been discussed with Crown Capital Partners management, has been accepted and compliance of this covenant has been waived.]
- The attached financial statements for the **Fiscal Quarter** ending **October 31, 2018** fairly present in all material respects the information contained in such financial statements, and such financial statements, and all calculations of financial covenants and presentation of financial information in

this Certificate and the Appendices to this Certificate, have been prepared in accordance with GAAP.

As of October 31 2018:

The Fixed Charge Coverage Ratio was 1.41:1, calculated as follows:

Sum of items in (i) of definition of Fixed Charge Coverage Ratio	\$2,036,800
Sum of items in (ii) of definition of Fixed Charge Coverage Ratio	_\$1,448,300
(i) divided by (ii)	1.41

The Borrower's share of a single Portfolio Group does not exceed 50% of the Borrower's share of the aggregate EBITDA of all of the Portfolio Groups.

1 Name: Title:

Per:

50



COMPLIANCE CERTIFICATE

TO:	Crown Capital Private Credit Fund, LP (the "Lender")							
10.	c/o	Crown	Ca	pital	Partners	Inc.		
	Suite	4330,	77	King	Street	West		
	Toronto, ON	M5K 1H6						
	Attention:	Chris				Johnson		
	Fax No.:	chris.johnsoi	n@crowncap	oital.ca				
FROM:	MILL STRE	ET & CO. INC	. (the "Borr	ower")				
RE:	Credit Agre Borrower, a	ement dated and the Lender (as of May 1 as amended,	l6, 2018, mad modified, revi	e between the B sed, restated or re	orrower, as placed from		

DATE: January 31 2019

The undersigned, the President of the Borrower, hereby certifies, in that capacity and without personal liability, that:

- I have read and am familiar with the provisions of the Credit Agreement and have made such examinations and investigations, including a review of the applicable books and records of the Borrower and Obligors as are necessary to enable me to express an informed opinion as to the matters set out herein. Unless otherwise defined herein terms used herein have the meanings ascribed thereto in the Credit Agreement.
- I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to furnish this Certificate, and I have furnished this Certificate with the intent that it may be relied upon by the Lender as a basis for determining compliance by the Borrower and the Obligors with their covenants and obligations under the Credit Agreement and the other Loan Documents as of the date of this Certificate.
- The representations and warranties contained in the Credit Agreement and each other Loan Document are true and correct on the date of this Certificate with reference to facts subsisting on such date, with the same effect as if made on such date except for those representations and warranties which speak to a specific date which shall be true as of such date
- All of the covenants required by the Credit Agreement have been observed, performed or satisfied, as applicable, and no Pending Event of Default or Event of Default has occurred and is continuing on the date of this Certificate [except: Section 9.1(t)(ii). The explanation for the result has been discussed with Crown Capital Partners management, has been accepted and compliance of this covenant has been waived.]
- The attached financial statements for the **Fiscal Year** ending **January 31 2019** fairly present in all material respects the information contained in such financial statements, and such financial statements, and

all calculations of financial covenants and presentation of financial information in this Certificate and the Appendices to this Certificate, have been prepared in accordance with GAAP.

As of January 31 2019:

The Fixed Charge Coverage Ratio was 1.27:1, calculated as follows:

Sum of items in (i) of definition of Fixed Charge Coverage Ratio	\$2,624,000
Sum of items in (ii) of definition of Fixed Charge Coverage Ratio	\$2,071,400
(i) divided by (ii)	1.27

The Borrower's share of a single Portfolio Group does not exceed 50% of the Borrower's share of the aggregate EBITDA of all of the Portfolio Groups.

Per:

1

Name: Title:



COMPLIANCE CERTIFICATE

TO:	Crown Capital Private Credit Fund, LP (the "Lender")								
10.	c/o	Crown	Ca	pital	Partners		Inc.		
	Suite	4330,	77	King	Street	50	West		
	Toronto, ON	M5K 1H6							
	Attention:	Chris					Johnson		
	Fax No.:	chris.johnso	n@crowncap	ital.ca					
FROM:	MILL STRE	ET & CO. INC	C. (the "Borr	ower")					
RE:					e between the sed, restated or				

DATE: April 30 2019

The undersigned, the President of the Borrower, hereby certifies, in that capacity and without personal liability, that:

time to time, the "Credit Agreement")

- I have read and am familiar with the provisions of the Credit Agreement and have made such examinations and investigations, including a review of the applicable books and records of the Borrower and Obligors as are necessary to enable me to express an informed opinion as to the matters set out herein. Unless otherwise defined herein terms used herein have the meanings ascribed thereto in the Credit Agreement.
- I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to furnish this Certificate, and I have furnished this Certificate with the intent that it may be relied upon by the Lender as a basis for determining compliance by the Borrower and the Obligors with their covenants and obligations under the Credit Agreement and the other Loan Documents as of the date of this Certificate.
- The representations and warranties contained in the Credit Agreement and each other Loan Document are true and correct on the date of this Certificate with reference to facts subsisting on such date, with the same effect as if made on such date except for those representations and warranties which speak to a specific date which shall be true as of such date
- All of the covenants required by the Credit Agreement have been observed, performed or satisfied, as applicable, and no Pending Event of Default or Event of Default has occurred and is continuing on the date of this Certificate [except: Section 9.1(t)(ii). The explanation for the result has been discussed with Crown Capital Partners management, has been accepted and compliance of this covenant has been waived.]

WD00219338.DOCX:7 2234350v8 The attached financial statements for the **Fiscal Quarter** ending **April 30, 2019** fairly present in all material respects the information contained in such financial statements, and such financial statements, and all calculations of financial covenants and presentation of financial information in this Certificate and the Appendices to this Certificate, have been prepared in accordance with GAAP.

As of April 30 2019:

The Fixed Charge Coverage Ratio was 2.98:1, calculated as follows:

Sum of items in (i) of definition of Fixed Charge Coverage Ratio	1,872,300
Sum of items in (ii) of definition of Fixed Charge Coverage Ratio	\$629, 100
(i) divided by (ii)	2.98

The Borrower's share of a single Portfolio Group does not exceed 50% of the Borrower's share of the aggregate EBITDA of all of the Portfolio Groups.

Per:

Name: Title:

WD00219338.DOCX:7 2234350v8



COMPLIANCE CERTIFICATE

TO:	Crown Capital Private Credit Fund, LP (the "Lender")						
10.	c/o	Crown	Capital		Partners	Inc.	
	Suite	4330,	77	King	Street	West	
	Toronto, ON M5K 1H6						
	Attention:	Chris				Johnson	
	Fax No.:	chris.johnso	n@crowncap	oital.ca			
FROM:	MILL STRE	ET & CO. INC	. (the "Borr	ower")			
RE:	Credit Agre Borrower, a	ement dated and the Lender (as of May 1 as amended,	6, 2018, mad modified, revi	e between the Be sed, restated or re	orrower, as placed from	

DATE: July 31 2019

The undersigned, the President of the Borrower, hereby certifies, in that capacity and without personal liability, that:

- I have read and am familiar with the provisions of the Credit Agreement and have made such examinations and investigations, including a review of the applicable books and records of the Borrower and Obligors as are necessary to enable me to express an informed opinion as to the matters set out herein. Unless otherwise defined herein terms used herein have the meanings ascribed thereto in the Credit Agreement.
- I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to furnish this Certificate, and I have furnished this Certificate with the intent that it may be relied upon by the Lender as a basis for determining compliance by the Borrower and the Obligors with their covenants and obligations under the Credit Agreement and the other Loan Documents as of the date of this Certificate.
- The representations and warranties contained in the Credit Agreement and each other Loan Document are true and correct on the date of this Certificate with reference to facts subsisting on such date, with the same effect as if made on such date except for those representations and warranties which speak to a specific date which shall be true as of such date
- All of the covenants required by the Credit Agreement have been observed, performed or satisfied, as applicable, and no Pending Event of Default or Event of Default has occurred and is continuing on the date of this Certificate [except: Section 9.1(t)(ii). The explanation for the result has been discussed with Crown Capital Partners management, has been accepted and compliance of this covenant has been waived.]

The attached financial statements for the **Fiscal Quarter** ending **July 31 2019** fairly present in all material respects the information contained in such financial statements, and such financial statements, and all calculations of financial covenants and presentation of financial information in this Certificate and the Appendices to this Certificate, have been prepared in accordance with GAAP.

As of July 31 2019:

The Fixed Charge Coverage Ratio was 1.47:1, calculated as follows:

Sum of items in (i) of definition of Fixed Charge Coverage Ratio	\$754,700
Sum of items in (ii) of definition of Fixed Charge Coverage Ratio	\$511,900
(i) divided by (ii)	1.47

The Borrower's share of a single Portfolio Group does not exceed 50% of the Borrower's share of the aggregate EBITDA of all of the Portfolio Groups.

Per:

Name: Title:

WD00219338.DOCX:7 2234350v8



COMPLIANCE CERTIFICATE

TO:	Crown Capital Private Credit Fund, LP (the "Lender")					
10.	c/o Crown		Capital		Partners	Inc.
	Suite	4330,	77	King	Street	West
	Toronto, ON	M5K 1H6				
	Attention:	Chris				Johnson
	Fax No.:	chris.johnso	n@crowncap	ital.ca		
FROM:	MILL STRE	ET & CO. INC	. (the "Borr	ower")		
RE:					e between the Be sed, restated or re	

DATE: October 31 2019

The undersigned, the President of the Borrower, hereby certifies, in that capacity and without personal liability, that:

- I have read and am familiar with the provisions of the Credit Agreement and have made such examinations and investigations, including a review of the applicable books and records of the Borrower and Obligors as are necessary to enable me to express an informed opinion as to the matters set out herein. Unless otherwise defined herein terms used herein have the meanings ascribed thereto in the Credit Agreement.
- I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to furnish this Certificate, and I have furnished this Certificate with the intent that it may be relied upon by the Lender as a basis for determining compliance by the Borrower and the Obligors with their covenants and obligations under the Credit Agreement and the other Loan Documents as of the date of this Certificate.
- The representations and warranties contained in the Credit Agreement and each other Loan Document are true and correct on the date of this Certificate with reference to facts subsisting on such date, with the same effect as if made on such date except for those representations and warranties which speak to a specific date which shall be true as of such date
- All of the covenants required by the Credit Agreement have been observed, performed or satisfied, as applicable, and no Pending Event of Default or Event of Default has occurred and is continuing on the date of this Certificate [except: Section 9.1(t)(ii). The explanation for the result has been discussed with Crown Capital Partners management, has been accepted and compliance of this covenant has been waived.]

The attached financial statements for the **Fiscal Quarter** ending **October 31 2019** fairly present in all material respects the information contained in such financial statements, and such financial statements, and all calculations of financial covenants and presentation of financial information in this Certificate and the Appendices to this Certificate, have been prepared in accordance with GAAP.

As of October 31 2019:

The Fixed Charge Coverage Ratio was 3.1:1, calculated as follows:

Sum of items in (i) of definition of Fixed Charge Coverage Ratio	\$2,692,600
Sum of items in (ii) of definition of Fixed Charge Coverage Ratio	\$867,400
(i) divided by (ii)	3.1

The Borrower's share of a single Portfolio Group does not exceed 50% of the Borrower's share of the aggregate EBITDA of all of the Portfolio Groups.

1 Per:

Name: Title:



COMPLIANCE CERTIFICATE

TO:	Crown Capital Private Credit Fund, LP (the "Lender")						
10.	c/o	Crown	Capital		Partners Inc		
	Suite	4330,	77	King	Street	West	
	Toronto, ON	Toronto, ON M5K 1H6					
	Attention:	Chris				Johnson	
	Fax No.:	chris.johnsoi	n@crowncap	ital.ca			
FROM:	MILL STRE	ET & CO. INC	. (the "Borro	ower")			
RE:					e between the B sed, restated or re		

DATE: January 31 2020

The undersigned, the President of the Borrower, hereby certifies, in that capacity and without personal liability, that:

time to time, the "Credit Agreement")

- I have read and am familiar with the provisions of the Credit Agreement and have made such examinations and investigations, including a review of the applicable books and records of the Borrower and Obligors as are necessary to enable me to express an informed opinion as to the matters set out herein. Unless otherwise defined herein terms used herein have the meanings ascribed thereto in the Credit Agreement.
- I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to furnish this Certificate, and I have furnished this Certificate with the intent that it may be relied upon by the Lender as a basis for determining compliance by the Borrower and the Obligors with their covenants and obligations under the Credit Agreement and the other Loan Documents as of the date of this Certificate.
- The representations and warranties contained in the Credit Agreement and each other Loan Document are true and correct on the date of this Certificate with reference to facts subsisting on such date, with the same effect as if made on such date except for those representations and warranties which speak to a specific date which shall be true as of such date
- All of the covenants required by the Credit Agreement have been observed, performed or satisfied, as applicable, and no Pending Event of Default or Event of Default has occurred and is continuing on the date of this Certificate [except: Section 9.1(t)(ii). The explanation for the result has been discussed with Crown Capital Partners management, has been accepted and compliance of this covenant has been waived.]

The attached financial statements for the Fiscal Year ending January 31 2020 fairly present in all material respects the information contained in such financial statements, and such financial statements, and

all calculations of financial covenants and presentation of financial information in this Certificate and the Appendices to this Certificate, have been prepared in accordance with GAAP.

As of January 31 2020:

The Fixed Charge Coverage Ratio was 1.52:1, calculated as follows:

Sum of items in (i) of definition of Fixed Charge Coverage Ratio	\$2,725,000
Sum of items in (ii) of definition of Fixed Charge Coverage Ratio	\$1,797,900
(i) divided by (ii)	1.52

The Borrower's share of a single Portfolio Group does not exceed 50% of the Borrower's share of the aggregate EBITDA of all of the Portfolio Groups.

Per:

Name:

Name Title:

This is Exhibit "C"

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 27, 2020

Rel Gtta

A Commissioner for taking affidavits

Rahul Gandotra

From:	Rahul Gandotra
Sent:	April-27-20 3:50 PM
То:	Rahul Gandotra
Subject:	FW: Crown

Begin forwarded message:

From: Carlo Viola <<u>carlo@fazzaripartners.com</u>> Date: April 27, 2020 at 3:37:29 PM EDT To: Jacob Murad <<u>jmurad@millstreetco.com</u>> Cc: Roy Murad <<u>rmurad@millstreetco.com</u>>, Eric Barrett <<u>E.barrett@fazzaripartners.com</u>> Subject: RE: Crown

Good afternoon Jacob,

I have copied Eric B. from our office on this too.

Crown did reach out to us in the month of August to review some financial statement details. We answered all their questions. Based on my email history log, thhe last communication we had with Crown was with Josh Axler on August 26, 2019. After that, we did not receive any communication from Crown.

Yours truly,



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Carlo Viola, CPA, CA Partner <u>T: 905.738.6402</u> carlo@fazzaripartners.com

Fazzari + Partners LLP Chartered Professional Accountants Licensed Public Accountants

3300 Highway 7, Suite 901, Vaughan, Ontario L4K 4M3 F: 905 660.7228 fazzaripartners.com

From: Jacob Murad <<u>imurad@millstreetco.com</u>> Sent: Monday, April 27, 2020 1:48 PM To: Carlo Viola <<u>carlo@fazzaripartners.com</u>> Cc: Roy Murad <<u>rmurad@millstreetco.com</u>> Subject: Re: Crown Importance: High

Carlo,

As per our discussions, did Crown reach out to yourself or Fazarri in August 2019 to ask questions pertaining to Mill Street's audited financial statements and had you heard from Crown since?

JACOB MURAD, J.D., LL.M. general counsel

jmurad@millstreetco.com

TEL: 905-764-5465 ext. 221 CELL: 416-879-0227

7616 Yonge Street, Thornhill, Ontario L4J 1V9

MILL STREET * Co.

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CROWN CAPITAL PRIVATE CREDIT FUND, LP, by its general partner, CROWN CAPITAL PRIVATE CREDIT MANAGEMENT INC.

Applicant

- and -

MILL STREET & CO. INC.

Respondents

Court File No. CV-20-00639312-00CL

ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

Proceedings commenced at Toronto

COMPENDIUM OF THE APPLICANT

AIRD & BERLIS LLP

Barristers and Solicitors Brookfield Place 181 Bay Street, Suite 1800 Toronto, ON M5J 2T9

Ian Aversa (LSO # 55449N) Tel: (416) 865-3082 Fax: (416) 863-1515 Email : <u>iaversa@airdberlis.com</u>

Jeremy Nemers (LSO # 66410Q) Tel: (416) 865-7724 Fax: (416) 863-1515 Email: <u>jnemers@airdberlis.com</u>

Lawyers for Crown Capital Private Credit Fund, LP, by its general partner, Crown Capital Private Credit Management Inc.

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