

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
TREES CORPORATION, ONTARIO CANNABIS HOLDINGS CORP., MIRACULO  
INC., 2707461 ONTARIO LTD., OCH ONTARIO CONSULTING CORP., AND 11819496  
CANADA INC.**

**Applicants**

**MOTION RECORD OF THE APPLICANTS  
(Motion for SISP Approval and Second Amended and Restated Initial Order)  
(returnable on January 29, 2024)**

January 23, 2024

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**Applicants**

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# TAB 1

**ONTARIO  
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CANADA INC.**

**Applicants**

**NOTICE OF MOTION**

The Applicants will make a motion before the Honourable Justice Osborne of the Ontario Superior Court of Justice (Commercial List) on January 29, 2024, at 12 p.m. (ET), or as soon after that time as the motion may be heard by judicial videoconference via Zoom at Toronto, Ontario. The videoconference details will be circulated when provided by the Court.

**PROPOSED METHOD OF HEARING:** The Motion is to be heard

- In writing under subrule 37.12.1(1);
- In writing as an opposed motion under subrule 37.12.1(4);
- In person;
- By telephone conference;
- By video conference.

**THE MOTION IS FOR**

1. An Order (the "**Second ARIO**") amending and restating the Amended and Restated Initial Order dated January 2, 2024 (the "**First ARIO**") substantially in the form included at Tab

5 of the Motion Record to:

- (a) amend the DIP Lender's name from "One Plant Retail Corp." to "One Plant (Retail) Corp." (the "**DIP Lender**" or "**One Plant**");
- (b) authorize and approve the Amended and Restated DIP Term Sheet dated January 23, 2024 that, among other things, increases the principal amount available under the DIP Facility to \$1,560,000 (the "**A&R DIP Term Sheet**");
- (c) increase the DIP Lender's Charge to the maximum amount of \$1,850,000;
- (d) extend the stay of proceedings (the "**Stay**") in favour of the Applicants and their directors and officers ("**D&Os**") from February 29, 2024, up to and including April 12, 2024;
- (e) authorize payment by the Applicants of the professional fees and disbursements of Ernst & Young Inc. ("**EY**") and its counsel, Torys LLP, incurred during their involvement in these CCAA Proceedings;
- (f) authorize the Applicants to take no further steps or incur further expenses in relation to the Securities Filings (as defined below), and declare that none of the D&Os, employees, and other representatives of the Applicants or FTI Consulting Canada Inc. ("**FTI**"), in its capacity as monitor of the Applicants (in such capacity, the "**Monitor**"), shall have any personal liability for any failure by the Applicants to make the Securities Filings; and
- (g) postpone the requirement for any future annual general meeting of the shareholders of Trees Corporation ("**Trees**") during the CCAA Proceedings and extend the time

limit to call and hold such annual general meeting (“**AGM**”) of shareholders until after the conclusion of the CCAA Proceedings.

2. An order (the “**SISP Order**”) substantially in the form included at Tab 7 of the Motion Record granting, among other things:
  - (a) approval of the sale and investment solicitation process (the “**SISP**”) in a form substantially similar to the form attached as Schedule “A” to the SISP Order;
  - (b) authority for the Applicants and the Monitor to immediately commence the SISP;
  - (c) approving the Stalking Horse Agreement (the “**Stalking Horse Agreement**”) dated January 23, 2024, entered into between the Applicants and the DIP Lender (in such capacity, the “**Stalking Horse Bidder**”) solely for the purpose of constituting the “**Stalking Horse Bid**” under the SISP; and
  - (d) approval of certain bid protections for the Stalking Horse Bidder.
3. Such further and other relief as this Honourable Court may deem just and equitable.

**THE GROUNDS FOR THE MOTION ARE:**

***Background***

4. On December 22, 2023 (the “**Filing Date**”), the Applicants obtained protection from their creditors under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (the “**CCAA**”) pursuant to an Order of the Court (the “**Initial Order**”).

5. The Initial Order was amended and restated pursuant to the First ARIO and was granted on January 2, 2024, which, among other things, approved a debtor-in-possession interim financing arrangement in the amount of \$800,000 (the “**DIP Facility**”), and extended the Stay to February 29, 2024.

*Amending the DIP Lender’s Name*

6. The First ARIO incorrectly identifies the DIP Lender as “One Plant Retail Corp.” The Applicants have since been advised the correct name is “One Plant (Retail) Corp.”
7. On January 12, 2024, the parties entered into an Amending and Rectification Agreement to amend the DIP Term Sheet to reflect the correct corporate name of the DIP Lender.
8. The Second ARIO amends reference to the DIP Lender from “One Plant Retail Corp.” to “One Plant (Retail) Corp.”

*Amended DIP Term Sheet - Increase to DIP Financing*

9. The Applicants seek approval of the A&R DIP Term Sheet pursuant to which the DIP Lender agreed to increase the maximum principal amount available under the DIP Facility to \$1,560,000, subject to the terms and conditions described therein (the “**Amended DIP Facility**”).
10. The Applicants also seek approval of a corresponding increase to the charge over the Applicants’ Property securing the DIP Facility (the “**DIP Lender’s Charge**”) to \$1,850,000.



11. The Amended DIP Facility is required to provide working capital to fund the day-to-day operations of the Applicants and the restructuring costs while the Applicants complete the SISP and close a transaction.
12. The Monitor supports the approval of the A&R DIP Term Sheet, and the corresponding increase to the DIP Lender's Charge.

*Extension of Stay*

13. The Applicants seek to extend the Stay from February 29, 2024, up to and including April 12, 2024. The Stay period expires on February 29, 2024, which is the proposed Phase I Bid Deadline in the SISP. The extension of the Stay is necessary and appropriate in the circumstances to provide the Applicants the time necessary to complete the SISP.
14. The Applicants seek the extension of the Stay at this time to minimize the costs associated with an additional hearing. Extending the Stay to April 12, 2024, at this time will permit the Applicants, with the assistance of the Monitor, to complete the SISP, prepare materials associated with the approval of the successful bid under the SISP, and avoid a standalone Stay extension hearing.
15. The Monitor supports the extension of the Stay to April 12, 2024. If the Amended DIP Facility is granted, the Applicants are projected to have sufficient cash during the requested Stay.
16. The Applicants have been and continue to act in good faith and with due diligence.

*Authorizing Payments of EY's Fees*

17. The Applicants seek authorization to pay EY's fees as part of the Second ARIO.
18. The Applicants first engaged EY to act as the proposed monitor, and to assist the Applicants with their CCAA preparations. EY commenced its preparatory work for this engagement beginning in November 2023.
19. Pursuant to the Initial Order, EY was appointed as monitor of the Applicants and authorized to, among other things, monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA.
20. Before and after its appointment as monitor, EY and its counsel performed numerous services for the Applicants, including assisting the Applicants in their preparation for these CCAA Proceedings, assisting the Applicants with the preparation of a Cash Flow Forecast, and performing the initial statutory duties of a monitor in a CCAA proceeding.
21. As described more particularly in the fee affidavit of Allen (Liang) Yao sworn January 19, 2024, EY has issued an account in the amount of \$66,817.48 for its services rendered in connection with this CCAA Proceeding. Additionally, as described more particularly in the fee affidavit of Mike Noel sworn January 18, 2024, Torys LLP, has issued an account in the amount of \$70,062.19 for its services rendered while acting as EY's counsel. In light of the comprehensive services rendered by EY and their counsel, and due to their replacement as monitor, the Applicants seek authorization to pay these professional fees.
22. The services provided by EY and Torys LLP were essential to the initial restructuring efforts of the Applicants and allowed the Applicants to prepare for and commence these

CCAA Proceedings. The Cash Flow Forecast filed with the First Report of the Monitor (FTI) and approved by the DIP Lender, contemplates payment of these restructuring fees, and the Applicants forecast they will have sufficient liquidity to make such payments.

***Relief from Reporting Obligations and Extension of Time to Hold the AGM***

23. Trees is a publicly-traded corporation. Trees seeks authorization to dispense with certain securities filing requirements. In particular, the Applicants seek authorization for Trees to incur no further expenses in relation to any filings (including financial statements), disclosures, core or non-core documents, restatements, amendments to existing filings, press releases or any other actions (collectively, the “**Securities Filings**”) that may be required by any federal, provincial, or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including without limitation, the *Securities Act* (Alberta), and comparable statutes enacted by other provinces of Canada, the Canadian Securities Exchange (“**CSE**”) Policies 1-10 and other rules, regulations and policies of the CSE.
24. The Applicants seek (a) to incur no further expenses in relation to the Securities Filings; (b) a declaration that none of the directors, officers, employees and other representatives of the Applicants or the Monitor shall have any personal liability for failure by the Applicants to make any Securities Filings that may be required by the Securities Provisions; and (c) to extend the time limit to hold the AGM.
25. As at December 22, 2023, CBOE Canada suspended trading in the securities of Trees.

26. In the circumstances, it is in the best interest of the Applicants and their stakeholders to incur no further expenses to maintain the currency of its securities reporting going forward and to extend the time limit to hold the AGM until after the conclusion of the CCAA Proceedings, subject to further order of this Court.
27. Further, it is impractical for Trees to call an AGM of shareholders during this CCAA proceeding. Calling the AGM would divert the attention of Trees' executive management team away from their current focus on completing the SISP as part of these proceedings.
28. The Applicants' resources and time are better directed towards its restructuring efforts, implementing a going concern and maximizing value of the business.

#### ***SISP and Stalking Horse Agreement***

29. The Applicants propose to conduct a SISP that is intended to maximize the value of the Applicants' business assets, on a going concern basis.
30. The SISP was designed to be broad and flexible in order to attract as much interest as possible. The SISP is intended to solicit interest in, and opportunities for: (a) one or more sales or partial sales of all, substantially all, or certain portions of the Applicants' Property or their Business; and/or (b) an investment in, restructuring, recapitalization, refinancing or other form of reorganization of the Applicants or their Business.
31. If approved, the SISP will commence as soon as reasonably practicable following the date on which the SISP Order is granted with a two-phase bidding process, which includes the following key deadlines (which can be modified pursuant to the terms of the SISP):

- (a) Phase I Bid Deadline of February 29, 2024;
  - (b) Phase II Bid Deadline of March 15, 2024;
  - (c) Auction (if applicable), no later than March 22, 2024; and
  - (d) Outside Date for closing of April 30, 2024.
32. It is proposed that the SISP will be backstopped by the Stalking Horse Agreement. At this time, approval of the Stalking Horse Agreement is only being sought for the purposes of approving it as a Stalking Horse Bid under the SISP. To the extent the Stalking Horse Agreement is ultimately designated as the Successful Bid in the SISP, further approval will be sought from the Court to consummate the transactions contemplated therein.
33. While the Applicants are optimistic that the SISP will result in a competitive bidding process in furtherance of a value maximizing transaction, the Stalking Horse Agreement assures the preservation and continuity of the core business of the Applicants as a going concern, and the continued employment of many of the Applicants' store level employees.
34. The terms of the Stalking Horse Agreement were negotiated extensively between the Applicants and the Stalking Horse Bidder. Accordingly, the consideration provided under the Stalking Horse Agreement is both fair and reasonable in the circumstances, and reflects the product of extensive, good faith negotiations.
35. The Monitor supports the approval of the Stalking Horse Agreement solely for the purpose of approving it as the Stalking Horse Bid under the SISP.

36. The Monitor is supportive of the Applicants commencing a SISP as soon as practicably possible.

***Other Grounds***

37. The provisions of the CCAA, including without limitation, sections 2(1), 11, 11.02(2), 11.2, 18.6, 23, and the inherent and equitable jurisdiction of this Honourable Court.
38. Rules 1.04, 1.05, 2.01, 2.03, 3.02, 16, and 37, 59.06, of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended, and section 106 of the *Courts of Justice Act*, R.R.O. 1990 c. C.43, as amended.
39. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

40. The Affidavit of Jeffrey Holmgren sworn January 23, 2024, and exhibits attached thereto;
41. The First Report of the Monitor, to be filed; and
42. Such further and other evidence as counsel may advise and this Honourable Court may permit.

January 23, 2024

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Lawyers for the Applicants

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TREES CORPORATION, ONTARIO CANNABIS HOLDINGS CORP., MIRACULO INC., 2707461 ONTARIO LTD., OCH ONTARIO CONSULTING CORP., AND 11819496 CANADA INC.

Court File No. CV-23-00711935-00CL

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

Proceedings commenced at Toronto

**NOTICE OF MOTION**

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Lawyers for the Applicants



# TAB 2

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
TREES CORPORATION, ONTARIO CANNABIS HOLDINGS CORP., MIRACULO  
INC., 2707461 ONTARIO LTD., OCH ONTARIO CONSULTING CORP., AND 11819496  
CANADA INC.**

**Applicants**

**AFFIDAVIT OF JEFFREY HOLMGREN**  
(sworn January 23, 2024)

I, Jeffrey Holmgren, of the City of Calgary, in the Province of Alberta, **MAKE OATH**

**AND SAY AS FOLLOWS:**

1. I am the President (since February 2022) and Chief Financial Officer (since March 2021) of Trees Corporation (“**Trees**”) and its direct and indirect subsidiaries: Ontario Cannabis Holdings Corp. (“**OCH**”), Miraculo Inc. (“**Miraculo**”), 2707461 Ontario Ltd., operating as Camp Cannabis (“**Camp Cannabis**”), OCH Ontario Consulting Corp. (“**Ontario Consulting**”), and 11819496 Canada Inc., doing business as Trees Cannabis (“**118**”, and together with OCH, Miraculo, Camp Cannabis, and Ontario Consulting, the “**Subsidiaries**”, and the Subsidiaries together with Trees, the “**Applicants**”).
2. As President and Chief Financial Officer, I am responsible for all of the operational and financial activities of the Applicants and am familiar with the Applicants’ day-to-day operations, business and financial affairs, the books and records of the Applicants, and I have personal knowledge of the matters deposed to in this affidavit, except where otherwise

stated. Where I have relied on information received from others, I have stated the source of such information and I believe it to be true. In the preparation of this affidavit, I have consulted with the Applicants' legal counsel. I have also reviewed the records, press releases, and public filings of the Applicants and have spoken with certain of the directors, officers and/or employees of the Applicants, as necessary to inform my knowledge of the matters deposed to in this affidavit.

3. Capitalized terms used in this affidavit but not defined have the meaning given to them in my affidavit sworn on December 21, 2023 (the "**Initial Affidavit**") and my affidavit sworn on December 29, 2023 (the "**Comeback Affidavit**"). All references to monetary amounts in this affidavit are in Canadian dollars unless noted otherwise.
4. This affidavit is sworn in support of a motion (the "**Motion**") returnable before the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on January 29, 2024, for:
  - (a) An order (the "**Second ARIO**") amending and restating the Amended and Restated Initial Order dated January 2, 2024 (the "**First ARIO**") in the form of the draft order included at Tab 5 of this motion record of the Applicants (the "**Motion Record**") to:
    - (i) amend the DIP Lender's name from "One Plant Retail Corp." to "One Plant (Retail) Corp." (the "**DIP Lender**" or "**One Plant**");
    - (ii) authorize and approve the Amended and Restated DIP Term Sheet dated January 23, 2024 that, among other things, increases the principal amount available under the DIP Facility to \$1,560,000, in order to finance the Applicants' working capital requirements and other general operating

purposes, including post-filing restructuring expenses including the expenses necessary to complete a sale and investment solicitation process (“SISP”) of the Property and closing of a transaction, and costs during the stay of proceedings (the “Stay”), in accordance with the terms of the amended DIP Term Sheet (the “A&R DIP Term Sheet”) attached hereto as **Exhibit “A”**;

- (iii) increase the DIP Lender’s Charge to the maximum amount of \$1,850,000;
- (iv) extend the Stay in favour of the Applicants and their directors and officers (“D&Os”) from February 29, 2024, up to and including April 12, 2024;
- (v) authorize payment by the Applicants of the professional fees and disbursements of Ernst & Young Inc. (“EY”) and its counsel, Torys LLP, incurred during their involvement in these CCAA Proceedings;
- (vi) authorize the Applicants to take no further steps or incur further expenses in relation to the Securities Filings (as defined below), and declare that none of the D&Os, employees, and other representatives of the Applicants or FTI Consulting Canada Inc. (“FTI”), in its capacity as monitor of the Applicants (in such capacity, the “Monitor”), shall have any personal liability for any failure by the Applicants to make the Securities Filings; and
- (vii) postpone the requirement for any future annual general meeting of the shareholders of Trees during the CCAA Proceedings and extending the time limit to call and hold such annual general meeting (“AGM”) of shareholders until after the conclusion of the CCAA Proceedings.

- (b) An order (the “**SISP Order**”) in the form of the draft order included at Tab 8 of the Motion Record granting, among other things:
- (i) approval of the SISP in a form substantially similar to the form attached as Schedule “A” to the SISP Order;
  - (ii) authority for the Applicants and the Monitor to immediately commence the SISP;
  - (iii) authority and direction to the Monitor, the Applicants, and their respective affiliates, partners, employees, advisors and agents (collectively, the “**Assistants**”) to take any and all actions as may be necessary or desirable to implement and carry out the SISP in accordance with its terms and the SISP Order;
  - (iv) approving the Stalking Horse Agreement (the “**Stalking Horse Agreement**”) to be entered into between the Applicants and the DIP Lender (in such capacity, the “**Stalking Horse Bidder**”) solely for the purpose of constituting the “**Stalking Horse Bid**” under the SISP; and
  - (v) approval of certain bid protections for the Stalking Horse Bidder.

## I. OVERVIEW OF CCAA FILING BY THE APPLICANTS

5. On December 22, 2023, the Applicants obtained protection under the CCAA pursuant to an initial order (the “**Initial Order**”) of Chief Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). On January 2, 2024, the Court granted the First ARIO. A copy of the First ARIO is attached hereto as **Exhibit “B”**.
6. The Initial Order, among other things:

- (a) appointed EY as Monitor of the Applicants;
  - (b) granted a Stay in favour of the Applicants and their D&Os until and including January 2, 2024;
  - (c) authorized the borrowing by the Applicants of up to \$60,000 from the DIP Lender at the interest rate of 15% per annum;
  - (d) granted the DIP Lender's Charge in the amount of \$60,000; and
  - (e) granted the Administration Charge in the amount of \$450,000 and the Directors' Charge in the amount of \$251,000, with \$100,000 of the Administration Charge being given super-priority status and the balance of the Administration Charge and the Directors' Charge being ranked subsequent to the DIP Lender's Charge, and the security interests of 606093 Saskatchewan Ltd., Minerva Investments Ltd., Echo Capital Growth Corporation, PMH Investco Ltd., Tweed Inc., CJ Marketing Ltd. and Arthur Minh Tri Nguyen-Cao (collectively, the "**Senior Secured Debt**").
7. The First ARIO, among other things:
- (a) appointed FTI as the Monitor of the Applicants, replacing EY;
  - (b) granted a Stay in favour of the Applicants until and including February 29, 2024;
  - (c) approved the execution of the DIP Term Sheet between the Applicants and the DIP Lender, pursuant to which the Applicants were authorized to borrow up to \$800,000 at the interest rate of 0% per annum; and
  - (d) increased the amounts of the following Court-ordered priority charges (collectively, the "**Charges**") against the Property (ordered in priority):

- (i) first, the Administration Charge in the amount of \$100,000;
- (ii) second, the DIP Lender's Charge in the amount of \$1,100,000;
- (iii) third, the Directors' Charge in the amount of \$100,000;
- (iv) fourth, the Subsequent Administration Charge in the amount of \$400,000 that ranks behind the Senior Secured Debt; and
- (v) fifth, the Subsequent Directors' Charge in the amount of \$383,000 that ranks behind the Senior Secured Debt.

***The Applicants' Activities Since the Initial Order***

8. The Applicants' activities since the Initial Order are set out in greater detail in my Comeback Affidavit. Notable events include the following, among other things:
- (a) on December 29, 2023, the secured debt of Tweed Inc. (a senior secured creditor of Ontario Consulting and OCH) was assigned to the current DIP Lender, One Plant (the "**Tweed Assignment**"). The corresponding assignment agreement is attached to my Comeback Affidavit as Exhibit "F";
  - (b) on January 2, 2024, One Plant also acquired the debt and security interests of PMH Investco Ltd., 606093 Saskatchewan Ltd., Minerva Investments Ltd., and Echo Capital Growth, the senior secured creditors of Trees. The corresponding assignment agreement is attached hereto as **Exhibit "C"**; and
  - (c) the Applicants issued four notices of disclaimers to landlords with unprofitable stores.

*The Applicants' Activities Since the First ARIO*

9. Since the granting of the First ARIO, the Applicants, in close consultation and with the assistance of the Monitor, have been working in good faith and with due diligence to stabilize their business and operations as part of these CCAA Proceedings.
  
10. I am informed by the Monitor that, in accordance with the First ARIO, the Monitor has, among other things:
  - (a) established a new website at <http://cfcanda.fticonsulting.com/TreesCorporation/> (the “**Monitor’s Website**”) on which all Court materials filed in the CCAA Proceedings and updates on the CCAA Proceedings will be posted from time to time;
  - (b) established a dedicated email address (treescorporation@fticonsulting.com) and hotlines (416-649-8043 or 1-833-705-4470) to allow stakeholders to communicate directly with the Monitor in order to address any questions or concerns in respect of the CCAA Proceedings;
  - (c) engaged in discussions with the Applicants, their legal counsel, management and directors regarding issues related to the Applicants’ operations and borrowings under the DIP Facility;
  - (d) engaged in discussions with the Applicants, their legal counsel, One Plant and their legal counsel regarding the Proposed SISF and One Plant’s participation in same as the Stalking Horse Bidder; and



- (e) reviewed the Applicants' books and records and materials filed in the CCAA Proceedings, and became familiar with the Applicants' assets, business operations and financial situation.
11. The Monitor and the Applicants have taken steps to ensure there was an expeditious and efficient transition between EY's appointment as monitor and the Monitor's appointment that minimized any duplication of efforts or resources.
  12. The Applicants intended to seek relief in respect of certain securities reporting obligations of the Applicants as well as postponing its AGM at the comeback hearing on January 2, 2024 (the "**Comeback Hearing**"). However, the Applicants decided to postpone seeking that relief to allow for the Applicants to provide notice to and consult with the Alberta Securities Commission ("**ASC**"), the relevant securities regulator.
  13. I am advised by counsel to the Applicants that, on or around January 2, 2024, the Applicants' counsel drafted a letter and served the ASC with all of the Applicants' CCAA filing and motion materials.
  14. The ASC emailed the Applicants' counsel on January 4, 2024, acknowledging service and stating the ASC has no concerns with the securities-related relief sought by the Applicants in the Second ARIO and that ASC takes no position on the motion seeking the securities-related relief. A copy of the service letter to the ASC and the email correspondence between the ASC and the Applicants' counsel is attached hereto as **Exhibit "D"**.
  15. Since the Comeback Hearing and First ARIO, the Applicants and the Monitor have developed a SISF and negotiated the Stalking Horse Agreement with the DIP Lender. The

Applicants and the Monitor have also responded to numerous creditor and stakeholder enquiries regarding these CCAA Proceedings.

16. To date, there has been minimal disruption to the Applicants' operations.

## **II. SISP ORDER**

17. As previously set out in the Initial Affidavit and Comeback Affidavit, the Applicants intend to, among other things, conduct a court-approved SISP to obtain a going concern solution to maximize value for their stakeholders.
18. Accordingly, the SISP has been developed by the Applicants and the Monitor as a means of seeking to maximize the value of the Applicants' business and assets.
19. The Applicants have also negotiated with One Plant (in its capacity as both the senior secured creditor of the Applicants and the DIP Lender) regarding a potential "stalking horse bid". These discussions have resulted in One Plant and Trees entering into the Stalking Horse Agreement, a copy of which is attached as **Exhibit "E"**.
20. Accordingly, while the SISP has been developed to identify and consummate a value maximizing transaction, the Stalking Horse Agreement provides stability for the Applicants' stakeholders by setting a "floor price" for the Applicants' assets and ensures that the Applicants will emerge from these CCAA Proceedings on a going-concern basis.
21. The SISP and the Stalking Horse Agreement are described in greater detail immediately below.

***The SISP***<sup>1</sup>

22. The SISP was designed to be broad and flexible. The SISP is intended to solicit interest in, and opportunities for: (a) one or more sales or partial sales of all, substantially all, or certain portions of the Applicants' Property or their Business; and/or (b) an investment in, restructuring, recapitalization, refinancing or other form of reorganization of the Applicants or their Business.
23. The SISP provides for a two-staged process. Phase 1 of the SISP calls for the submission of non-binding Letters of Intent ("**LOIs**") by February 29, 2024 (the "**Phase I Bid Deadline**"). The Applicants and the Monitor will evaluate the LOIs and the Applicants, with the consent of the Monitor, will determine which Qualified Phase I Bidders shall proceed to Phase 2 of the SISP. In the event that no Qualified Phase I Bid is received by the Applicants prior to the Phase I Bid Deadline (other than the Stalking Horse Agreement), the Applicants will promptly proceed to seek Court approval of the Stalking Horse Agreement and Phase 2 of the SISP will not be conducted.
24. Phase 2 of the SISP calls for unconditional binding offers which are irrevocable until Court approval of the Successful Bid(s).
25. A summary of the key dates pursuant to the SISP is as follows:

<b>Milestone</b>	<b>Deadline</b>
Commencement of SISP	January 29, 2024

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<sup>1</sup> Capitalized terms used in this subsection and not otherwise defined have the meaning ascribed to them in the SISP.

Distribution of the Notice, Teaser Letter Confidentiality Agreement and Acknowledgement of SISP	As soon as reasonably practicable following the date on which the SISP Order is granted
Phase I Bid Deadline (5:00 PM (Eastern Time))	February 29, 2024
Phase II Bid Deadline (5:00 PM (Eastern Time))	March 15, 2024
Selection of Successful Bid(s), Back-Up Bid(s), or Notification of Auction (if any)	March 19, 2024
Auction (if any)	No later than March 22, 2024
Sale Approval Hearing	As soon as practicable
Closing Date Deadline	A maximum of 4 weeks after the Sale Approval Hearing, but by no later than the Outside Date of April 30, 2024

26. The SISP Order permits the Monitor to amend the SISP and the timelines provided thereunder, including the above milestones, with the approval of the Applicants and the DIP Lender.

**(i) Solicitation of Interest**

27. The SISP prescribes certain requirements and timelines for the Monitor, in consultation with the Applicants, to solicit interest and provide notice of the SISP after the SISP Order. The SISP contemplates the Applicants and the Monitor will, as soon as is reasonably practicable:

- (a) prepare a list of Known Potential Bidders which include:
  - (i) parties that have approached the Applicants or the Monitor indicating an interest in the opportunity; and

- (ii) strategic parties who the Monitor or the Applicants believe may be interested in purchasing all or part of the Business or Property or investing in the Applicants pursuant to the SISP;
  - (b) prepare a process summary (the “**Teaser Letter**”) describing the opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP;
  - (c) prepare a form of Confidentiality Agreement; and
  - (d) prepare the Data Room, with access being granted to potential bidders who have executed the Confidentiality Agreement and Acknowledgement of the SISP.
- 28. The Monitor will apprise the market of the SISP by arranging for notice of the SISP (the “**Notice**”) to be published in *The Globe and Mail* (National Edition) and *Insolvency Insider*, and any other trade industry and/or insolvency-related publications as may be considered appropriate by the Monitor.
- (ii) Phase I – Non-Binding LOIs**
- 29. In order to participate in the SISP, and prior to the distribution of any confidential information to an Interested Party (including access to the Data Room), the Interested Party must deliver to the Monitor an executed Confidentiality Agreement and an executed Acknowledgment of the SISP.
- 30. To determine whether an Interested Party is a Qualified Phase I Bidder, the Interested Party must provide, in form and substance satisfactory to the Applicants, in consultation with the Monitor, *inter alia*, a non-binding LOI describing the Phase I Bid on or before the Phase I Bid Deadline. The SISP sets out all the materials and information that must be included

with the non-binding LOI for such a bid to be considered a Qualified Phase I Bid, including, among other things, specifics surrounding whether it is a Sale Proposal or an Investment Proposal, the Purchase Price, the source of the bidder's proposed financing, and the proposed number of employees who would become employees of the Phase I Bidder.

31. Only Qualified Phase I Bidders will be permitted to proceed to Phase 2 of the SISP. The Stalking Horse Agreement shall constitute a Qualified Phase I Bid and the Stalking Horse Bidder shall be deemed to be a Qualified Phase I Bidder for all purposes under the SISP, including the Auction.
32. Following the Phase I Bid Deadline, the Monitor and the Applicants shall evaluate the Phase I Bids and the Applicants, with the consent of the Monitor, will advise an Interested Party whether or not its Phase I Bid constitutes a Qualified Phase I Bid and that it is a Qualified Phase I Bidder and, if such Phase I Bidder is a Qualified Phase I Bidder, that it is invited to participate in Phase II of the SISP.
33. In the event that no Qualified Phase I Bid is selected (other than the Stalking Horse Agreement), the Applicants will promptly proceed to seek Court approval of the Stalking Horse Agreement and Phase 2 of the SISP will not be conducted.

**(iii) Phase II – Formal Offers**

34. In order to be considered a Qualified Phase II Bid, as determined by the Applicants, in consultation with the Monitor: (i) a Phase II Bid must satisfy all of the requirements for a Qualified Phase I Bid and (ii) the Qualified Phase I Bidder must also submit, *inter alia*, a Binding Offer as set out in the SISP, in form and substance satisfactory to the Applicants and the Monitor, on or before the Phase II Bid Deadline. Such Binding Offer must include,

among other things, a definitive purchase agreement (in the case of a Sale Proposal) or a definitive binding term sheet (in the case of an Investment Proposal), satisfactory written evidence establishing the bidder's financial ability to consummate the transaction, and full details regarding the number of employees who would become employees of the Phase II Bidder.

**(iv) Selection of Successful Bid**

35. The Applicants and the Monitor will evaluate the Qualified Phase II Bids on various grounds including, but not limited to: the Purchase Price or imputed or projected value, the treatment of creditors and related implied recovery for creditors (in each case, as applicable), the assumed liabilities, the number of employees assumed, the certainty of closing the transactions contemplated by the Qualified Phase II Bid on or before the Outside Date (being April 30, 2024) and any delay or other risks (including closing risks) in connection with the Qualified Phase II Bids.
36. The Applicants, with the consent of the Monitor, shall; (a) identify and accept the highest or otherwise best bid (the "**Successful Bid**", and the Qualified Phase II Bidder making such Successful Bid, the "**Successful Bidder**"); and (b) may conditionally accept a Qualified Phase II Bid, which acceptance will be conditional upon the failure of the transaction(s) contemplated by the Successful Bid to close (the "**Back-up Bid**", and Qualified Phase II Bidder making such Back-up Bid being the "**Back-Up Bidder**").
37. As soon as reasonably practicable and by no later than three days after the Phase II Bid Deadline, the Applicants will advise the Qualified Phase II Bidders if Successful Bid(s) and Back-Up Bid(s) have been accepted. If the Applicants and the Monitor determine it is necessary to conduct an Auction, the Monitor, as soon as reasonably practicable and by no

later than March 19, 2024, will advise the Qualified Phase II Bidders of the date, time, location and the rules (if any) of the Auction.

38. If no superior offer is received by the Phase II Bid Deadline, the Auction will not be held, and the Stalking Horse Bidder will be declared to be the Successful Bidder and the Stalking Horse Agreement shall be declared the Successful Bid.

**(v) Auction**

39. The Auction (if necessary) shall proceed on a date not later than March 22, 2024 after the Phase II Bid Deadline and will be conducted in accordance with the following procedures, among others:
- (a) Participation at the Auction. Only a Qualified Phase II Bidder is eligible to participate in the Auction. Each Qualified Phase II Bidder must inform the Applicants and the Monitor whether it intends to participate in the Auction by no later than 12:00 p.m. (Eastern Time) on the Business Day prior to the Auction;
  - (b) Bidding at the Auction. Bidding at the Auction shall be conducted in rounds. The highest Qualified Phase II Bid at the beginning of the Auction shall constitute the “**Opening Bid**” for the first round and the highest Overbid (as defined below) at the end of each round shall constitute the “Opening Bid” for each following round;
  - (c) An “**Overbid**” is any Bid made at the Auction subsequent to the Monitor’s announcement of the Opening Bid;
  - (d) In each round, a Qualified Phase II Bidder may submit no more than one Overbid;



- (e) Only a Qualified Phase II Bidder who bids in a round (including the Qualified Phase II Bidder that submitted the Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction;
  - (f) Minimum Overbid Increment: Any Overbid shall be made in CAD\$50,000 increments;
  - (g) Announcing Overbids: At the end of each round of bidding, the Monitor shall announce the identity of the Qualified Phase II Bidder and the material terms of the then highest and/or best Overbid, including the nature of the proposed transaction contemplated by the best Overbid, the assets proposed to be acquired and the obligations proposed to be assumed, the basis for calculating the total consideration offered in such Overbid, and the resulting benefit to the Applicants based on, among other things, the Bid Assessment Criteria;
  - (h) Discussion with other Bidders: A Qualified Phase II Bidder shall not strategize or have discussions with other Qualified Phase II Bidders for the purpose of submitting an Overbid without the consent of the Monitor; and
  - (i) The Monitor may, in consultation with the Applicants, adopt rules for the Auction at or prior to the Auction that will better promote the goals of the Auction.
40. The Auction will close after the Monitor, with the assistance of the Applicants, has (i) reviewed the final Overbid of each Qualified Phase II Bidder on the basis of financial and contractual terms and the factors relevant to the sale process, and (ii) identified the Successful Bid and the Back-up-Bid and advised the Qualified Phase II Bidders participating in the Auction of such determination.

41. Promptly following such determination, the parties will work to execute and deliver revised and updated definitive transaction agreements as may be required to reflect and evidence the Successful Bid and the Back-Up Bid.
42. The Applicants will bring a motion to Court to approve the Successful Bid(s) and Back-Up Bid(s) as soon as practicable following the determination of the Successful Bidder(s) and the execution of definitive documents. The Applicants will be deemed to have accepted the Successful Bid(s) only when it has been approved by the Court.
43. If a Successful Bidder fails to close the transaction contemplated by the Successful Bid(s) on or before the Outside Date for any reason, then the Applicants will be deemed to have accepted the Back-Up Bid(s) and will proceed with the transaction pursuant to the terms thereof. The Back-Up Bid(s) shall remain open for acceptance until the closing of the Successful Bid(s), or such other later date as the Applicants and the Back-Up Bidder may agree, acting reasonably (being the “**Back-Up Bid Expiration Date**”).
44. The Monitor, in consultation with the Applicants may from time to time, modify, amend, vary or supplement the Bidding Procedures, without the need for obtaining an order of the Court or providing notice to Qualified Phase I Bidders, Qualified Phase II Bidders, the Successful Bidder or the Back-Up Bidder, provided that the Monitor determines that such modification, amendment, variation or supplement is expressly limited to non-material changes that do not materially alter, amend or prejudice the rights of such bidders.
45. The Applicants, acting reasonably and in consultation with the Monitor, reserve the right to allocate the Purchase Price of a Successful Bid at a later date for distribution purposes.

***The Stalking Horse Agreement***

46. It is proposed that the SISP will be backstopped by the Stalking Horse Agreement. At this time, approval of the Stalking Horse Agreement is only being sought for the purposes of approving it as the Stalking Horse Bid under the SISP. To the extent the Stalking Horse Agreement is ultimately designated as the Successful Bid in the SISP, further approval will be sought from the Court to consummate the transactions contemplated therein.

47. The principal terms of the Stalking Horse Agreement are summarized below.<sup>2</sup>

<b>Term</b>	<b>Details</b>
<b>Seller</b>	Trees Corporation
<b>Purchaser</b>	One Plant (Retail) Corp.
<b>Transaction Structure</b>	Purchase of 100% of the issued and outstanding shares of Trees, to be effected through a reverse vesting order.
<b>Purchase Price</b>	The aggregate of: (a) the Credit Bid Consideration, (b) the Pre-Filing GST/HST Obligations, and (c) the Cash Consideration (each as defined in the Stalking Horse Agreement).
<b>Assumed Liabilities</b>	<ul style="list-style-type: none"><li>• All Post-Filing Claims;</li><li>• All liabilities of the Applicants arising from and after Closing;</li><li>• To the extent that the Applicants do not have sufficient funds on or before the Closing Date to satisfy such amounts or such amounts are not otherwise paid with the Cash Consideration, any and all Claims in priority to the Credit Bid Consideration;</li><li>• Intercompany Claims between members of the Applicants; and</li><li>• Those specific Assumed Liabilities set forth in Schedule 2.04 of the Stalking Horse Agreement.</li></ul>

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<sup>2</sup> Capitalized terms used in table below and not otherwise defined have the meaning ascribed to them in the Stalking Horse Agreement.

<p><b>As is, Where is</b></p>	<p>The Business and Purchased Shares will be sold to the Purchaser, and the Assumed Liabilities will be retained by the Purchaser, on an “as is, where is” basis, subject to representations and warranties contained in the Stalking Horse Agreement.</p>
<p><b>Employees</b></p>	<p>The Purchaser intends to assume all store-level employees of the Applicants.</p> <p>The Purchaser agrees that no fewer than 95% of the total current number of store-level employees of the Applicants shall receive an offer of employment. Notwithstanding any other provision of the Stalking Horse Agreement, the Purchaser has no obligation to offer employment to any particular employee.</p>
<p><b>Key Conditions to Closing</b></p>	<ul style="list-style-type: none"> <li>• The SISP Order and the Approval and Vesting Order shall have been issued and entered by the Court and shall be final orders;</li> <li>• The Stalking Horse Agreement shall be the Successful Bid (as determined pursuant to the SISP);</li> <li>• No provision of any Applicable Law and no judgment, injunction or Order preventing or otherwise frustrating the consummation of the purchase of the New Common Shares or any of the other transactions pursuant to this Agreement shall be in effect; and</li> <li>• Certain stipulated Transaction Regulatory Approvals shall be in full force and effect, except for those that need not be in full force and effect prior to Closing.</li> </ul>
<p><b>Administrative Expense Amount</b></p>	<p>Cash in an amount of the Administrative Expense Costs and CCAA Charge Amount, in each case as reflected in the Approved Cash Flow Projection as of the Closing Time, and shall be paid by the Applicants to the Monitor on the Closing Date out of the cash and cash equivalents of the Applicants as at the Closing Date for the Monitor to hold and use to pay the Administrative Expense Costs and the CCAA Charge Amount (as defined in the Stalking Horse Agreement).</p>
<p><b>Closing Date</b></p>	<p>A date no later than five (5) Business Days after all the Closing Conditions set forth in Stalking Horse Agreement have been satisfied or waived; provided that, if there is to be a Closing, then the Closing Date shall be no later than the Outside Date of April 30, 2024, unless otherwise agreed to by the Parties in writing.</p>

<b>Break Fee</b>	In consideration for the Purchaser's expenditure of time and money (including professional fees) in connection with its agreement to act as the Stalking Horse Bid, and the preparation of the Stalking Horse Agreement, and in performing due diligence, Purchaser shall be entitled to a Break Fee equal to \$60,000.
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48. While the Applicants are optimistic that the SISP will result in a competitive bidding process in furtherance of a value maximizing transaction, the Stalking Horse Agreement assures the preservation and continuity of the core business of the Applicants as a going concern, and the continued employment of most of the Applicants' employees.
49. The terms of the Stalking Horse Agreement were negotiated extensively between the Applicants and the Stalking Horse Bidder. Accordingly, I believe that the consideration provided under the Stalking Horse Agreement is both fair and reasonable in the circumstances, and reflects the product of extensive, good faith negotiations.
50. The Monitor supports the approval of the Stalking Horse Agreement solely for the purpose of approving it as the Stalking Horse Bid under the SISP.

### **III. THE SECOND ARIO**

#### ***Amending the DIP Lender's Name***

51. Currently, the First ARIO in paragraphs 35 and 43 refer to the DIP Lender as an entity with the name: "One Plant Retail Corp." This was consistent with the DIP Term Sheet entered into between the Applicants and the DIP Lender dated December 21, 2023.
52. I am advised by counsel to the Applicants that counsel to the DIP Lender advised the spelling of the corporate name of the DIP Lender in the DIP Term Sheet is incorrect. On

January 12, 2024, the parties entered into an Amending and Rectification Agreement to amend the DIP Term Sheet to reflect the correct corporate name of the DIP Lender, which is: “One Plant (Retail) Corp.” as opposed to “One Plant Retail Corp.” The Amending and Rectification Agreement is attached hereto as **Exhibit “F”**.

53. The Second ARIO amends the DIP Lender’s name from “One Plant Retail Corp.” to “One Plant (Retail) Corp.” to correct this error.

***Amended DIP Term Sheet - Increase to DIP Financing***

54. The First ARIO approved the DIP Term Sheet between the Applicants and the DIP Lender dated December 21, 2023, and granted the DIP Lender’s Charge in the maximum amount of \$1.1 million.
55. Pursuant to the revised cash flow forecast of the Applicants (the “**Revised Cash Flow Forecast**”), which will be included in the Monitor’s Report, the Applicants expect to fully draw on the principal amount of \$800,000 available under the DIP Facility by the week ending February 2, 2024. The Applicants, in consultation with the Monitor, have determined that they will require additional funding to complete the SISP and close a transaction.
56. On January 23, 2024, the Applicants and the DIP Lender entered into the A&R DIP Term Sheet dated January 23, 2024, pursuant to which the DIP Lender agreed to increase the maximum principal amount available under the DIP Facility to \$1,560,000, subject to the terms and conditions described therein (the “**Amended DIP Facility**”).
57. The key terms of the A&R DIP Term Sheet are as follows:

- (a) the DIP Lender will make available to the Applicants additional funds up to a maximum principal amount of \$1,560,000, in accordance with the Revised Cash Flow Forecast;
  - (b) with respect to the first \$800,000 available under the original DIP Facility, the original terms of the DIP Term Sheet will remain the same, with no commitment fee and 0% interest;
  - (c) any subsequent advances beyond the first \$800,000 (each, a “**Subsequent DIP Advances**”) will be in tranches of \$200,000 beginning no earlier than the week of February 16, 2024;
  - (d) with respect to the Subsequent DIP Advances:
    - (i) there must be no material variance to the Revised Cash Flow Forecast;
    - (ii) there is a commitment fee of \$45,000 payable to the DIP Lender;
    - (iii) outstanding amounts under the Amended DIP Facility greater than \$800,000 will bear interest at the annual rate of 15%; and
    - (iv) the final \$350,000 of the remaining Amended DIP Facility will only be made available if Phase 2 of the SISP is required.
  - (e) the Amended DIP Facility has a maturity date of April 12, 2024; and
  - (f) an increase to the DIP Lender’s Charge up to the amount of \$1,850,000.
58. The Applicants have worked with its counsel and the Monitor in determining the quantum of the Amended DIP Facility and accordingly, the DIP Lender’s Charge. I have been

advised by my legal counsel that the Monitor supports the A&R DIP Term Sheet, and the corresponding increase to the DIP Lender's Charge.

***Stay Extension***

59. The Applicants are seeking to extend and amend the Stay from February 29, 2024 up to and including April 12, 2024. Currently, the Stay period expires on February 29, 2024, the same date as the proposed Phase I Bid Deadline. The extension of the Stay is necessary and appropriate in the circumstances to provide the Applicants the time necessary to complete the SISP and canvas the market for one or more potential bidders.
60. The Applicants seek the extension of the Stay at this time to minimize the costs associated with an additional hearing. Extending the Stay to April 12, 2024, will permit the Applicants, with the assistance of the Monitor, to complete the SISP and prepare materials associated with the approval of the successful bid under the SISP.
61. I have been advised by my legal counsel that the Monitor supports the extension of the Stay to April 12, 2024.
62. I have been advised by the Monitor that it will include the Revised Cash Flow Forecast in its report to be filed in connection with this motion. Based on my discussions with the Monitor, if the Amended DIP Facility is granted, the Applicants are projected to have sufficient cash during the requested Stay.
63. The Applicants have been and continue to act in good faith and with due diligence.

***Authorizing Payment of EY's Fees***

64. The Applicants are seeking authorization to pay EY's fees as part of the Second ARIO.



65. The Applicants first engaged EY to act as the proposed monitor, and to assist the Applicants with their CCAA preparations, on December 21, 2023, although EY commenced its preparatory work for this engagement during the week of November 30, 2023.
66. Pursuant to the Initial Order, EY was appointed as monitor of the Applicants and authorized to, among other things, monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA.
67. Before and after its appointment as monitor, EY and its counsel performed numerous services for the Applicants, including assisting the Applicants in their preparation for these CCAA Proceedings, assisting the Applicants with the preparation of a Cash Flow Forecast, and performing the initial statutory duties of a monitor in a CCAA proceeding.
68. As described more particularly in the fee affidavit of Allen (Liang) Yao sworn January 19, 2024 (the “**Yao Affidavit**”), EY has issued an account in the amount of \$66,817.48 for its services rendered in connection with this CCAA Proceeding. Additionally, as described more particularly in the fee affidavit of Mike Noel sworn January 18, 2024 (the “**Noel Affidavit**”), Torys LLP, has issued an account in the amount of \$70,062.19 for its services rendered while acting as EY’s counsel. In light of the comprehensive services rendered by EY and their counsel, and due to their replacement as monitor, the Applicants seek authorization to pay these professional fees. Copies of the Yao Affidavit and the Noel Affidavit are appended to this Motion Record at Tabs 3 and 4, respectively.
69. The Applicants have been advised by EY and Torys LLP that they have not charged any time in connection with the transition from EY to FTI as monitor and, further, they have each voluntarily reduced their respective invoices by \$25,000 as a goodwill gesture to

ensure that the change in the monitor (including time spent on this issue) has not prejudiced the Applicants or their stakeholders.

70. The services provided by EY and Torys LLP were essential to the restructuring efforts of the Applicants and allowed the Applicants to develop a path forward in these CCAA Proceedings to emerge as a going concern. The Cash Flow Forecast filed with the First Report of the Monitor, contemplated payment of restructuring fees, including those of EY and Torys LLP, and determined there would be sufficient liquidity to make such payments.

***Securities Relief***

71. Trees is a publicly-traded corporation. Trees seeks authorization to dispense with certain securities filing requirements. In particular, the Applicants seek authorization for Trees to incur no further expenses in relation to any filings (including financial statements), disclosures, core or non-core documents, restatements, amendments to existing filings, press releases or any other actions (collectively, the “**Securities Filings**”) that may be required by any federal, provincial, or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including without limitation, the *Securities Act* (Alberta), and comparable statutes enacted by other provinces of Canada, the Canadian Securities Exchange (“**CSE**”) Policies 1-10 and other rules, regulations and policies of the CSE.
72. In my view, incurring the time and costs associated with preparing the Securities Filings will detract from the Applicants’ successful restructuring. Further, there is no prejudice to stakeholders given that detailed financial information and other information regarding the Applicants will continue to be made publicly available through the materials filed in these CCAA Proceedings and published on the Monitor’s Website.

73. The Applicants further seek authorization to postpone the requirement for any future AGM of the shareholders of Trees during the CCAA Proceedings. The Applicants seek to extend the time limit to call and hold such AGM of shareholders until after the conclusion of the CCAA Proceedings.
74. Conducting any AGM of shareholders during the ongoing CCAA Proceedings would be superfluous. The Applicants intend to implement a sale or investment transaction following the SISP to preserve the business as a going concern and ensure employment stability. In light of the insolvency of the Applicants, convening such a meeting during this time would be an inappropriate use of resources.
75. As mentioned previously, the Applicants have engaged the ASC who has advised that they have no concerns with the relief sought by the Applicants in the form set out in the Second ARIO, and they do not oppose the Applicants' motion for same.

#### **IV. CONCLUSION**

76. For the reasons set out above, I believe that it is in the interests of the Applicants and their stakeholders that this Court grant the relief requested in accordance with the terms of the proposed Second ARIO and SISP Order.
77. I swear this affidavit in support of the Applicants' motion seeking the Second ARIO and SISP Order pursuant to the CCAA and for no other or improper purpose.


SWORN via video conference by Jeffrey Holmgren in the City of Madrid, in Province of Madrid of the Country of Spain, before me at the City of Vaughan, in the Province of Ontario, in the Country of Canada, this 23<sup>rd</sup> day of January, 2024, in accordance with *O. Reg. 431/20*, Administering Oath or Declaration Remotely

Rudrakshi Chakrabarti

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Commissioner for Taking Affidavits

**Rudrakshi Chakrabarti**



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**JEFFREY HOLMGREN**

This is **Exhibit “A”** referred to in the  
Affidavit of Jeffrey Holmgren sworn by Jeffrey Holmgren in  
the City of Madrid, in Province  
of Madrid of the Country of Spain, before me at  
the City of Vaughan, in the Province of Ontario, in the  
Country of Canada, this 23<sup>rd</sup> day  
of January, 2024 in accordance with *O. Reg. 431/20*,  
Administering Oath or Declaration Remotely.

*Rudrakshi Chakrabarti*

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A Commissioner for taking affidavits

**RUDRAKSHI CHAKRABARTI**

**ONE PLANT (RETAIL) CORP.**  
**AMENDED AND RESTATED DEBTOR IN POSSESSION FINANCING TERM SHEET**  
(the “Amended DIP Term Sheet”)

January 23, 2024

Trees Corporation  
181 Bay Street, Suite 1800  
Toronto, Ontario  
M5J 2T9

**Attention: Jeffrey Holmgren, President and Chief Financial Officer**

**Re: Debtor in Possession Financing for Trees Corporation**

- A. On December 22, 2023, Trees Corporation, OCH Ontario Consulting Corp., 2707461 Ontario Ltd., 11819496 Canada Inc., Ontario Cannabis Holdings Corp. and Miraculo Inc., (collectively, the “**Borrowers**”) made an application to the Ontario Superior Court of Justice (Commercial List) for an initial order (the “**Initial Order**”) under the *Companies Creditors Arrangement Act* (Canada) (the “**CCAA**”), which, among other things, commenced proceedings under the CCAA in respect of the Borrowers (the “**CCAA Proceedings**”), authorized the Borrowers to borrow up to CAD \$60,000 from One Plant (Retail) Corp. (the “**DIP Lender**”), granted the DIP Charge (as defined herein) to secure the initial authorized advance, and imposed a stay of proceedings in favour of the Borrowers up to and including January 2, 2024 (the “**Initial Stay**”).
- B. On January 2, 2024, the Borrowers sought and obtained an amended and restated initial order (the “**ARIO**”) within the CCAA Proceedings, among other things, extending the Initial Stay up to and including February 29, 2024, appointing FTI Consulting Canada Inc. as monitor of the Borrowers (in such capacity, the “**Monitor**”), approving a DIP Term Sheet dated December 21, 2023 with the DIP Lender (the “**Initial DIP Term Sheet**”), and granting the DIP Charge in the amount of \$1,100,000 to secure advances of up to CAD \$800,000 under the Initial DIP Term Sheet, provided, however, that the parties agreed that under the Initial DIP Term Sheet there shall be no commitment fee payable by the Borrowers to the DIP Lender, the interest rate of the DIP Facility (as defined in the Initial DIP Term Sheet) shall be at the rate of 0.0% interest *per annum*, and section 9(c) of the Initial DIP Term Sheet shall be rendered inoperative and deleted from the Initial DIP Term Sheet.
- C. The Borrowers have determined that they require additional funding to satisfy the cash flow requirements of the CCAA Proceedings and other short-term liquidity requirements and have requested that the DIP Lender increase the amount of the DIP Facility to CAD \$1,560,000; and
- D. The DIP Lender has agreed to advance a debtor-in-possession loan in the aggregate principal amount of CAD \$1,560,000, subject to and in accordance with the terms and conditions of this Amended DIP Term sheet, including, without limitation, that the Borrowers seek and obtain a second amended and restated initial order (the “**SARIO**”) within the CCAA Proceedings, for, among other things, approval of the Amended DIP Term Sheet and an increase in the authorized limit of the DIP Facility secured by the DIP Charge to CAD \$1,560,000.
1. **BORROWERS:** Trees Corporation, OCH Ontario Consulting Corp., 2707461 Ontario Ltd., 11819496 Canada Inc, Ontario Cannabis Holdings Corp. and Miraculo Inc.

2. **LOAN AMOUNT:** Up to a maximum amount of CAD \$1,560,000
3. **DIP FACILITY** Non-revolving facility in the maximum aggregate amount of CAD \$1,560,000 (the “**DIP Facility**”).

The DIP Facility shall be used for short-term liquidity and other general corporate purposes, including working capital requirements and restructuring fees in accordance with the cash flow projections attached hereto as Schedule “A” (the “**Cash Flow Projections**”) approved by the DIP Lender and the Monitor while the Borrowers complete a stalking horse sales process (the “**SISP**”) and share purchase transaction (the “**Transaction**”) within proceedings commenced under the CCAA.

The amount and purpose of the DIP Facility may be amended by the Borrowers and the DIP Lender in writing and subject to the consent of the Monitor or order of the Court. The Borrowers may not use the proceeds of the DIP Facility to pay any pre-filing obligations of the Borrowers, except with the consent of the DIP Lender and in accordance with the Cash Flow Projections.

4. **ADVANCES:** Subject to the Conditions Precedent set out in Section 12 of this Amended DIP Term Sheet, and the Borrowers being in compliance with the provisions of this Amended DIP Term Sheet, the DIP Lender shall make the DIP Facility available to the Borrowers by advances as follows:

- (a) upon the issuance of the ARIO, CAD \$800,000 shall be advanced by the DIP Lender to the Borrowers as needed in installments of not less than CAD \$100,000, as approved by the Monitor (the “**Initial Advance(s)**”); and
- (b) after the issuance of the SARIO, but beginning no earlier than the week beginning February 12, 2024, the balance of the DIP Facility shall be advanced by the DIP Lender to the Borrowers as needed in installments of not more than CAD \$200,000, as approved by the Monitor (each, a “**Subsequent Advance**” and collectively, the “**Subsequent Advances**”, and either the Initial Advance or any Subsequent Advance may hereinafter be referred to as an “**Advance**”), *provided, however*, that if the Company and the Monitor determine that Phase II of the SISP is not required, the maximum amount available under the Subsequent Advances shall be reduced from \$760,000 to \$410,000.

Each Subsequent Advance shall be requested by the Borrowers in writing (each, a “**Subsequent Advance Request**”).

Nothing in this Amended DIP Term Sheet creates a legally binding obligation on the DIP Lender to advance any amount under the DIP

Facility at any time unless the Borrowers comply with the provisions of this Amended DIP Term Sheet.

Any Advance shall be funded by wire transfer into an account designated by the Borrowers, cheque payable to one of the Borrowers, or such other means as determined by the DIP Lender in its sole discretion, acting reasonably.

5. **INTEREST:**

The Initial Advance(s) shall bear interest at the rate of 0.0% interest *per annum*.

Interest shall accrue under all Subsequent Advances at a rate equal to 15% *per annum* (the “**Interest**”). Interest shall be calculated on the daily outstanding balance owing under the Subsequence Advances, not in advance, and shall accrue and be paid on the Maturity Date (as defined herein).

6. **RECOVERABLE EXPENSES:**

The Borrowers shall pay, in each case, on a full indemnity basis: (i) all reasonable legal expenses incurred by the DIP Lender in connection with the negotiation, preparation and performance of the Initial DIP Term Sheet, this Amended DIP Term Sheet, and (ii) all of the DIP Lender’s costs of realization or enforcement, in each case in connection with or related to the DIP Facility, the DIP Charge (defined below), the Initial DIP Term Sheet, this Amended DIP Term Sheet, or the CCAA Proceedings (collectively, “**Recoverable Expenses**”), provided that the Recoverable Expenses will become payable on the Maturity Date.

For greater certainty, Recoverable Expenses shall include all reasonable fees and expenses incurred by the DIP Lender in connection with the CCAA Proceedings and all court attendances in respect thereof. If the DIP Lender has paid any expense for which the DIP Lender is entitled to reimbursement from the Borrowers, such expenses shall be added to the DIP Facility. Any expense incurred in connection with this Amended DIP Term Sheet and after the date hereof shall accrue interest at the rate set out above as it applies to Subsequent Advances. All such fees and expenses and interest thereon shall be secured by the DIP Charge, whether or not any funds are advanced under the DIP Facility.

7. **COMMITMENT FEE**

The Borrowers shall pay a commitment fee in the amount of CAD \$45,000 (the “**Fee**”), representing approximately 6% of the total maximum amount available under the Subsequent Advances, which shall be deemed to be fully earned by the DIP Lender and payable on the date that the Court issues the SARIO approving the Amended DIP Term Sheet. The Fee shall be added to the indebtedness outstanding under the DIP Facility and secured by the DIP Charge.

8. **SECURITY:**

All debts, liabilities and obligations of the Borrowers to the DIP Lender under or in connection with the DIP Facility, this Amended DIP Term Sheet, and any other documents executed in connection therewith shall be secured by a Court-ordered super-priority charge (the “**DIP Charge**”) in an amount of not less than CAD \$1,850,000, granted to the



DIP Lender in and to all present and future properties, assets, and undertakings of the Borrowers, real and personal, tangible and intangible, including all intellectual property owned by the Borrowers, whether now owned or hereafter acquired (collectively, the “**Property**”), ranking subordinate only to: (i) an administration charge in the maximum aggregate amount of CAD \$500,000 for the payment of the fees and expenses of counsel to the Borrowers, the Monitor and counsel to the Monitor (the “**Administration Charge**”), and (ii) any valid purchase money security interests registered under the *Personal Property Security Act* (Ontario).

#### 9. MATURITY DATE

Unless otherwise agreed by the DIP Lender in its sole discretion, the term of the DIP Facility shall expire, and the Borrowers shall repay all obligations owing to the DIP Lender under this Amended DIP Term Sheet on the earliest of (the “**Maturity Date**”):

- (a) April 12, 2024;
- (b) The closing of a Transaction;
- (c) any Order made by the Court replacing FTI Consulting Canada Inc. as Monitor;
- (d) the date on which the CCAA Proceedings are terminated for any reason, including if one or more of the Borrowers become bankrupt, whether voluntarily or involuntarily; and
- (e) the occurrence of an Event of Default (as defined herein).

#### 10. EXTENSION

Provided that the Borrowers are not in default, the DIP Lender shall agree to extend the Maturity Date for up to an additional 60 calendar days, subject to the Borrowers achieving the following milestones by March 30, 2024, to the satisfaction of the DIP Lender in its sole and unfettered discretion:

- (a) the Court grants the Sale and Investment Solicitation Process (“**SISP**”) Order that, among other things, approves the DIP Lender acting as the stalking horse bidder in the SISP;
- (b) the Borrowers receive one or more bids in the SISP that will repay, in full, all amounts outstanding under this Amended DIP Term Sheet and any other senior-ranking secured debt held by the DIP Lender or its nominee or affiliates at the time such bid is made (including any such debt acquired from third parties);
- (c) the Borrowers bring a motion for the approval of the successful bid in the SISP; and
- (d) the Borrowers and the successful bidder under the SISP are making reasonable progress towards satisfying all closing

conditions to the Transaction contemplated by the successful bid.

**11. REPAYMENT:**

The aggregate principal amount owing under the DIP Facility plus all accrued and unpaid Interest, Recoverable Expenses and the Fee, shall become immediately due and payable on the Maturity Date. The DIP Facility may be prepaid at any time, without penalty (provided all accrued and unpaid Interest, Recoverable Expenses and the Fee are paid in full). If the Borrowers choose to prepay any amount owing under the DIP Facility, any such payment shall be applied: (i) first, to all accrued and unpaid Interest; (ii) second, to the Fee and all Recoverable Expenses; and (iii) third, to any principal amount outstanding under the DIP Facility.

If the DIP Lender completes a Transaction with one or more of the Borrowers, the Borrowers agree that all amounts outstanding under the DIP Facility, plus all accrued and unpaid Interest, Recoverable Expenses, and the Fee (if applicable), shall be credited against the amount of the consideration payable by the DIP Lender or its nominee under the Transaction.

**12. CONDITIONS PRECEDENT:**

The availability of the Initial Advance under the DIP Facility shall be subject to and conditional upon the following, which may be waived by the DIP Lender, in its sole and unfettered discretion, in writing (the “**Initial Conditions Precedent**”):

- (a) written acceptance of the Amended DIP Term Sheet by the Borrowers;
- (b) the DIP Lender shall have received and approved the Cash Flow Projections in accordance with the terms of the Amended DIP Term Sheet;
- (c) the Court shall have issued the ARIO, in a form satisfactory to the DIP Lender, including:
  - i. approving the Initial DIP Term Sheet and the DIP Facility up to an authorized limit of CAD \$800,000; and
  - ii. granting the DIP Charge in favour of the DIP Lender;
- (d) the DIP Lender shall, acting reasonably, be satisfied that the Borrowers have complied with and are continuing to comply, in all material respects, with all applicable laws, regulations and policies in relation to their business other than as may be permitted by an Order of the Court in the CCAA Proceedings, provided that the issuance of any such Order does not result in the occurrence of an Event of Default;

- (e) no Event of Default has occurred or will occur as a result of the Advance.

The availability of any Subsequent Advance under the DIP Facility shall be subject to and conditional upon the following, which may be waived by the DIP Lender, in its sole and unfettered discretion, in writing:

- (f) the Initial Conditions Precedent;
- (g) the Court shall have issued the SARIO, in a form satisfactory to the DIP Lender, among other things, approving this Amended DIP Term Sheet, increasing the authorized limit of the DIP Facility secured by the DIP Charge to CAD \$1,560,000, and granting the DIP Charge in an amount of not less than CAD \$1,850,000;
- (h) the DIP Lender shall have received and approved the Cash Flow Projections in accordance with the terms of the Amended DIP Term Sheet, and such Cash Flow Projections shall remain acceptable to the DIP Lender, in its sole discretion;
- (i) the Borrowers shall have conducted all material activities at all material times in accordance with the Cash Flow Projections in force at such time; and
- (j) the DIP Lender shall have received a Subsequent Advance Request from the Borrowers, with an effective date no earlier than February 12, 2024, which may be from counsel to the Borrowers, that the requested Subsequent Advance is within the maximum amount available under the DIP Facility, is in accordance with the Cash Flow Projections, and that the Borrowers are in compliance with this Amended DIP Term Sheet and the SARIO.

### 13. REPRESENTATIONS AND WARRANTIES

The Borrowers, as applicable, represent and warrant to the DIP Lender, upon which representations and warranties the DIP Lender relies in entering into this Amended DIP Term Sheet and when making each Advance, as follows (the “**Representations and Warranties**”):

- (a) the transactions contemplated by this Amended DIP Term Sheet (other than any stalking horse purchase agreement):
  - i. upon the granting of the SARIO, are within the powers of the Borrowers;
  - ii. have been duly authorized by all necessary corporate approvals of the Borrowers;
  - iii. have been duly executed and delivered by or on behalf of the Borrowers;

- iv. upon the granting of the SARIO, constitute legal, valid and binding obligations of the Borrowers; and
  - v. upon the granting of the SARIO, do not require the consent or approval of, registration or filing with, or any other action by, any governmental authority, other than filings which may be made to register or otherwise record the DIP Charge or any security granted to the DIP Lender;
- (b) the Borrowers are corporations existing under the laws of their jurisdiction of incorporation;
  - (c) the Borrowers own, or are licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, and the use thereof by the Borrowers do not infringe upon the rights of any other person to the knowledge of the Borrowers;
  - (d) save to the extent disclosed by the Borrowers to the DIP Lender, the Borrowers have paid, where due, its tax and other obligations, including for payroll, employee source deductions, and *Harmonized Sales Tax*, and is not in arrears in respect of these obligations;
  - (e) the Borrowers maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar business and operating in the same or similar locations; and
  - (f) all factual information provided by or on behalf of the Borrowers to the DIP Lender for the purposes of or in connection with this Amended DIP Term Sheet or any transaction contemplated herein is true and accurate in all material respects on the date as of which such information is dated or certified and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided.

**14. COVENANTS:**

The Borrowers covenant and agree with the DIP Lender, so long as any amounts are outstanding by the Borrowers to the DIP Lender hereunder, to:

- (a) use reasonable efforts to keep the DIP Lender apprised on a timely basis of all material developments with respect to the business and affairs of the Borrowers;

- (b) promptly, upon receipt by the Borrowers of same, give the DIP Lender a copy of any Notice of Motion or Application to vary, supplement, revoke, terminate or discharge the Initial Order, the ARIO or the SARIO, including, without limitation, any application to the Court for the granting of new or additional security that will or may have priority over the DIP Charge, or otherwise for the variation of the priority of the DIP Charge;
- (c) prior to service, provide the DIP Lender with all materials the Borrowers intend to file in the CCAA Proceedings and provide the DIP Lender and its counsel a reasonable amount of time to review same;
- (d) provide the DIP Lender with any additional financial information reasonably requested by the DIP Lender, including any updated Cash Flow Projections;
- (e) use the Advances under the DIP Facility for the purposes for which they are being provided, as set out in Section 3 of this Amended DIP Term Sheet, or such other purposes that may be agreed to by the DIP Lender and the Monitor in writing;
- (f) comply with the provisions of the Initial Order, the ARIO, the SARIO, and any other court order made in the CCAA Proceedings; provided that if any court order in the CCAA Proceedings contravenes this Amended DIP Term Sheet or any other DIP Facility documentation so as to adversely impact the rights or interests of the DIP Lender in a material manner, the same shall be an Event of Default hereunder;
- (g) provide the DIP Lender with prompt written notice of any event that constitutes, or would, with notice, lapse of time, or both, constitute an Event of Default, a breach of any covenant, or other term or condition of this Amended DIP Term Sheet, or of any document executed in connection with this Amended DIP Term Sheet;
- (h) conduct all activities in a manner consistent with the Cash Flow Projections;
- (i) keep and maintain books of account and other accounting records in accordance with generally accepted accounting principles;
- (j) not declare any dividend, or make any other distributions with respect to any shares of the Borrowers without the prior written consent of the DIP Lender and the consent of the Monitor or order of the Court;

- (k) not make any payment to any director, officer, investor or related party (except salary and wages in the normal course) without the prior written consent of the DIP Lender and the Monitor or order of the Court;
- (l) keep the Borrowers' assets fully insured against such perils and in such manner as would be customarily insured by companies owning similar assets; and
- (m) not, without the prior written consent of the DIP Lender and the consent of the Monitor or order of the Court, incur any borrowings or other secured indebtedness, obligations or liabilities, other than the DIP Facility, or create or grant any security (other than the Administration Charge, the DIP Charge and a charge in favour of the directors and officers) over any of its Property, whether ranking in priority to or subordinate to the DIP Charge;
- (n) not sell, transfer, assign, convey or lease any Property unless agreed to by the DIP Lender and consented to by the Monitor or order of the Court; and
- (o) not enter into a Transaction unless all amounts outstanding under this Amended DIP Term Sheet and any other senior-ranking secured debt held by the DIP Lender or its nominees or affiliates at the time such Transaction is entered into (including any such debt acquired from third parties) will be permanently and indefeasibly repaid upon closing of the Transaction, or if the terms of the Transaction have otherwise been approved by the DIP Lender.

**15. INDEMNITY:**

The Borrowers agree to indemnify and hold harmless the DIP Lender and its affiliates and officers, directors, employees, representatives, advisors, solicitors and agents (collectively, the “**Indemnified Persons**”) from and against any and all actions, lawsuits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever that may be incurred by or asserted against or involve any of the Indemnified Persons as a result of, in connection with or in any way related to the DIP Facility, the proposed or actual use of proceeds of the DIP Facility, the Initial DIP Term Sheet, this Amended DIP Term Sheet, the CCAA Proceedings, the Initial Order, the ARIO, the SARIO, or any other agreements entered into between the DIP Lender and the Borrowers with respect to the foregoing. Notwithstanding the foregoing, none of the Borrowers have any obligation to indemnify any Indemnified Person against any such loss, liability cost or expense (a) to the extent that such Indemnified Person is found by a final judgment of a court of competent jurisdiction to arise from their gross negligence, bad faith or wilful misconduct, or (b) to the extent arising from any dispute solely among Indemnified Persons other than any claims arising out of any act or

omission on the part of the Borrowers. The DIP Lender shall not be responsible or liable to the Borrowers or any other person for consequential or punitive damages.

**16. EVENTS OF DEFAULT:** The DIP Facility shall be subject to the following events of default (“**Events of Default**”):

- (a) the Borrowers’ failure to pay any amount due hereunder when due and payable;
- (b) any covenant, Condition Precedent, payment obligation, or other term or condition of this Amended DIP Term Sheet is not complied with or fulfilled to the satisfaction of the DIP Lender, acting reasonably;
- (c) the Borrowers’ failure to conduct all material activities at all material times in accordance with the Cash Flow Projections in force at such time, or any request made by the Borrowers to the DIP Lender to materially revise the Cash Flow Projections that the DIP Lender determines to be unacceptable, in its sole discretion;
- (d) any representation or warranty made by the Borrowers is incorrect or misleading in any material respect when made;
- (e) the seeking or support by the Borrowers of any Court order (in the CCAA Proceedings or otherwise) that is adverse or potentially adverse to the interests of the DIP Lender;
- (f) the issuance of any court order staying, reversing, vacating or modifying the terms of the Initial Order, the ARIO, the SARIO, the DIP Facility or the DIP Charge without the DIP Lender’s consent, which consent may be withheld in the DIP Lender’s sole discretion;
- (g) the service or filing of a notice of appeal, application for leave to appeal, or an appeal in respect of the Initial Order, the ARIO or the SARIO, that is not being diligently contested by the Borrowers, provided that, if the Borrowers are unsuccessful in contesting any such appeal, that shall automatically constitute an Event of Default;
- (h) an event occurs that will, in the opinion of the DIP Lender, acting reasonably, materially impair the Borrowers’ financial condition, operations or ability to perform its obligations under this Amended DIP Term Sheet or any order of the Court;
- (i) failure by the Borrowers to comply with the Initial Order, the ARIO, the SARIO, or any further Order of the Court;

- (j) any material adverse change in: (i) the business, operations, or financial condition of the Borrowers or their affiliates; (ii) the Property of the Borrowers; (iii) the DIP Charge, including its priority; (iv) the ability of the Borrowers to perform their obligations under this Amended DIP Term Sheet or to any person under any material contract; (v) the DIP Lender's ability to enforce any of its rights or remedies against the Property, or for the obligations of the Borrowers to be satisfied from the realization thereof;
- (k) one or more of the Borrowers become bankrupt, or a receiver, interim receiver, receiver and manager, or trustee in bankruptcy is appointed in respect of the Borrowers, or any of their Property;
- (l) the acceptance of any Transaction, or the filing of a motion seeking approval of the Court to accept any such Transaction, unless the total indebtedness owing by the Borrowers under the DIP Facility and any other senior-ranking secured debt held by the DIP Lender or its nominees or affiliates at the time such Transaction is entered into (including any such debt acquired from third parties) is to be permanently and indefeasibly paid in full in cash or other immediately available funds upon completion of the Transaction or if the terms of the Transaction have otherwise been approved by the DIP Lender;
- (m) the filing of any proposal to which the DIP Lender does not consent, which consent cannot be unreasonably withheld; and
- (n) the commencement of any claim, action, proceeding, application, motion, defense or other contested matter (collectively, a "**Claim**") that is not being diligently contested by the Borrowers, the purpose of which is to seek or the result of which would be to obtain any order, judgment, determination, declaration or similar relief: (i) invalidating, setting aside, avoiding, or subordinating the obligations of the Borrowers under the DIP Facility, the DIP Charge or its priority, (ii) for monetary, injunctive or other relief against the DIP Lender or the Property, or (iii) preventing, hindering or otherwise delaying the exercise by the DIP Lender of any of its rights and remedies hereunder, pursuant to the Initial Order, the ARIO or under applicable law, or the enforcement or realization by the DIP Lender against any of its collateral, provided that if the Borrowers are unsuccessful in contesting any such Claim, that shall automatically constitute an Event of Default.

## 17. REMEDIES AND ENFORCEMENT

Upon the occurrence of an Event of Default, the DIP Lender may, in its sole discretion, by way of written notice to the Borrowers, elect to terminate the DIP Facility and accelerate all amounts outstanding under the DIP Facility. In addition, upon the occurrence of an Event of



Default, the DIP Lender may, upon providing four business days' written notice to the Applicants and the Monitor, in accordance with the Initial Order, the ARIO or the SARIO:

- (a) apply to the Court for the appointment of a receiver, an interim receiver or a receiver and manager over the Property, or for the appointment of a trustee in bankruptcy of the Borrowers;
- (b) apply to the Court to be allowed to exercise the rights and powers of a secured lender pursuant to the *Personal Property Security Act* (Ontario), or any legislation of similar effect; and
- (c) exercise all such other rights and remedies available to the DIP Lender under this Amended DIP Term Sheet, the Initial Order, the ARIO, the SARIO any other order of the Court or applicable law.

No failure or delay on the part of the DIP Lender in exercising any of its rights and remedies shall be deemed to be a waiver of any kind.

**18. DIP LENDER APPROVALS**

Any consent, approval, instruction or other expression of the DIP Lender to be delivered in writing may be delivered by any written instrument, including by way of electronic mail, by the DIP Lender, or its counsel, pursuant to the terms hereof.

**19. MONITOR**

The monitor of the Borrowers shall be FTI Consulting Canada Inc.

**20. LEGAL FEES**

The Borrowers shall be responsible for all of the DIP Lender's reasonable legal fees incurred in respect of the DIP Facility on a full indemnity basis.

**21. FURTHER ASSURANCES**

The Borrowers will, at their own expense and promptly on demand by the DIP Lender at any time, do such acts and things and execute and deliver such documents as the DIP Lender may reasonably request to give effect to any other provisions set out hereunder.

**22. ENTIRE AGREEMENT; CONFLICT**

This Amended DIP Term Sheet constitutes the entire agreement between the parties relating to the subject matter hereof. To the extent that there is any inconsistency between this Amended DIP Term Sheet and any of the other documentation that the DIP Lender requires the Borrowers to execute, this Amended DIP Term Sheet shall govern.

**23. WAIVERS**

No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder will operate as a waiver hereof or thereof unless made in writing by the DIP Lender and delivered in accordance with the terms of this Amended DIP Term Sheet, and then such waiver shall be effective only in the specific instance and for the specific purpose given.

**24. SEVERABILITY**

Any provision in this Amended DIP Term Sheet, which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without

invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

**25. ASSIGNMENT**

The Borrowers shall not assign this Amended DIP Term Sheet or any of the provisions set out herein without the prior written consent of the DIP Lender, which consent may be unreasonably withheld. The DIP Lender may assign or sell its rights or obligations with respect to this Amended DIP Term Sheet to any person without the prior written consent of the Borrowers.

**26. GOVERNING LAW**

The DIP Facility and the provisions set out herein shall be governed and construed in all respects in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

**27. COUNTERPARTS**

This Amended DIP Term Sheet may be executed in any number of counterparts and by facsimile or other electronic transmission, each of which when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute one and the same instrument.

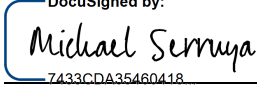
**28. ACCEPTANCE**

The Borrowers agree that the DIP Lender's services are rendered at the time this Amended DIP Term Sheet is both accepted by the Borrowers and approved by the Court. Notwithstanding the foregoing, the Fee shall be payable by the Borrowers to the DIP Lender if this Amended DIP Term Sheet is not approved by the Court.

If the terms and conditions set out herein are satisfactory and the Borrowers are prepared to seek Court approval of same, kindly acknowledge acceptance by initialling each page and signing below.

This Amended DIP Term Sheet will be open for acceptance by the Borrowers until 5:00 p.m. (Eastern Time) on January 23, 2024.

**ONE PLANT (RETAIL) CORP.**

DocuSigned by:  
  
Per: \_\_\_\_\_ c/s  
Name: Michael Serruya  
Title: CEO

I have the authority to bind the Corporation.

**BORROWERS' ACKNOWLEDGMENT AND ACCEPTANCE:**


The undersigned hereby acknowledge that they have been advised by the DIP Lender to seek legal advice with respect to this Amended DIP Term Sheet and have done so prior to signing this Amended DIP Term Sheet.

The undersigned hereby accepts and agreed to be bound by the terms and conditions of this Amended DIP Term Sheet, expressly subject to Court approval of same.

Dated this 25<sup>th</sup> day of January, 2024.

**BORROWERS:**

**TREES CORPORATION**

Per:   
Name: Jeffrey Holmgren  
Title: President and Chief Financial Officer

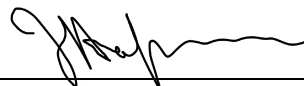
I have the authority to bind the Corporation.

**OCH ONTARIO CONSULTING CORP.**

Per:   
Name: Jeffrey Holmgren  
Title: President and Chief Financial Officer

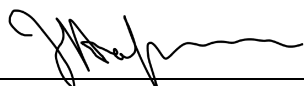
I have the authority to bind the Corporation.

**2707461 ONTARIO LTD.**

Per:   
Name: Jeffrey Holmgren  
Title: President

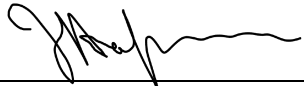
I have the authority to bind the Corporation.

**11819496 CANADA INC.**

Per:   
Name: Jeffrey Holmgren  
Title: President

I have the authority to bind the Corporation.

**ONTARIO CANNABIS HOLDINGS CORP.**

Per:   
Name: Jeffrey Holmgren  
Title: President and Chief Financial Officer

I have the authority to bind the Corporation.

**MIRACULO INC.**

Per:   
Name: Jeffrey Holmgren  
Title: Chief Financial Officer

I have the authority to bind the Corporation.

**Schedule "A"  
Cash Flow Forecast**

(attached).

This is **Exhibit “B”** referred to in the  
Affidavit of Jeffrey Holmgren sworn by Jeffrey Holmgren in  
the City of Madrid, in Province  
of Madrid of the Country of Spain, before me at  
the City of Vaughan, in the Province of Ontario, in the  
Country of Canada, this 23<sup>rd</sup> day  
of January, 2024 in accordance with *O. Reg. 431/20*,  
Administering Oath or Declaration Remotely.

Rudrakshi Chakrabarti

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A Commissioner for taking affidavits

**RUDRAKSHI CHAKRABARTI**

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

THE HONOURABLE CHIEF	)	TUESDAY, THE 2ND
	)	
JUSTICE MORAWETZ	)	DAY OF JANUARY, 2024

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF **TREES CORPORATION, ONTARIO  
CANNABIS HOLDINGS CORP., MIRACULO INC., 2707461  
ONTARIO LTD., OCH ONTARIO CONSULTING CORP.,  
AND 11819496 CANADA INC.** (collectively, the “**Applicants**”)

**AMENDED AND RESTATED INITIAL ORDER**

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day by way of judicial video conference in Toronto, Ontario by Zoom videoconference.

ON READING the affidavit of Jeffrey Holmgren sworn December 21, 2023, and the Exhibits thereto (the “**Initial Holmgren Affidavit**”), the affidavit of Jeffrey Holmgren sworn December 29, 2023 (the “**Second Holmgren Affidavit**” and, together with the Initial Holmgren Affidavit, the “**Holmgren Affidavits**”) the Pre-Filing Report of Ernst & Young Inc. dated December 21, 2023 (the “**Pre-Filing Report**”), the First Report of Ernst & Young Inc. dated December 29, 2023, and on being advised that the secured creditors who are likely affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, counsel for Ernst & Young Inc. and those other parties listed on the Participant Information Form, no one else appearing although duly served as appears from the Affidavits of



Service, and on reading the consent of FTI Consulting Canada Inc. to act as the monitor (the “**Monitor**”);

## **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record of the Applicants dated December 29, 2023, is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used herein that are not otherwise defined shall have the meaning ascribed to them in the Holmgren Affidavits.

## **APPLICATION**

3. **THIS COURT ORDERS** that each of the Applicants is a company to which the CCAA applies.

## **PLAN OF ARRANGEMENT**

4. **THIS COURT ORDERS** that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

## **POSSESSION OF PROPERTY AND OPERATIONS**

5. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of the Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property. The Applicants are authorized and empowered to continue to retain and employ their employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the cash management system currently in place as described in the Initial Holmgren Affidavit or replace it with another substantially similar central cash management system (the "**Cash Management System**"), and that any present or future bank or financial institution providing the Cash Management System: (a) shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, (b) shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and (c) shall be, solely in its capacity as provider of the Cash Management System only, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System on or after the date of this Order.

7. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee benefits (including, without limitation, employee medical, dental, vision, insurance and similar benefit plans or arrangements), reasonable amounts owing under corporate credit cards issued to management and employees of the Applicants, vacation pay and reasonable employee and director expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing practices, compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants prior to or after the commencement of these proceedings, at their standard rates and charges; and
- (c) with the consent of the Monitor, any taxes, duties or other payments required for goods or services actually provided to the Applicants prior to the date of this Order by third parties up to the maximum amount of \$50,000 if, in the opinion of the

Applicants, such third party is critical to the Business and ongoing operations of the Applicants.

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on their Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

9. **THIS COURT ORDERS** that the Applicants shall, in accordance with legal requirements, remit or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority that are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured

creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

10. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the relevant Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the relevant Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, in accordance with the terms of the applicable lease agreement. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

11. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

## **RESTRUCTURING**

12. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their business or operations, and to dispose of redundant or non-material assets not exceeding \$150,000 in any one transaction or \$1,000,000 in the aggregate, in each case with the consent of the Monitor;
- (b) terminate the employment of their employees or temporarily lay off their employees as the Applicants deem appropriate; and

- (c) pursue all restructuring options for the Applicants including, without limitation, all avenues of refinancing of their Business or Property, in whole or in part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

13. **THIS COURT ORDERS** that the relevant Applicant shall provide each of the relevant landlords with notice of the relevant Applicant’s intention to remove any fixtures from any leased premises at least seven (7) calendar days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the relevant Applicant’s entitlement to remove any such fixture under the provisions of the applicable lease agreement, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the relevant Applicant, or by further Order of the Court upon application by the relevant Applicant on at least two (2) calendar days notice to such landlord and any such secured creditors. If the relevant Applicant disclaims the lease governing such leased premises in accordance with section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the relevant Applicant’s claim to the fixtures in dispute.

14. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to section 32 of the CCAA, then: (a) during the notice period prior to the effective time of the disclaimer, the relevant landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the relevant Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the relevant Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

## **NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY**

15. **THIS COURT ORDERS** that until and including February 29, 2024, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in or out of any court or tribunal or other forum (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting their Business or their Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting their Business or their Property are hereby stayed and suspended pending further Order of this Court.

## **NO EXERCISE OF RIGHTS OR REMEDIES**

16. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicants or the Monitor, or affecting their Business or their Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall:

- (a) empower the Applicants to carry on any business that the Applicants are not lawfully entitled to carry on;
- (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA;
- (c) prevent the filing of any registration to preserve or perfect a security interest; or
- (d) prevent the registration of a claim for lien.

## **NO INTERFERENCE WITH RIGHTS**

17. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

## **CONTINUATION OF SERVICES**

18. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of the Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

## **NON-DEROGATION OF RIGHTS**

19. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

## **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

20. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such

obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

### **DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**

21. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

22. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$100,000, as security for the indemnity provided in paragraph 21 of this Order.

23. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and hereby granted a further charge (the "**Subsequent Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$383,000, as security for the indemnity provided in paragraph 21 of this Order. The Directors' Charge and the Subsequent Directors' Charge shall have the priorities set out in paragraphs 41 and 43 herein.

24. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 21 of this Order.

### **APPOINTMENT OF MONITOR**

25. **THIS COURT ORDERS** that FTI Consulting Canada Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the



Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

26. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to the Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicants, to the extent required by the Applicants, in its dissemination to the DIP Lender (defined below) and its counsel on a monthly basis of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the Applicants in the preparation of the Applicants' cash flow statements and reporting required by the DIP Lender pursuant to the DIP Term Sheet, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than on a monthly basis, or as otherwise agreed to by the DIP Lender;
- (e) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the

Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;

- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

27. **THIS COURT ORDERS** that the Monitor shall not occupy or take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of (or be deemed to take Possession of), or exercise (or be deemed to have exercised) any rights of control over any activities in respect of, the Property, or any assets, properties or undertakings of any of the Applicants, or the direct or indirect subsidiaries or affiliates of any of the Applicants, including but not limited to any activities for which a permit or license is issued or required pursuant to any provision of any federal, provincial or other law respecting, among other things, the manufacturing, possession, processing, retail sale and distributing of cannabis or cannabis products including, without limitation, under the *Cannabis Act*, S.C. 2018, c. 16, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, the *Excise Tax Act*, R.S.C. 1985, c. E. 15, *Excise Act*, 2001, S.C. 2002, c.22 the *British Columbia Cannabis Control and Licensing Act*, S.B.C. 2018, c. 29, the *British Columbia Cannabis Distribution Act*, S.B.C. 2018, c. 28, the *Ontario Cannabis Control Act*, 2017 S.O. 2017, c. 26, Sched. 1, *Ontario Cannabis Retail Corporation Act*, 2017 S.O. 2017, c. 26, the *Cannabis License Act*, 2018, S.O. 2018, c. 12, or other such applicable federal or provincial legislation, and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

28. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or take Possession of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release

or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

29. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

30. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of the Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements (including pre-filing fees and disbursements), in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a bi-weekly basis and, in addition, the Applicants are hereby authorized to pay to the Monitor and counsel to

the Applicants, retainers in the amounts of \$25,000 each, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

32. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

33. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$100,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings.

34. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a further charge (the "**Subsequent Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$400,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge and the Subsequent Administration Charge shall have the priorities set out in paragraphs 41 and 43 hereof.

## **DIP FINANCING**

35. **THIS COURT ORDERS** that Trees Corporation, OCH Ontario Consulting Corp., 2707461 Ontario Ltd., 11819496 Canada Inc., Ontario Cannabis Holdings Corp. and Miraculo Inc. (collectively, the "**Borrowers**") are hereby authorized and empowered to obtain and borrow under a credit facility from One Plant Retail Corp. (the "**DIP Lender**") in order to finance the Borrowers' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$800,000 (the "**DIP Facility**"), unless permitted by further Order of this Court.

36. **THIS COURT ORDERS** that the DIP Facility shall be on the terms and subject to the conditions set forth in the DIP Term Sheet between the Borrowers and the DIP Lender dated as

of December 21, 2023 (the "**DIP Term Sheet**"), filed, except that there shall be no commitment fee payable by the Applicants to the DIP Lender, the interest rate of the DIP Facility shall be at the rate of 0.0% interest per annum, and section 9(c) of the DIP Term Sheet shall be rendered inoperative and deleted from the DIP Term Sheet.

37. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Borrowers are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

38. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 41 and 43 hereof.

39. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the DIP Term Sheet or the Definitive Documents, the DIP Lender, upon four business days' written notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Term Sheet, the Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Term Sheet, the Definitive Documents or the DIP

Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

40. **THIS COURT ORDERS** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), with respect to any advances made under the DIP Term Sheet or the Definitive Documents.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

41. **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Subsequent Directors' Charge, the Administration Charge, the Subsequent Administration Charge and the DIP Lender's Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$100,000);

Second – DIP Lender's Charge (to the maximum amount of \$1,100,000);

Third – Directors' Charge (to the maximum amount of \$100,000);

Fourth – Subsequent Administration Charge (to the maximum amount of \$400,000); and

Fifth – Subsequent Directors' Charge (to the maximum amount of \$383,000).

42. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

43. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person provided that the Subsequent Directors' Charge and the Subsequent Administration Charge shall rank subsequent to the security interests of One Plant Retail Corp. (in its capacity as existing secured creditor of the Applicants and not as the DIP Lender), CJ Marketing Ltd. and Arthur Minh Tri Nguyen-Cao.

44. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Charges affected thereby (collectively, the "**Chargees**"), or further Order of this Court.

45. **THIS COURT ORDERS** that the Charges, the DIP Term Sheet, and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees, including the DIP Lender, shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") that binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into

the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

- (c) the payments made by the Applicants pursuant to this Order, the DIP Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

46. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

### **SERVICE AND NOTICE**

47. **THIS COURT ORDERS** that the Monitor shall, to the extent not already completed by Ernst & Young Inc.: (i) without delay, publish in the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

48. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at: <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* and paragraph 7 of the Guide, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide.



49. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

50. **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the "**Service List**"). The Monitor shall post the Service List, as may be updated from time to time, on the case website as part of the public materials in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

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

#### **GENERAL**

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

53. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

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

55. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

56. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

57. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.



---

Chief Justice Geoffrey B. Morawetz

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF **TREES CORPORATION, ONTARIO CANNABIS HOLDINGS CORP., MIRACULO INC., 2707461 ONTARIO LTD., OCH ONTARIO CONSULTING CORP., AND 11819496 CANADA INC.**

Court File No.: CV-23-00711935-00CL

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

**AMENDED AND RESTATED INITIAL  
ORDER**

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

**Robert I. Thornton** (LSO# 24266B)  
Email: [rthornton@tgf.ca](mailto:rthornton@tgf.ca)

**Mitchell W. Grossell** (LSO# 69993I)  
Email: [mgrossell@tgf.ca](mailto:mgrossell@tgf.ca)

**Derek Harland** (LSO# 79504N)  
Email: [धारलंद@tgf.ca](mailto:धारलंद@tgf.ca)

**Rudrakshi Chakrabarti** (LSO# 86868U)  
Email: [rchakrabarti@tgf.ca](mailto:rchakrabarti@tgf.ca)

Tel: 416-304-1616  
Fax: 416-304-1313

Lawyers for the Applicants

This is **Exhibit “C”** referred to in the  
Affidavit of Jeffrey Holmgren sworn by Jeffrey Holmgren in  
the City of Madrid, in Province  
of Madrid of the Country of Spain, before me at  
the City of Vaughan, in the Province of Ontario, in the  
Country of Canada, this 23<sup>rd</sup> day  
of January, 2024 in accordance with *O. Reg. 431/20*,  
Administering Oath or Declaration Remotely.

Rudrakshi Chakrabarti

A Commissioner for taking affidavits

**RUDRAKSHI CHAKRABARTI**

## ASSIGNMENT AGREEMENT

Reference is made to (i) the secured convertible debentures set forth on Exhibit “B” hereto (as each may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof, collectively, the “**Debentures**”) made by Trees Corporation (the “**Debtor**”) in favour of PMH Investco Ltd. (“**PMH**”), Minerva Investments Ltd. (“**Minerva**”), 606093 Saskatchewan Ltd. (“**606**”) and Echo Capital Growth Corporation (“**Echo**” and together with PMH, Minerva and 606, collectively, the “**Lenders**”), respectively; (ii) the intercreditor agreement dated as of October 2021 and the accession agreements made by the Debtor and each of the Lenders, respectively, as set forth on Exhibit “C” hereto (collectively, the “**Intercreditor Agreement**”); (iii) the general security agreements made by the Debtor in favour of each of the Lenders, respectively, as set forth on Exhibit “D” hereto (as each may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof, collectively, the “**Security Agreements**”); and (iv) the certificates set forth on Exhibit “E” hereto, each issued by the Debtor in connection with the Debentures (collectively, the “**Certificates**” and together with the Debentures, the Intercreditor Agreement and the Security Agreements, collectively, the “**Assigned Documents**”).

1. Each of the Lenders (collectively, the “**Assignor**”), One Plant Retail Corp. (the “**Assignee**”) and the Debtor agree as follows:
  - (a) The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor (collectively, the “**Assigned Assets**”):
    - (i) a 100% interest in and to all of the Assignor’s rights and obligations under the Debentures, the Intercreditor Agreement and the Certificates, respectively, all as of the Effective Date (as defined below); and
    - (ii) a 100% interest in and to all of the Assignor’s rights and obligations under the Security Agreements and each of the liens granted in favour of the Assignor in connection therewith as being secured thereby (collectively, the “**Liens**”) including, without limitation, each of the Liens set forth on Exhibit “F” attached hereto.

The Assignor and the Assignee hereby agree that the purchase price for the sale and assignment of the Assigned Assets shall be \$515,000 (the “**Purchase Price**”). The Purchase Price shall be paid by the Assignee in accordance with Exhibit “A” attached hereto.

- (b) The Assignor covenants and agrees with the Assignee that on and following the Effective Date, the Assignor shall (i) appear on the motion in the proceedings commenced by, among others, the Debtor under the *Companies’ Creditors Arrangement Act* before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for an amended and restated initial order (the “**ARIO**”), which, among other things, approves the debtor-in-possession financing proposal of the Assignee and related relief sought by, among others, the Debtor (the “**DIP Proposal**”); (ii) inform Ernst & Young Inc., in its capacity as the court-appointed monitor of, among others, the Debtor, and the Court that it supports the granting of

the ARIO, including the DIP Proposal; and (iii) not take any action that is inconsistent with its obligations under this Assignment.

- (c) The Assignor (i) represents and warrants that as of the date hereof the Debtor owes the Assignor the aggregate sum of \$515,000 under the Debentures (comprised of \$479,677 of principal and accrued and unpaid interest, and \$35,323 in respect of legal fees); (ii) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Debtor or the performance or observance by the Debtor of any of its obligations under the Assigned Documents or any other instrument or document furnished pursuant thereto; (iv) gives notice to the Debtor of the assignment to the Assignee hereunder; (v) represents and warrants that it has full power and authority, and has taken all necessary action, to execute and deliver this Assignment and to consummate the transactions contemplated hereby; (vi) represents and warrants that it has not consented in writing to any specific transaction involving the acquisition of all or substantially all of the business or assets of the Debtor; (vii) represents and warrants that, to the knowledge of the Assignor, no person has challenged, contested or brought into question the validity, priority, perfection or enforceability of the Assigned Documents, the Liens or the amounts owed under the Debentures as set forth in this Assignment; (viii) represents and warrants that it has provided the Assignee with true and complete copies of all the Assigned Documents; (ix) covenants and agrees that, upon and after the Effective Date (as defined herein), if Assignor receives any payments of principal, interest or other amounts from the Debtor or any other party on behalf of the Debtor in respect of the Assigned Assets, it will hold such money in trust for the Assignee and immediately remit such monies to the Assignee; and (x) represents and warrants that it has not made any agreement whereby any of the Assigned Documents or the Liens have been assigned, sold, transferred limited, encumbered, released, forbear, postponed, subordinated, discharged, amended, compromised or assigned, impaired or alienated, in whole or in part, except as evidenced in the Assigned Documents.
- (d) The effective date of this Assignment (the “**Effective Date**”) shall be the date on which a copy of a fully executed copy of this Assignment has been delivered to the Debtor, the Assignor, the Assignee and the Assignor has received payment of the Purchase Price which has been made in accordance with paragraph 1(a) of this Assignment.
- (e) The Assignee: (i) represents and warrants to the Assignor that this Assignment constitutes a legal, valid, binding obligation on its part which is enforceable by each such other party against the Assignee in accordance with its terms; and (ii) represents and warrants that the Assignee has relied on its own diligence and has satisfied itself with respect to all things relating to the Assigned Assets, except for the Assignor’s representations and warranties contained in paragraph 1(b) of this Assignment. The Assignor represents and warrants to the Assignee that this Assignment constitutes a legal, valid, binding obligation on its part which is

enforceable by each such other party against the Assignor in accordance with its terms.

- (f) The Debtor represents and warrants to the Assignor that this Assignment constitutes a legal, valid, binding obligation on its part which is enforceable by each such other party against the Debtor in accordance with its terms.
  - (g) As of the Effective Date (i) the Assignee shall, in addition to any rights and obligations under the Assigned Documents held by it immediately prior to the Effective Date, have the rights and obligations under the Assigned Documents that have been assigned to it pursuant to this Assignment and (ii) the Assignor shall, to the extent provided in this Assignment, relinquish its rights and be released from its obligations under the Assigned Documents.
  - (h) The Assignee hereby agrees that (i) the sale and assignment of Assignor's right, title, estate and interest in and to the Assigned Assets are and shall be without recourse to Assignor; (ii) except for Assignor's express representations and warranties contained in paragraph 1(c) of this Assignment, Assignor makes no representation, warranty or condition, either express or implied, of any kind whatsoever in respect of the Assigned Assets or any other matter whatsoever; (iii) except for Assignor's express representations and warranties contained in paragraph 1(c) of this Assignment, Assignor is assigning and the Assignee is accepting the Assigned Assets on an "as is, where is" basis as they exist on the Effective Date. The Assignee releases and forever discharges the Assignor of and from any and all obligations and losses and expenses arising under or by reason of the Assigned Documents, including, but not limited to, the Liens, such release to take effect immediately upon the Effective Date.
2. The Assignor and Assignee shall make all appropriate adjustments in payments under the Debentures for periods prior to the Effective Date directly between themselves.
  3. Time is of the essence of each provision of this Assignment.
  4. This Assignment shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.
  5. This Assignment may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same agreement, and it shall not be necessary in making proof of this Assignment to produce or account for more than one such counterpart. Transmission of a copy of an executed signature page of this Assignment by facsimile transmission or e-mail in portable document format (PDF) by parties hereto, shall be as effective as delivery of an original manually executed counterpart hereof to each other party hereto.

*[Remainder of Page Intentionally Left Blank]*

**PMH INVESTCO LTD., as Assignor**

By:   
Name: Matt Hill  
Title: Authorized Signatory

By: \_\_\_\_\_  
Name:  
Title:

**MINERVA INVESTMENTS LTD., as Assignor**

By:   
Name: Matt Hill  
Title: Authorized Signatory

By: \_\_\_\_\_  
Name:  
Title:

**606093 SASKATCHEWAN LTD., as Assignor**

By:   
Name: Matt Hill  
Title: Authorized Signatory

By: \_\_\_\_\_  
Name:  
Title:

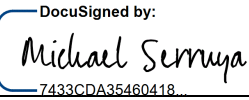


**ECHO CAPITAL GROWTH CORPORATION, as Assignor**

By:   
Name: Matt Hill  
Title: Authorized Signatory

By: \_\_\_\_\_  
Name:  
Title:

**ONE PLANT RETAIL CORP., as Assignee**

By:   
Name: Michael Serruya  
Title: CEO

**TREES CORPORATION, as Debtor**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**ECHO CAPITAL GROWTH CORPORATION, as Assignor**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**ONE PLANT RETAIL CORP., as Assignee**

By: \_\_\_\_\_  
Name: Michael Serruya  
Title: CEO

**TREES CORPORATION, as Debtor**

By:  \_\_\_\_\_  
Name: Jeff Holmgren  
Title: President & CFO

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT "A"**

**PURCHASE PRICE**

**MLT Aikens LLP Incoming Trust Wire Instructions**

**TD Trust - VANCOUVER**

**Beneficiary:** MLT Aikens LLP

**Address:** Suite 2600, 1066 West Hastings Street, Vancouver, BC V6E 3X1

**Account No.** 0902-5416541

**Bank No.** 004

**Bank Address:** TD Canada Trust  
700 W Georgia St Pacific Centre  
Vancouver BC V7Y 1A2

**ABA:** 026009593

**NOTE:** If you are asked for a five digit transit number please use **94000**.

**SWIFT Code:** TDOMCATTOR

**NOTE:** In the normal course, MLT Aikens LLP will not communicate changes in banking information via email. If you receive a communication indicating these instructions have changed, please contact your lawyer or their legal assistant to confirm that the change is valid.

## **EXHIBIT “B”**

### **DEBENTURES**

1. Subscription agreement for secured convertible debentures dated as October 20, 2021 made by Trees Corporation in favour of PMH Investco Ltd. (the “**PMH Debenture**”).
2. Subscription agreement for secured convertible debentures dated as of October 20, 2021 made by Trees Corporation in favour of Minerva Investments Ltd. (the “**Minerva Debenture**”).
3. Subscription agreement for secured convertible debentures dated as of October 20, 2021 made by Trees Corporation in favour of 606093 Saskatchewan Ltd. (the “**606 Debenture**”).
4. Subscription agreement for secured convertible debentures dated as of October 20, 2021 made by Trees Corporation in favour of Echo Capital Growth Corporation (the “**Echo Debenture**”).

## **EXHIBIT “C”**

### **INTERCREDITOR AGREEMENT**

1. Intercreditor agreement dated as of October 2021 made by Trees Corporation and each holder of Debentures having executed an accession agreement thereto.
2. Accession agreement dated as of November 3, 2021 made by PMH Investco Ltd.
3. Accession agreement dated as of October 20, 2021 made by Minerva Investments Ltd.
4. Accession agreement dated as of November 3, 2021 made by 606093 Saskatchewan Ltd.
5. Accession agreement dated as of October 21, 2021 made by Echo Capital Growth Corporation.

## **EXHIBIT “D”**

### **SECURITY AGREEMENTS**

1. General security agreement dated as of 2021 made by Trees Corporation and attached as Appendix V to the PMH Debenture (as defined in Exhibit B of this Assignment).
2. General security agreement dated as of October 20, 2021 made by Trees Corporation in favour of Minerva Investments Ltd.
3. General security agreement dated as of 2021 made by Trees Corporation and attached as Appendix V to the 606 Debenture (as defined in Exhibit B of this Assignment).
4. General security agreement dated as of October 21, 2021 made by Trees Corporation in favour of Echo Capital Growth Corporation.

**EXHIBIT “E”**  
**CERTIFICATES**

1. Certificate dated as of November 5, 2021 issued by Trees Corporation in connection with the PMH Debenture (as defined in Exhibit B of this Assignment).
2. Certificate dated as of November 5, 2021 issued by Trees Corporation in connection with the Minerva Debenture (as defined in Exhibit B of this Assignment).
3. Certificate dated as of November 5, 2021 issued by Trees Corporation in connection with the 606 Debenture (as defined in Exhibit B of this Assignment).
4. Certificate dated as of November 5, 2021 issued by Trees Corporation in connection with the Echo Debenture (as defined in Exhibit B of this Assignment).

**EXHIBIT “F”****LIENS**

<b>JURISDICTION</b>	<b>DEBTOR NAME</b>	<b>SECURED PARTY NAME(S)</b>	<b>FILE NUMBER/REGISTRATION NUMBERS</b>	<b>EXPIRY DATE</b>
Ontario	TREES CORPORATION	PMH INVESTCO LTD. 606093 SASKATCHEWAN LTD. MINERVA INVESTMENTS LTD. ECHO CAPITAL GROWTH CORPORATION	777604464/ 20211025 1546 1793 4519; as amended by 20211105 1150 1793 5387	October 25, 2024
Alberta	TREES CORPORATION	PMH INVESTCO LTD. 606093 SASKATCHEWAN LTD. MINERVA INVESTMENTS LTD. ECHO CAPITAL GROWTH CORPORATION	21123015395	Infinity
Alberta	TREES CORPORATION	PMH INVESTCO LTD. 606093 SASKATCHEWAN LTD. MINERVA INVESTMENTS LTD. ECHO CAPITAL GROWTH CORPORATION	21102526578; as amended by 21102533582; as amended by 21110512175; as amended by 21122926828	October 25, 2024
British Columbia	TREES CORPORATION	PMH INVESTCO LTD. 606093 SASKATCHEWAN LTD. MINERVA INVESTMENTS LTD. ECHO CAPITAL GROWTHCORPORATION	326471N; as amended by 451225N; as amended by 352689N; as amended by 327200N	October 25, 2024





**THIS RECTIFICATION AND AMENDING AGREEMENT** made as of the 9<sup>th</sup> day of January, 2024 (this “**Agreement**”).

AMONG:

**PMH INVESTCO LTD.**

- and -

**MINERVA INVESTMENTS LTD.**

- and -

**606093 SASKATCHEWAN LTD.**

- and -

**ECHO CAPITAL GROWTH CORPORATION**

- and -

**ONE PLANT (RETAIL) CORP. (“One Plant”)**

- and -

**TREES CORPORATION**

**RECITALS:**

**WHEREAS** the parties hereto are each party to the assignment agreement attached hereto as Exhibit “A” (the “**Assignment Agreement**”);

**AND WHEREAS** the Assignment Agreement contains an error in the name of One Plant;

**AND WHEREAS** One Plant executed the Assignment Agreement intending to be bound by the Assignment Agreement as if the Assignment Agreement did not contain such error and the correct entity name had been included in the Assignment Agreement;

**AND WHEREAS** the parties hereto have agreed to execute and deliver this Agreement to rectify the error in the Assignment Agreement and to make a consequential amendment to the Assignment Agreement to ensure that the Assignment Agreement reflects the common intention of the parties thereto at the time they executed the Assignment Agreement;

**NOW THEREFORE**, in consideration of the mutual covenants in this Agreement and of other consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Truth of Recitals.** One Plant acknowledges, confirms and agrees that the recitals to this Agreement are true and correct in substance and in fact.

2. **Rectification and Amendment.** To address any defects or irregularities in the name of a signatory to the Assignment Agreement, and to reflect the intention of the parties thereto at the time the agreement was executed, the Assignment Agreement be and is hereby rectified, and the following amendment to the Assignment Agreement is hereby made to rectify the incorrect reference to “One Plant Retail Corp.”:

- (a) The signatory “One Plant Retail Corp.” is deleted and replaced with “One Plant (Retail) Corp.”

3. **Governing Law.** This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada.

4. **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and to their respective successors and assigns.

5. **Counterpart.** This Agreement may be executed in two or more counterparts, each of which when so executed, shall be deemed to be an original and all such counterparts, taken together, shall constitute one and the same Agreement.

6. **Electronic Execution.** This Agreement may be executed in original or pdf file copy or by other electronic means in one or more counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same Agreement.

*[Remainder of Page Intentionally Left Blank]*

**IN WITNESS WHEREOF** the parties hereto have duly executed this Agreement with effect as and from the date first written above.

**PMH INVESTCO LTD.**

By:   
D5F00AAC4CCB49C...  
Name: Matt Hill  
Title: Authorized Signatory

**MINERVA INVESTMENTS LTD.**

By:   
D5F00AAC4CCB49C...  
Name: Matt Hill  
Title: Authorized Signatory

**606093 SASKATCHEWAN LTD.**

By:   
D5F00AAC4CCB49C...  
Name: Matt Hill  
Title: Authorized Signatory

**ECHO CAPITAL GROWTH CORPORATION**

By:   
D5F00AAC4CCB49C...  
Name: Matt Hill  
Title: Authorized Signatory

**ONE PLANT (RETAIL) CORP.**

By:   
7433CDA35400416...  
Name: Michael Serruya  
Title: CEO

**TREES CORPORATION**

DocuSigned by:

By: \_\_\_\_\_

*Jeff Holmgren*

B485BA4EE39E40B...

Name: Jeff Holmgren

Title: president

**EXHIBIT "A"**  
**ASSIGNMENT AGREEMENT**

## ASSIGNMENT AGREEMENT

Reference is made to (i) the secured convertible debentures set forth on Exhibit “B” hereto (as each may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof, collectively, the “**Debentures**”) made by Trees Corporation (the “**Debtor**”) in favour of PMH Investco Ltd. (“**PMH**”), Minerva Investments Ltd. (“**Minerva**”), 606093 Saskatchewan Ltd. (“**606**”) and Echo Capital Growth Corporation (“**Echo**” and together with PMH, Minerva and 606, collectively, the “**Lenders**”), respectively; (ii) the intercreditor agreement dated as of October 2021 and the accession agreements made by the Debtor and each of the Lenders, respectively, as set forth on Exhibit “C” hereto (collectively, the “**Intercreditor Agreement**”); (iii) the general security agreements made by the Debtor in favour of each of the Lenders, respectively, as set forth on Exhibit “D” hereto (as each may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof, collectively, the “**Security Agreements**”); and (iv) the certificates set forth on Exhibit “E” hereto, each issued by the Debtor in connection with the Debentures (collectively, the “**Certificates**” and together with the Debentures, the Intercreditor Agreement and the Security Agreements, collectively, the “**Assigned Documents**”).

1. Each of the Lenders (collectively, the “**Assignor**”), One Plant Retail Corp. (the “**Assignee**”) and the Debtor agree as follows:
  - (a) The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor (collectively, the “**Assigned Assets**”):
    - (i) a 100% interest in and to all of the Assignor’s rights and obligations under the Debentures, the Intercreditor Agreement and the Certificates, respectively, all as of the Effective Date (as defined below); and
    - (ii) a 100% interest in and to all of the Assignor’s rights and obligations under the Security Agreements and each of the liens granted in favour of the Assignor in connection therewith as being secured thereby (collectively, the “**Liens**”) including, without limitation, each of the Liens set forth on Exhibit “F” attached hereto.

The Assignor and the Assignee hereby agree that the purchase price for the sale and assignment of the Assigned Assets shall be \$515,000 (the “**Purchase Price**”). The Purchase Price shall be paid by the Assignee in accordance with Exhibit “A” attached hereto.

- (b) The Assignor covenants and agrees with the Assignee that on and following the Effective Date, the Assignor shall (i) appear on the motion in the proceedings commenced by, among others, the Debtor under the *Companies’ Creditors Arrangement Act* before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for an amended and restated initial order (the “**ARIO**”), which, among other things, approves the debtor-in-possession financing proposal of the Assignee and related relief sought by, among others, the Debtor (the “**DIP Proposal**”); (ii) inform Ernst & Young Inc., in its capacity as the court-appointed monitor of, among others, the Debtor, and the Court that it supports the granting of



the ARIO, including the DIP Proposal; and (iii) not take any action that is inconsistent with its obligations under this Assignment.

- (c) The Assignor (i) represents and warrants that as of the date hereof the Debtor owes the Assignor the aggregate sum of \$515,000 under the Debentures (comprised of \$479,677 of principal and accrued and unpaid interest, and \$35,323 in respect of legal fees); (ii) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Debtor or the performance or observance by the Debtor of any of its obligations under the Assigned Documents or any other instrument or document furnished pursuant thereto; (iv) gives notice to the Debtor of the assignment to the Assignee hereunder; (v) represents and warrants that it has full power and authority, and has taken all necessary action, to execute and deliver this Assignment and to consummate the transactions contemplated hereby; (vi) represents and warrants that it has not consented in writing to any specific transaction involving the acquisition of all or substantially all of the business or assets of the Debtor; (vii) represents and warrants that, to the knowledge of the Assignor, no person has challenged, contested or brought into question the validity, priority, perfection or enforceability of the Assigned Documents, the Liens or the amounts owed under the Debentures as set forth in this Assignment; (viii) represents and warrants that it has provided the Assignee with true and complete copies of all the Assigned Documents; (ix) covenants and agrees that, upon and after the Effective Date (as defined herein), if Assignor receives any payments of principal, interest or other amounts from the Debtor or any other party on behalf of the Debtor in respect of the Assigned Assets, it will hold such money in trust for the Assignee and immediately remit such monies to the Assignee; and (x) represents and warrants that it has not made any agreement whereby any of the Assigned Documents or the Liens have been assigned, sold, transferred limited, encumbered, released, forbear, postponed, subordinated, discharged, amended, compromised or assigned, impaired or alienated, in whole or in part, except as evidenced in the Assigned Documents.
- (d) The effective date of this Assignment (the “**Effective Date**”) shall be the date on which a copy of a fully executed copy of this Assignment has been delivered to the Debtor, the Assignor, the Assignee and the Assignor has received payment of the Purchase Price which has been made in accordance with paragraph 1(a) of this Assignment.
- (e) The Assignee: (i) represents and warrants to the Assignor that this Assignment constitutes a legal, valid, binding obligation on its part which is enforceable by each such other party against the Assignee in accordance with its terms; and (ii) represents and warrants that the Assignee has relied on its own diligence and has satisfied itself with respect to all things relating to the Assigned Assets, except for the Assignor’s representations and warranties contained in paragraph 1(b) of this Assignment. The Assignor represents and warrants to the Assignee that this Assignment constitutes a legal, valid, binding obligation on its part which is



enforceable by each such other party against the Assignor in accordance with its terms.

- (f) The Debtor represents and warrants to the Assignor that this Assignment constitutes a legal, valid, binding obligation on its part which is enforceable by each such other party against the Debtor in accordance with its terms.
  - (g) As of the Effective Date (i) the Assignee shall, in addition to any rights and obligations under the Assigned Documents held by it immediately prior to the Effective Date, have the rights and obligations under the Assigned Documents that have been assigned to it pursuant to this Assignment and (ii) the Assignor shall, to the extent provided in this Assignment, relinquish its rights and be released from its obligations under the Assigned Documents.
  - (h) The Assignee hereby agrees that (i) the sale and assignment of Assignor's right, title, estate and interest in and to the Assigned Assets are and shall be without recourse to Assignor; (ii) except for Assignor's express representations and warranties contained in paragraph 1(c) of this Assignment, Assignor makes no representation, warranty or condition, either express or implied, of any kind whatsoever in respect of the Assigned Assets or any other matter whatsoever; (iii) except for Assignor's express representations and warranties contained in paragraph 1(c) of this Assignment, Assignor is assigning and the Assignee is accepting the Assigned Assets on an "as is, where is" basis as they exist on the Effective Date. The Assignee releases and forever discharges the Assignor of and from any and all obligations and losses and expenses arising under or by reason of the Assigned Documents, including, but not limited to, the Liens, such release to take effect immediately upon the Effective Date.
2. The Assignor and Assignee shall make all appropriate adjustments in payments under the Debentures for periods prior to the Effective Date directly between themselves.
  3. Time is of the essence of each provision of this Assignment.
  4. This Assignment shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.
  5. This Assignment may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same agreement, and it shall not be necessary in making proof of this Assignment to produce or account for more than one such counterpart. Transmission of a copy of an executed signature page of this Assignment by facsimile transmission or e-mail in portable document format (PDF) by parties hereto, shall be as effective as delivery of an original manually executed counterpart hereof to each other party hereto.

*[Remainder of Page Intentionally Left Blank]*

**PMH INVESTCO LTD., as Assignor**

By:   
Name: Matt Hill  
Title: Authorized Signatory

By: \_\_\_\_\_  
Name:  
Title:

**MINERVA INVESTMENTS LTD., as Assignor**

By:   
Name: Matt Hill  
Title: Authorized Signatory

By: \_\_\_\_\_  
Name:  
Title:

**606093 SASKATCHEWAN LTD., as Assignor**

By:   
Name: Matt Hill  
Title: Authorized Signatory

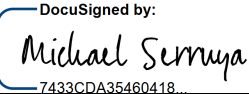
By: \_\_\_\_\_  
Name:  
Title:

**ECHO CAPITAL GROWTH CORPORATION, as Assignor**

By:   
Name: Matt Hill  
Title: Authorized Signatory

By: \_\_\_\_\_  
Name:  
Title:

**ONE PLANT RETAIL CORP., as Assignee**

By:   
Name: Michael Serruya  
Title: CEO

**TREES CORPORATION, as Debtor**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**ECHO CAPITAL GROWTH CORPORATION, as Assignor**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**ONE PLANT RETAIL CORP., as Assignee**

By: \_\_\_\_\_  
Name: Michael Serruya  
Title: CEO

**TREES CORPORATION, as Debtor**

By:  \_\_\_\_\_  
Name: Jeff Holmgren  
Title: President & CFO

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT "A"**

**PURCHASE PRICE**

**MLT Aikens LLP Incoming Trust Wire Instructions**

**TD Trust - VANCOUVER**

**Beneficiary:** MLT Aikens LLP

**Address:** Suite 2600, 1066 West Hastings Street, Vancouver, BC V6E 3X1

**Account No.** 0902-5416541

**Bank No.** 004

**Bank Address:** TD Canada Trust  
700 W Georgia St Pacific Centre  
Vancouver BC V7Y 1A2

**ABA:** 026009593

**NOTE:** If you are asked for a five digit transit number please use **94000**.

**SWIFT Code:** TDOMCATTOR

**NOTE:** In the normal course, MLT Aikens LLP will not communicate changes in banking information via email. If you receive a communication indicating these instructions have changed, please contact your lawyer or their legal assistant to confirm that the change is valid.

**EXHIBIT “B”**

**DEBENTURES**

1. Subscription agreement for secured convertible debentures dated as October 20, 2021 made by Trees Corporation in favour of PMH Investco Ltd. (the “**PMH Debenture**”).
2. Subscription agreement for secured convertible debentures dated as of October 20, 2021 made by Trees Corporation in favour of Minerva Investments Ltd. (the “**Minerva Debenture**”).
3. Subscription agreement for secured convertible debentures dated as of October 20, 2021 made by Trees Corporation in favour of 606093 Saskatchewan Ltd. (the “**606 Debenture**”).
4. Subscription agreement for secured convertible debentures dated as of October 20, 2021 made by Trees Corporation in favour of Echo Capital Growth Corporation (the “**Echo Debenture**”).

**EXHIBIT “C”**

**INTERCREDITOR AGREEMENT**

1. Intercreditor agreement dated as of October 2021 made by Trees Corporation and each holder of Debentures having executed an accession agreement thereto.
2. Accession agreement dated as of November 3, 2021 made by PMH Investco Ltd.
3. Accession agreement dated as of October 20, 2021 made by Minerva Investments Ltd.
4. Accession agreement dated as of November 3, 2021 made by 606093 Saskatchewan Ltd.
5. Accession agreement dated as of October 21, 2021 made by Echo Capital Growth Corporation.

**EXHIBIT “D”**

**SECURITY AGREEMENTS**

1. General security agreement dated as of 2021 made by Trees Corporation and attached as Appendix V to the PMH Debenture (as defined in Exhibit B of this Assignment).
2. General security agreement dated as of October 20, 2021 made by Trees Corporation in favour of Minerva Investments Ltd.
3. General security agreement dated as of 2021 made by Trees Corporation and attached as Appendix V to the 606 Debenture (as defined in Exhibit B of this Assignment).
4. General security agreement dated as of October 21, 2021 made by Trees Corporation in favour of Echo Capital Growth Corporation.



**EXHIBIT “E”**  
**CERTIFICATES**

1. Certificate dated as of November 5, 2021 issued by Trees Corporation in connection with the PMH Debenture (as defined in Exhibit B of this Assignment).
2. Certificate dated as of November 5, 2021 issued by Trees Corporation in connection with the Minerva Debenture (as defined in Exhibit B of this Assignment).
3. Certificate dated as of November 5, 2021 issued by Trees Corporation in connection with the 606 Debenture (as defined in Exhibit B of this Assignment).
4. Certificate dated as of November 5, 2021 issued by Trees Corporation in connection with the Echo Debenture (as defined in Exhibit B of this Assignment).

**EXHIBIT “F”****LIENS**

<b>JURISDICTION</b>	<b>DEBTOR NAME</b>	<b>SECURED PARTY NAME(S)</b>	<b>FILE NUMBER/REGISTRATION NUMBERS</b>	<b>EXPIRY DATE</b>
Ontario	TREES CORPORATION	PMH INVESTCO LTD. 606093 SASKATCHEWAN LTD. MINERVA INVESTMENTS LTD. ECHO CAPITAL GROWTH CORPORATION	777604464/ 20211025 1546 1793 4519; as amended by 20211105 1150 1793 5387	October 25, 2024
Alberta	TREES CORPORATION	PMH INVESTCO LTD. 606093 SASKATCHEWAN LTD. MINERVA INVESTMENTS LTD. ECHO CAPITAL GROWTH CORPORATION	21123015395	Infinity
Alberta	TREES CORPORATION	PMH INVESTCO LTD. 606093 SASKATCHEWAN LTD. MINERVA INVESTMENTS LTD. ECHO CAPITAL GROWTH CORPORATION	21102526578; as amended by 21102533582; as amended by 21110512175; as amended by 21122926828	October 25, 2024
British Columbia	TREES CORPORATION	PMH INVESTCO LTD. 606093 SASKATCHEWAN LTD. MINERVA INVESTMENTS LTD. ECHO CAPITAL GROWTHCORPORATION	326471N; as amended by 451225N; as amended by 352689N; as amended by 327200N	October 25, 2024

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Chkf cwk'qh'Lghg{"J qm i tgp"uy qtp"d{"Lghg{"J qm i tgp"p"  
y g'Ekv{"qh'O cf tkf .k'p"Rtqkpeg"  
qh'O cf tkf "qh'y g'Eqwvt {"qh'Ur ckp."dghgtg'o g"cv"  
y g'Ekv{"qh'Xcw j cp."k'p"y g'Rtqkpeg"qh'Qpvtkq."k'p"y g"  
Eqwvt {"qh'Ecpfc c."y ku'43<sup>rd</sup>"fc{"  
qh'Lcpwt {"4246"p"ceeqtf cpeg'y kj "QOTgi 065342."  
Administering Oath or Declaration Remotely.

Rudrakshi Chakrabarti

A Commissioner for taking affidavits

**RUF TCM SHI CHAKRABARTI**

**Personal and Confidential**

**VIA COURIER**

January 2, 2024

**ALBERTA SECURITIES COMMISSION**

**Secretary of the Commission**

Centennial Place, West Tower  
600, 250 - 5th St SW,  
Calgary, AB T2P 0R4

To the Secretary of the Commission:

**RE: IN THE MATTER OF CCAA PROCEEDINGS OF TREES CORPORATION,  
ONTARIO CANNABIS HOLDINGS CORP., MIRACULO INC., 2707461 ONTARIO LTD.,  
OCH ONTARIO CONSULTING CORP., AND 11819496 CANADA INC. (the “Applicants”)  
COURT FILE NO. CV-23-00711935-00CL**

We are counsel to the Applicants with respect to the above-noted proceeding.

Please be advised the Applicants have commenced proceedings under the *Companies’ Creditors Arrangement Act* (the “CCAA”). The Initial Application hearing took place on Friday, December 22, 2023, at 8:00 A.M. EST by videoconference, to which an Initial Order was granted by Chief Justice Morawetz (the “**Initial Order**”). Further, a comeback hearing took place on Tuesday, January 2, 2024, at 10:00 A.M. EST by videoconference (the “**Comeback Hearing**”).

The Applicants understand that the Alberta Securities Commission (“ASC”) is the appropriate regulatory authority of Trees Corporation (“**Trees**”), who is the only publicly traded entity of the Applicants. The Applicants initially believed that the Ontario Securities Commission was the appropriate regulatory authority of Trees and had served them with the relevant materials accordingly.

At the Comeback Hearing, the Applicants intended to seek relief in respect of certain securities reporting obligations of the Applicants as well as postponing its annual general meeting of shareholders. However, as the Applicants had not served the ASC prior to the Comeback Hearing, the Applicants decided to not seek that relief until the ASC could be served and consulted.

The below materials may be accessed by this ShareFile link: <https://tgf.sharefile.com/d-s3caflcdcb3864925b8a65f3e3107811e>. Please consider this letter as service of these materials. We have also enclosed a copy of the Motion Record of the Applicants dated December 29, 2023, in connection with the Comeback Hearing.

The ShareFile link contains the following materials:

1. Initial Application Record of the Applicants dated December 21, 2023;
2. Factum of Applicants for the Initial Application;
3. Initial Order dated December 22, 2023;
4. Endorsement of Chief Justice Morawetz dated December 29, 2023;
5. Motion Record of the Applicants for the Comeback Hearing dated December 29, 2023;
6. Factum of Applicants for Comeback Hearing dated December 29, 2023;
7. Factum of the Monitor for Comeback Hearing dated December 29, 2023;
8. Monitor's Pre-Filing Report dated December 21, 2023; and
9. Monitor's First Report dated December 29, 2023.

Pursuant to the terms of the Initial Order, a Case Website has also been established with the following URL: [www.ey.com/ca/trees](http://www.ey.com/ca/trees).

For future correspondence, please provide us with a contact and email address at the ASC in order for us to serve in accordance with the *Rules of Civil Procedure* (Ontario), and the E-Service Protocol of the Commercial List.

We would be happy to discuss any concerns with the securities-related relief that will be sought by the Applicants at a future date. Thank you for your anticipated cooperation.

Yours truly,

**Thornton Grout Finnigan LLP**

Rudrakshi Chakrabarti

Rudrakshi Chakrabarti  
RC

Encl. Motion Record of the Applicants for the Comeback Hearing dated December 29, 2023.





## Rushi Chakrabarti

---

**From:** Katrina Prokopy <Katrina.Prokopy@asc.ca>  
**Sent:** Thursday, January 4, 2024 4:22 PM  
**To:** Rushi Chakrabarti  
**Cc:** Jay Palmer  
**Subject:** Trees Corp et al  
**Attachments:** Scanned from a Xerox Multifunction Printer.pdf

Mr. Chakrabarti,

We acknowledge service of the motion materials in respect of the CCAA proceeding involving Trees Corporation as one of the applicants.

The ASC has no concerns with the securities - related relief and takes no position on this motion.

The appropriate contact for service on the ASC is our corporate secretary, Jay Palmer (Jay.Palmer@asc.ca).

Kind regards,

Katrina Prokopy  
General Counsel  
Alberta Securities Commission  
Suite 600, 250-5th Street SW, Calgary, AB, T2P 0R4  
Phone: 403.355.1508  
Cell: 587.438.1274  
Fax: 403.297.6156  
Email: Katrina.Prokopy@asc.ca <mailto:Katrina.Prokopy@asc.ca>

THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE ADDRESSEE AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED AND CONFIDENTIAL.

If you are not the intended recipient, you are hereby notified that any dissemination is strictly prohibited. If you have received this communication in error please reply to the sender immediately.

This is **Exhibit “E”** referred to in the  
Affidavit of Jeffrey Holmgren sworn by Jeffrey Holmgren k̄"  
ȳ g'Ek̄ { "qh'O cf tk̄ . "k̄"Rtq̄k̄peg"  
qh'O cf tk̄ "qh'ȳ g'Eq̄wt̄ { "qh'Ur c̄k̄."before me at  
the City of Vaughan, in the Province of Ontario, k̄"ȳ g'"  
Eq̄wt̄ { "qh'Ecp̄f c."this 23<sup>rd</sup> day  
of Lcp̄wt̄ { , 2026 in accordance with *O. Reg. 431/20*,  
Administering Oath or Declaration Remotely.

Rudrakshi Chakrabarti

A Commissioner for taking affidavits

**RUF TCM SHI CHAKRABARTI**



**SHARE PURCHASE AGREEMENT**

**TREES CORPORATION**

**as Vendor**

**-and-**

**ONE PLANT (RETAIL) CORP.**

**as Purchaser**

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## SHARE PURCHASE AGREEMENT

**THIS AGREEMENT** is made as of January 23, 2024

**BETWEEN:**

Trees Corporation (“**Trees**”)

-and-

One Plant (Retail) Corp. (“**Purchaser**”)

**RECITALS:**

- A. Trees is a public cannabis retailer company based in Toronto, Ontario that offers cannabis products and accessories to the adult-use market in provinces where the sale of cannabis by private retailers is legal under the *Cannabis Act* (Canada) and other applicable provincial legislation regulating the sale of cannabis by licensed private retailers (collectively, the “**Business**”).
- B. Trees, directly or indirectly, owns all of the issued and outstanding shares in the capital of Ontario Cannabis Holdings Corp., Miraculo Inc., OCH Ontario Consulting Corp., 2707461 Ontario Ltd. and 11819496 Canada Inc. (collectively with Trees, the “**Applicants**”).
- C. The Applicants commenced proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act* (Canada) in the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) to, among other things, obtain the benefit of a stay of proceedings in respect of the Applicants.
- D. On December 21, 2023, One Plant (Retail) Corp. (in such capacity, the “**DIP Lender**”) and the Applicants entered into a debtor-in-possession financing term sheet whereby the DIP Lender agreed to provide a non-revolving credit facility up to the maximum amount of \$800,000 (the “**DIP Facility**”).
- E. This Agreement shall serve as a Stalking Horse Bid (defined below) in a sale and investment solicitation process to be commenced by the Applicants in the CCAA Proceedings, subject to approval of the Court. The Transactions (defined below) will be implemented pursuant to this Agreement, to be approved pursuant to a Vesting Order (defined below) granted by the Court in the CCAA Proceedings.
- F. The Applicants will seek to obtain the SISP Order (defined below) authorizing Trees to enter into this Agreement and authorizing the SISP.
- G. The Purchaser has been selected as the stalking horse bidder and as such, the Purchaser has agreed to buy, and Trees has agreed to: (i) issue the New Common Shares (defined below) to the Purchaser, and (ii) consolidate the New Common Shares (defined below) and the Existing Shares (defined below), such that the Purchaser will be the direct or indirect sole

shareholder of Trees and each of its direct and indirect subsidiaries (with the exception of God's Greenery, a Delaware corporation) (collectively, the "**Transactions**") on and pursuant to the terms set forth herein if the Purchaser becomes the Successful Bidder (defined below) pursuant to the SISP.

**NOW THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Party, the Parties agree as follows:

## **ARTICLE I INTERPRETATION**

### **1.01 Definitions**

In this Agreement:

- (a) "**Accounting Standards**" means the accounting principles set out in the *CPA Canada Handbook – Accounting* for an entity that prepares its financial statements in accordance with International Financial Reporting Standards, at the relevant time, applied on a consistent basis.
- (b) "**Administration Charge**" has the meaning given to it in the Amended and Restated Initial Order.
- (c) "**Administrative Expense Amount**" means cash in an amount of the Administrative Expense Costs and CCAA Charge Amount, in each case as reflected in the Approved Cash Flow Projection as of the Closing Time, and shall be paid by the Applicants to the Monitor on the Closing Date out of the cash and cash equivalents of the Applicants as at the Closing Date for the Monitor to hold and use to pay the Administrative Expense Costs and the CCAA Charge Amount, subject to the terms hereof.
- (d) "**Administrative Expense Amount Estimate**" means an estimate of the Administrative Expense Amount to be agreed upon by Trees and the DIP Lender, in consultation with the Monitor, on or before the Phase 1 Bid Deadline (as defined in the SISP), as set out in Schedule 1.01(d).
- (e) "**Administrative Expense Costs**" means the reasonable and documented fees and costs of the Monitor and its professional advisors, and professional advisors of the Applicants and ResidualCo, as reflected in the Approved Cash Flow Projections as of the Closing Time and in each case, for services performed prior to and after the Closing Date relating directly or indirectly to the CCAA Proceedings and this Agreement, and including: (i) costs required to wind down and/or dissolve and/or bankrupt ResidualCo; and (ii) costs and expenses required to administer the Excluded Assets, Excluded Liabilities and ResidualCo.
- (f) "**Affiliate**" means, with respect to any specified Person, any other Person that, directly or indirectly, through one or more intermediaries controls, or is controlled

by, or is under common control with, such specified Person. For the purposes of this definition, “control”, as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

- (g) “**Agreement**” means this share purchase agreement and all of its Schedules, in each case as the same may be supplemented, amended, restated or replaced from time to time, and the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this share purchase agreement and all of its Schedules, and unless otherwise indicated, references to Articles, Sections, and Schedules are to Articles, Sections, and Schedules in this share purchase agreement.
- (h) “**Amended and Restated Initial Order**” means the order of the Court dated January 2, 2024, made in the CCAA Proceedings, amending and restating the Initial Order.
- (i) “**Applicable Law**” means any transnational, domestic or foreign, federal, provincial, territorial, state, local or municipal (or any subdivision of any of them) law (including common law and civil law), statute, ordinance, rule, regulation, restriction, limit, by-law (zoning or otherwise), judgment, order, direction or any consent, exemption, Transaction Regulatory Approval, or any other legal requirements of, or agreements with, any Governmental Authority, that applies in whole or in part to the Transactions contemplated by this Agreement, the members of the Applicants, Purchaser, the Business, or any of the New Common Shares or the Assumed Liabilities.
- (j) “**Applicants**” has the meaning given to such terms in Recital B.
- (k) “**Approved Cash Flow Projection**” means the cash flow projection attached to the DIP Term Sheet and approved by the DIP Lender, in consultation with the Monitor, as may be updated and substituted from time to time, with the approval of the DIP Lender, in consultation with the Monitor.
- (l) “**Assumed Liabilities**” has the meaning given to such term in Section 2.04.
- (m) “**Back-up Bid**” has the meaning given to such term in the SISP.
- (n) “**Break Fee**” has the meaning given to such term in Section 9.02.
- (o) “**Business**” has the meaning given to such term in Recital “A”.
- (p) “**Business Day**” means any day, other than a Saturday or Sunday, on which the principal commercial banks in Toronto, Ontario are open for commercial banking business during normal banking hours.
- (q) “**Cash Consideration**” has the meaning given to such term in Section 3.01(b).



- (r) “**CCAA Charge Amount**” means cash in an amount sufficient to satisfy the amounts owing in respect of obligations secured by the CCAA Charges (without duplication to amounts satisfied as Administrative Expense Costs, Employee Priority Claims or Priority Payments), in each case as reflected in the Approved Cash Flow Projection as of the Closing Time.
- (s) “**CCAA Charges**” means the Administration Charge, Subsequent Administration Charge, the Directors’ Charge, and the Subsequent Directors’ Charge.
- (t) “**CCAA Proceedings**” has the meaning given to such term in Recital C.
- (u) “**CCAA**” means the *Companies’ Creditors Arrangement Act* (Canada).
- (v) “**Claims**” means any and all demands, claims, liabilities, actions, causes of action, counterclaims, expenses, costs, damages, losses, suits, debts, sums of money, refunds, accounts, indebtedness, rights of recovery, rights of set-off, rights of recoupment and liens of whatever nature (whether direct or indirect, absolute or contingent, asserted or unasserted, secured or unsecured, matured or not yet matured due or to become due, accrued or unaccrued or liquidated or unliquidated) and including all costs, fees and expenses relating thereto.
- (w) “**Closing**” means the completion of the purchase of the New Common Shares and the Transactions in accordance with the provisions of this Agreement.
- (x) “**Closing Date**” means a date no later than five (5) Business Days after the conditions set forth in Article XI have been satisfied or waived; provided that, if there is to be a Closing hereunder, then the Closing Date shall be no later than the Outside Date, unless otherwise agreed to by the Parties in writing.
- (y) “**Closing Documents**” means all contracts, agreements, certificates, and instruments required by this Agreement to be delivered at or before the Closing Time.
- (z) “**Closing Time**” means 10:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place.
- (aa) “**Consolidation and Cancellation**” means the consolidation of all New Common Shares and Existing Shares in accordance with the Consolidation Ratio, and the cancellation of all fractional New Common Shares and Existing Shares in accordance with Article II.
- (bb) “**Consolidation Ratio**” means the ratio by which all New Common Shares and Existing Shares shall be consolidated, as determined by the Purchaser, acting reasonably and in consultation with Trees and the Monitor, given the intended effect of the Transactions.

- (cc) “**Court**” has the meaning given to such term in Recital “C”.
- (dd) “**Credit Bid Consideration**” has the meaning given to such term in Section 3.01(a).
- (ee) “**Credit Bid Consideration Statement**” has the meaning given to such term in Section 3.01(a).
- (ff) “**DIP Facility**” has the meaning given to such term in Recital “D”.
- (gg) “**DIP Lender**” has the meaning given to such term in Recital “D”.
- (hh) “**DIP Term Sheet**” means the DIP Term Sheet dated as of December 21, 2023 among the Applicants (as borrower), and the DIP Lender, as such agreement may be amended, restated, supplemented and/or otherwise modified from time to time in accordance with the terms thereof.
- (ii) “**Directors Charge**” has the meaning given to it in the Amended and Restated Initial Order.
- (jj) “**Employee Priority Claims**” means any Claim for: (i) accrued and unpaid wages and vacation pay owing to an employee of any of the members of the Applicants whose employment was terminated between the Filing Date and the Closing Date, including the Terminated Employees; and (ii) unpaid amounts provided for in Section 6(5)(a) of the CCAA.
- (kk) “**Encumbrance**” means any security interest (whether contractual, statutory or otherwise), lien, prior Claim, charge, hypothec, reservation of ownership, pledge, encumbrance, mortgage, trust (including any statutory, deemed or constructive trust), option or adverse Claim or encumbrance of any nature or kind.
- (ll) “**Equity Interests**” means any capital share, capital stock, partnership, membership, joint venture or other ownership or equity interest, participation or securities (whether voting or nonvoting, whether preferred, common or otherwise, and including share appreciation, contingent interest or similar rights) of a Person.
- (mm) “**ETA**” means the *Excise Tax Act* (Canada).
- (nn) “**Excluded Assets**” has the meaning given to such term in Section 2.03.
- (oo) “**Excluded Contracts**” means contracts of the members of the Applicants as described in Schedule 2.03(c).
- (pp) “**Excluded Leases**” means those leases of the members of the Applicants as described in Schedule 2.03(c).
- (qq) “**Excluded Liabilities**” has the meaning given to such term in Section 2.05.

- (rr) “**Existing Shares**” means all of the common shares of Trees that are issued and outstanding immediately prior to the Closing Time, which, for greater certainty, does not include the New Common Shares or the Post-Consolidation Shares.
- (ss) “**Filing Date**” means December 22, 2023.
- (tt) “**Governmental Authority**” means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (i) having or purporting to have jurisdiction on behalf of any nation, province, municipality, territory or state or any other geographic or political subdivision of any of them, or (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, taxing regulatory authority or power.
- (uu) “**GST/HST**” means all goods and services tax and harmonized sales tax imposed under Part IX of the ETA.
- (vv) “**Implementation Steps**” has the meaning given to such term in Section 5.01(b).
- (ww) “**Initial Order**” means the order of the Court dated December 22, 2023, pursuant to the CCAA commencing the CCAA Proceedings, as amended, restated, supplemented and/or modified from time to time.
- (xx) “**Intercompany Claim**” means any Claim that may be asserted against any of the members of the Applicants by or on behalf of any other member of the Applicants.
- (yy) “**Interim Period**” means the period from the date that this Agreement is entered into by the Parties to the Closing Time.
- (zz) “**Loan Agreements**” means the Secured Debentures and the Secured Promissory Note.
- (aaa) “**Material Adverse Effect**” means any change, effect, event, occurrence, state of facts or development that has had a material adverse effect on: (i) the business, assets, liabilities, financial conditions or results of operations of the members of the Applicants, taken as a whole; or (ii) prevents the ability of any of the members of the Applicants to perform its obligations under, or to consummate the Transactions contemplated by, this Agreement, but excluding any such change, effect, event, occurrence, state of facts or development attributable to or arising from: (A) general economic or business conditions; (B) Canada, the U.S. or foreign economies, or financial, banking or securities markets in general, or other general business, banking, financial or economic conditions (including: (I) any disruption in any of the foregoing markets; (II) any change in the currency exchange rates; or (III) any decline or rise in the price of any security, commodity, contract or index); (C) acts of God or other calamities, pandemics (including COVID-19 and any Governmental Authorities response thereto), national or international political or

social conditions, including the engagement and/or escalation by the U.S. or Canada in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the U.S. or Canada or any of their territories, possessions or diplomatic or consular offices or upon any military installation, equipment or personnel of the U.S. or Canada; (D) the identity of the Purchaser or its Affiliates; (E) conditions generally affecting the industry in which the members of the Applicants participates; (F) the public announcement of, entry into or pendency of, actions required or contemplated by or performance of obligations under, this Agreement or the Transactions contemplated by this Agreement, or the identity of the Parties; (G) changes in Applicable Laws or the interpretation thereof; (H) any change in Accounting Standards or other accounting requirements or principles; (I) national or international political, labor or social conditions; (J) the failure of the members of the Applicants to meet or achieve the results set forth in any internal projections (but not the underlying facts giving rise to such failure unless such facts are otherwise excluded pursuant to the clauses contained in this definition); or (K) any change resulting from compliance with the terms of, or any actions taken (or not taken) by any Party pursuant to or in accordance with, this Agreement; provided that the exceptions set forth in clauses (A), (B), (C), (E), (G), (H) or (I) shall not apply to the extent that such event is disproportionately adverse to the members of the Applicants, taken as a whole, as compared to other companies in the industries in which the members of the Applicants operate.

- (bbb) “**Monitor’s Certificate**” means the certificate delivered to the Purchaser and Trees and filed with the Court by the Monitor in accordance with the Vesting Order certifying that the Monitor has received written confirmation in form and substance satisfactory to the Monitor from Trees and Purchaser that all conditions to Closing have been satisfied or waived by the applicable Parties and the Transactions contemplated by this Agreement have been completed.
- (ccc) “**Monitor**” means FTI Consulting Canada Inc., as Court-appointed monitor of the members of the Applicants in the CCAA Proceedings, and not in its personal or corporate capacity.
- (ddd) “**New Common Shares**” means the common shares of Trees to be issued to the Purchaser as part of Closing in exchange for the Purchase Price.
- (eee) “**Order**” means any order of the Court made in the CCAA Proceedings, or any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.
- (fff) “**Outside Date**” means April 30, 2024.
- (ggg) “**Parties**” means Trees and Purchaser collectively, and “**Party**” means either Trees or Purchaser, as the context requires.

- (hhh) **“Permitted Encumbrances”** means the Encumbrances listed in Schedule 1.01(hhh).
- (iii) **“Person”** includes an individual, partnership, firm, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, entity, corporation, unincorporated association, or organization, syndicate, committee, court appointed representative, Governmental Authority, the government of a country or any political subdivision thereof, or any agency, board, tribunal, commission, bureau, instrumentality, or department of such government or political subdivision, or any other entity, howsoever designated or constituted, including the trustees, executors, administrators, or other legal representatives of an individual.
- (jjj) **“Post-Consolidation Shares”** means the 1,000 common shares of Trees that will remain after the Consolidation and Cancellation, which shall: (i) represent 100% of the issued and outstanding common shares of Trees after the Consolidation and Cancellation; and (ii) be solely owned and controlled by the Purchaser.
- (kkk) **“Post-Filing Claim”** or **“Post-Filing Claims”** means, save and except for a Restructuring Period Claim and a Restructuring Period D&O Claim, any or all indebtedness, liability, or obligation of the members of the Applicants of any kind that arises during and in respect of the period beginning on the Filing Date and ending on the day immediately preceding the Closing Date in respect of services rendered or supplies provided to the members of the Applicants during such period.
- (lll) **“Pre-Closing Reorganization”** means the transactions, act or events described in Schedule 10.02 that are to occur immediately prior to the Closing Time.
- (mmm) **“Pre-Filing Tax Obligations”** has the meaning given to such term in Section 9.08(a).
- (nnn) **“Pre-Filing GST/HST Obligations”** means the GST/HST obligations required to be remitted by the Applicants that arose and were required to be remitted prior to the Filing Date, in the amount of \$198,773.48.
- (ooo) **“Priority Payments”** means those priority payments prescribed under subsections 6(3), 6(5) and 6(6) of the CCAA, and the amounts owing under the Employee Priority Claims, and including those amounts identified in the Implementation Steps.
- (ppp) **“Purchase Price”** has the meaning given to such term in Section 3.01.
- (qqq) **“Purchaser”** has the meaning given to such term in the preamble.
- (rrr) **“Released Claims”** means all claims, demands, complaints, grievances, actions, applications, suits, causes of action, Orders, charges, indictments, prosecutions or other similar processes, assessments or reassessments, judgments, debts, liabilities,

expenses, costs, damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including “claims” (as defined in the CCAA) and including fees and disbursements of legal counsel on a full indemnity basis, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.

- (sss) “**ResidualCo**” means a corporation to be incorporated to which the Excluded Assets and Excluded Liabilities will be transferred as part of the Pre-Closing Reorganization.
- (ttt) “**Restructuring Period Claim**” means any Claim owed by any member of the Applicants arising out of the restructuring, disclaimer, resiliation, termination or breach by such member of the Applicants on or after the Filing Date of any contract, lease or other agreement, whether written or oral.
- (uuu) “**Restructuring Period D&O Claim**” means any Claim against one or more of the directors or officers of the Applicants arising after the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any assessments and any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of such directors or officers with respect to any matter, action, cause or chose in action, whether existing at present or arising or commenced in the future, for which any such director or officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a director or officer.
- (vvv) “**Secured Convertible Promissory Notes**” means the series of secured convertible promissory notes in the aggregate principal amount of \$1,005,000 that were issued to certain noteholders between October 2022 to January 2023.
- (www) “**Secured Debentures**” collectively, means the: (i) subscription agreement for secured convertible debentures dated as October 20, 2021 made by Trees in favour of PMH Investco Ltd.; (ii) subscription agreement for secured convertible debentures dated as of October 20, 2021 made by Trees in favour of Minerva Investments Ltd.; (iii) subscription agreement for secured convertible debentures dated as of October 20, 2021 made by Trees in favour of 606093 Saskatchewan Ltd.; and (iv) subscription agreement for secured convertible debentures dated as of October 20, 2021 made by Trees Corporation in favour of Echo Capital Growth Corporation; in each case as assigned to the Purchaser pursuant to an assignment agreement effective as of January 2, 2024.
- (xxx) “**Secured Promissory Note**” means the promissory note dated March 11, 2020 granted by OCH Ontario Consulting Corp. and Ontario Cannabis Holdings Corp.

in favour of Tweed Inc., as successor by assignment of Tweed Franchise Inc., as secured by a general security agreement dated March 11, 2020, in each case as assigned to the Purchaser pursuant to an assignment agreement effective as of December 29, 2023.

- (yyy) “**SISP**” means the sale and investment solicitation process approved by the SISP Order, as may be amended by the Court from time to time, substantially in the form of the sale and investment solicitation process attached hereto as Schedule 1.01(yyy).
- (zzz) “**SISP Order**” means the Order authorizing and approving the commencement of the SISP.
- (aaaa) “**Stalking Horse Bid**” has the meaning given to such term in the SISP.
- (bbbb) “**Subsequent Administration Charge**” has the meaning given to it in the Amended and Restated Initial Order.
- (cccc) “**Subsequent Directors’ Charge**” has the meaning given to it in the Amended and Restated Initial Order.
- (dddd) “**Successful Bid(s)**” has the meaning given to such term in the SISP.
- (eeee) “**Successful Bidder(s)**” has the meaning given to such term in the SISP.
- (ffff) “**Tax**” and “**Taxes**” means taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever (including withholding on amounts paid to or by any Person) imposed by any Governmental Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, GST/HST, use, value-added, excise, stamp, withholding, business, franchising, escheat, property, development, occupancy, employer health, payroll, employment, health, disability, severance, unemployment, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all license, franchise and registration fees and all employment insurance, health insurance and Canada, Ontario, British Columbia and other government pension plan premiums or contributions.
- (gggg) “**Terminated Employees**” means those individuals employed by the Applicants whose employment has or shall be terminated by the applicable member of the Applicants, including those deemed to be terminated pursuant to Section 9.08(d).
- (hhhh) “**Transactions**” has the meaning given to it in Recital “G”.
- (iii) “**Transaction Regulatory Approvals**” means any material licenses, permits or approvals required from any Governmental Authority or under any Applicable

Laws relating to the business and operations of the Applicants that would be required to be obtained in order to permit the Applicants and Purchaser to complete the Transactions contemplated by this Agreement, including any approvals required due to the change of control of the Applicants.

(jjjj) “**Trees**” has the meaning given to such term in the preamble.

(kkkk) “**Vesting Order**” means an order of the Court in a form to be mutually agreed upon by the Parties as set forth in Schedule 1.01(kkkk).

## **1.02 Statutes**

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended, re-enacted or replaced.

## **1.03 Headings, Table of Contents, etc.**

The provision of a table of contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the interpretation of this Agreement. The recitals to this Agreement are an integral part of this Agreement.

## **1.04 Gender and Number**

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders.

## **1.05 Currency**

Except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in Canadian dollars. References to “\$” are to Canadian dollars.

## **1.06 Certain Phrases**

In this Agreement: (a) the words “including”, “includes” and “include” and any derivatives of such words mean “including without limitation”, and (b) the words “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate, without duplication, of”. The expression “Article”, “Section” and other subdivision followed by a number, mean and refer to the specified Article, Section or other subdivision of this Agreement.

## **1.07 Invalidity of Provisions**

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof so long as the economic or legal substance of the Transactions contemplated hereby is not affected in any



manner materially adverse to any Party. Upon: (a) such a determination of invalidity or unenforceability, or (b) any change in Applicable Law or other action by any Governmental Authority that materially detracts from the legal or economic rights or benefits, or materially increases the obligations, of any Party or any of its Affiliates under this Agreement, the Parties shall negotiate in good faith to amend this Agreement so as to give effect to the original intent of the Parties as closely as possible in an acceptable manner so that the Transactions contemplated by this Agreement be consummated as originally contemplated to the fullest extent possible.

### **1.08 Knowledge**

Any reference to the knowledge of: (a) Trees or the members of the Applicants, means the actual knowledge, after reasonable inquiry of Jeffrey Holmgren and Campbell Becher, and (b) Purchaser, means the actual knowledge, after reasonable inquiry, of Michael Serruya.

### **1.09 Schedules**

The following schedules attached hereto and incorporated in and form part of this Agreement:

#### **Schedules**

Schedule 1.01(d)	Administrative Expense Amount Estimate
Schedule 1.01(hhh)	Permitted Encumbrances
Schedule 1.01(yyy)	Sale and Investment Solicitation Process
Schedule 1.01(kkkk)	Form of Vesting Order
Schedule 2.03	Excluded Assets
Schedule 2.03(c)	Excluded Contracts and Excluded Leases
Schedule 2.04	Assumed Liabilities
Schedule 2.05	Non-Exhaustive List of Certain Enumerated Excluded Liabilities
Schedule 5.01(c)	Implementation Steps
Schedule 6.07	Subsidiaries
Schedule 10.02	Pre-Closing Reorganization
Schedule 11.01(c)	Transaction Regulatory Approvals to be Obtained Prior to the Closing Time

The Parties acknowledge that as of today's date, the Schedules are not complete. The Parties shall cooperate with each other and shall use commercially reasonable efforts to complete the Schedules prior to the Phase I Bid Deadline (as defined in the SISP).

Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement will apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

### **1.10 Accounting Terms**

All accounting terms used in this Agreement are to be interpreted in accordance with the Accounting Standards unless otherwise specified.

### **1.11 Non-Business Days**

Whenever payments are to be made or an action is to be taken on a day that is not a Business Day, such payment will be made or such action will be taken on or not later than the next succeeding Business Day.

### **1.12 Computation of Time Periods**

If any action may be taken within, or any right or obligation is to expire at the end of, a period of days under this Agreement, then the first day of the period is not counted, but the day of its expiry is counted.

## **ARTICLE II PURCHASE OF SHARES AND ASSUMPTION OF LIABILITIES**

### **2.01 Issuance of New Common Shares and Treatment of Existing Shares**

- (a) Share Issuance. Trees shall issue the New Common Shares to the Purchaser in a number to be determined by the Purchaser, acting reasonably and in consultation with Trees and the Monitor, having regard to the intended effect of the Transactions, free and clear of all Encumbrances (other than Permitted Encumbrances), in exchange for the payment of the Purchase Price.
- (b) Share Consolidation. Trees' Articles of Incorporation shall be amended to, among other things: (i) consolidate the New Common Shares and the Existing Shares on the basis of the Consolidation Ratio, and (ii) provide for such additional changes to the rights and conditions attached to the New Common Shares and the Existing Shares as may be requested by the Purchaser.
- (c) Share Cancellation. Any fractional New Common Shares and Existing Shares held by any holder of such shares immediately following the consolidation of such

shares shall be cancelled without any liability, payment or other compensation in respect thereof, and the Articles of Incorporation shall be altered as necessary to achieve such cancellation.

- (d) Equity Interests Extinguished. Any and all Equity Interests of Trees (other than the Post-Consolidation Shares) that remain issued and outstanding immediately following the Consolidation and Cancellation shall be cancelled and extinguished without any liability, payment or other compensation in respect thereof, and all Claims in respect of any Equity Interests of Trees (other than the Post-Consolidation Shares) shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without any liability, payment or other compensation in respect thereof.

## 2.02 Post-Consolidation Shares

Subject to the terms and conditions of this Agreement, effective immediately after the Closing Time and following the Consolidation and Cancellation, the Purchaser shall be the sole owner of the Post-Consolidation Shares, which shall represent 100% of Trees' issued and outstanding equity. For the avoidance of doubt, after the Closing Time and after the completion of the Implementation Steps, Trees and each and every direct and indirect subsidiary of Trees (with the exception of God's Greenery, a Delaware corporation) shall be wholly owned, directly or indirectly, by Purchaser.

## 2.03 Excluded Assets

Notwithstanding any provision of this Agreement to the contrary, as of the Closing, the assets of the members of the Applicants shall not include any of the following assets, together with any other assets as set forth on Schedule 2.03 (collectively, the "**Excluded Assets**"):

- (a) the Tax records and returns, and books and records pertaining thereto and other documents, in each case, that primarily or solely relate to any of the Excluded Liabilities, provided that the applicable member of the Applicants may take copies of all Tax records and books and records pertaining to such records (as redacted, if applicable) to the extent necessary or useful for the carrying on of the Business after Closing, including the filing of any tax return, provided, however that ResidualCo shall retain the original copies of any of the records required to be provided to the applicable member of the Applicants hereunder (and provide the applicable member of the Applicants with a copy thereof) to the extent ResidualCo is required to do so under Applicable Law;
- (b) the Administrative Expense Amount;
- (c) the Excluded Contracts;
- (d) the Excluded Leases;

- (e) all communications, information or records, written or oral, that are in any way related to (i) the transactions contemplated by this Agreement, (ii) the sale of the New Common Shares, (iii) any Excluded Asset or (iv) any Excluded Liability;
- (f) any rights that accrue to ResidualCo under this Agreement or the Vesting Order;
- (g) Miraculo Inc.'s Equity Interests in God's Greenery; and
- (h) any other asset, including contracts and leases, identified by the Purchaser to Trees in writing as an Excluded Asset no later than two (2) Business Days before the Closing Date.

Purchaser may, with the consent of Trees, which consent shall not be unreasonably withheld, and in consultation with the Monitor, amend the foregoing list and Schedule 2.03 as specifically enumerated Excluded Assets by no later than the Phase 1 Bid Deadline.

#### **2.04 Assumed Liabilities**

Pursuant to this Agreement and the Vesting Order, as of the Closing Time, the only obligations and liabilities of the Applicants shall consist of the items specifically set forth below, as applicable (collectively, the “**Assumed Liabilities**”); provided that the Assumed Liabilities of any member of the Applicants pursuant to this Section 2.04 shall continue to be liabilities of the applicable member of the Applicants as of the Closing:

- (a) all Post-Filing Claims;
- (b) all liabilities of the Applicants arising from and after Closing;
- (c) to the extent that the Applicants do not have sufficient funds on or before the Closing Date to satisfy such amounts or such amounts are not otherwise paid with the Cash Consideration, any and all Claims in priority to the Credit Bid Consideration;
- (d) Pre-Filing GST/HST Obligations;
- (e) Intercompany Claims between members of the Applicants; and
- (f) those specific Assumed Liabilities set forth in Schedule 2.04.

Purchaser may, with the consent of Trees, which consent shall not be unreasonably withheld, and in consultation with the Monitor, amend the foregoing list and Schedule 2.04 as specifically enumerated Assumed Liabilities by no later than the Phase 1 Bid Deadline.

#### **2.05 Excluded Liabilities**

- (a) Except as expressly retained pursuant to or specifically contemplated by Section 2.04, all Claims and all debts, obligations, and liabilities of the Applicants or any

predecessors of the Applicants, of any kind or nature, shall be assigned and become the sole obligation of ResidualCo pursuant to the terms of the Vesting Order and this Agreement, and, as of the Closing, the members of the Applicants shall not have any obligation, duty, or liability of any kind whatsoever, except as expressly assumed pursuant to Section 2.04, whether accrued, contingent, known or unknown, express or implied, primary or secondary, direct or indirect, liquidated, unliquidated, absolute, accrued, contingent or otherwise, and whether due or to become due, and such liabilities or obligations shall be the sole responsibility of ResidualCo, including *inter alia*:

- (i) the non-exhaustive list of those certain liabilities set forth in Schedule 2.05;
  - (ii) any and all liability relating to any change of control provision that may arise in connection with the change of control contemplated by the transactions hereunder and to which the Applicants may be bound as at Closing;
  - (iii) all liabilities relating to or under the Excluded Assets;
  - (iv) Secured Convertible Promissory Notes;
  - (v) any and all liabilities any obligations owing by Trees in favour of 1000321689 Ontario Ltd. under the Participation Agreement dated December 9, 2022;
  - (vi) the \$535,000 secured debt of Ontario Cannabis Holdings Corp. in favour of CJ Marketing Inc. (Jon Conquergood);
  - (vii) the \$761,000 secured debt of Ontario Cannabis Holdings Corp. in favour of Arthur Nguyen-Cao (Vu Tran);
  - (viii) save and except for the Pre-Filing GST/HST Obligations, all Pre-Filing Tax Obligations;
  - (ix) all Post-Filing Tax Obligations;
  - (x) liabilities for employees whose employment with the Applicants is terminated on or before Closing, including the Terminated Employees;
  - (xi) the Restructuring Period Claims; and
  - (xii) the Restructuring Period D&O Claims
- (collectively, the “**Excluded Liabilities**”).

Purchaser may, with the consent of Trees, which consent shall not be unreasonably withheld, amend the foregoing list and the clarifying items listed in Schedule 2.05

as specifically enumerated Excluded Liabilities by no later than the Phase 1 Bid Deadline.

- (b) Pursuant to the Vesting Order, the Excluded Liabilities shall be channeled to and assumed in full by ResidualCo in accordance with and as further described in Article IV and the Applicants and their assets, undertakings, Business and properties shall be discharged of such Excluded Liabilities. All Claims attaching to the Excluded Liabilities, if any, shall continue to exist against ResidualCo and the Purchase Price and the Excluded Assets shall be available to satisfy such Claims.

### **ARTICLE III PURCHASE PRICE AND RELATED MATTERS**

#### **3.01 Purchase Price**

The purchase price payable by the Purchaser for the New Common Shares (the “**Purchase Price**”) shall be:

- (a) the release by the Purchaser of the Applicants from all amounts outstanding and obligations owing to the Purchaser pursuant to the Loan Agreements, the DIP Term Sheet and any other senior-ranking secured debt held by the Purchaser as of the Closing Date (including any such debt acquired from third parties), in each case including the principal amount of such claims and all interest accrued as of the Closing Date, which amount as of January 17, 2024 is estimated to be \$2,360,945, plus all accrued and unpaid interest thereon through to and including the Closing Date, plus any fees and expenses associated therewith (such aggregate amount, the “**Credit Bid Consideration**”), as particularized in a written estimated payout statement provided by the Purchaser to Trees and the Monitor by no less than two Business Days prior to the Phase 1 Bid Deadline, which shall be updated by no less than two Business Days prior to the Closing Date (each, a “**Credit Bid Consideration Statement**”);
- (b) the Pre-Filing GST/HST Obligations; and
- (c) an amount sufficient to satisfy: (i) the Administrative Expense Amount, and (ii) any Post-Filing Tax Obligations, to the extent that the Applicants do not have sufficient funds on or before the Closing Date to satisfy such amounts (the “**Cash Consideration**”).

For greater certainty, the Purchase Price shall be paid to the Monitor, for the benefit of ResidualCo, and any Claim against the Applicants shall continue to exist as against ResidualCo after Closing.

#### **3.02 Satisfaction of Purchase Price**

The Purchaser shall satisfy the Purchase Price as follows:

- (a) the Purchaser shall release the applicable Applicant from amounts owing in respect of the Credit Bid Consideration; and
- (b) to the extent the Applicants do not have sufficient funds on or before the Closing Date to satisfy the Administrative Expense Amount, the Purchaser shall pay to the Monitor by wire transfer, certified cheque, bank draft or other means of immediately available funds, the Cash Consideration.

### **3.03 Purchase Price Allocation**

**[Intentionally Deleted.]**

### **3.04 Payment of Certain Liabilities**

On the Closing Date, the members of the Applicants shall satisfy, in accordance with the Implementation Steps, the Priority Payments as required to be paid on Closing in the Vesting Order such that all the Priority Payments shall be satisfied in full in connection with the Closing.

## **ARTICLE IV TRANSFER OF EXCLUDED ASSETS AND EXCLUDED LIABILITIES**

### **4.01 Transfer of Excluded Assets to ResidualCo**

On the Closing Date, pursuant to the terms of the Vesting Order and, where applicable, in consideration for ResidualCo assuming the Excluded Liabilities pursuant to Section 2.05 from the applicable member of the Applicants, Trees shall cause each of the members of the Applicants to assign and transfer the Excluded Assets to ResidualCo, and the Excluded Assets shall be vested in ResidualCo pursuant to the Vesting Order.

### **4.02 Transfer of Excluded Liabilities to ResidualCo**

At the Closing Time, the Excluded Liabilities shall have been channeled to and assumed by ResidualCo, in accordance with the Pre-Closing Reorganization and pursuant to the Vesting Order. Notwithstanding any other provision in this Agreement, neither the Purchaser nor the Applicants shall assume or have any liability for any of the Excluded Liabilities and all Excluded Liabilities shall be discharged from the Applicants and their assets, undertakings, Business and properties from and after the Closing Time.

## **ARTICLE V PRE-CLOSING AND CLOSING REORGANIZATION**

### **5.01 Pre-Closing and Closing Reorganization**

- (a) The specific mechanism for implementing the Closing and the structure of the transactions contemplated by this Agreement shall be structured in a tax efficient manner mutually agreed upon by the Parties, each acting reasonably.

- (b) On or prior to the Closing Date, the members of the Applicants shall effect the transaction steps and Pre-Closing Reorganization (collectively, the “**Implementation Steps**”) of the members of the Applicants as set forth on a schedule to be agreed upon by Trees and the Purchaser, each acting reasonably, at least seven (7) calendar days prior to the hearing of the Applicants’ motion seeking the Vesting Order; provided that in no event will the Implementation Steps described in Schedule 5.01(c) be materially prejudicial to the interests of the Purchaser under the other sections of this Agreement. The Implementation Steps may include, without limitation, the formation of new entities required to implement the transactions contemplated by this Agreement in a tax efficient manner, consistent with Section 5.01(a).
- (c) The Implementation Steps shall occur, and be deemed to have occurred in the order and manner to be set out in Schedule 5.01(c).
- (d) The steps to be taken and the compromises and releases to be effective on the Closing Date are deemed to occur and be effected in the steps and sequential order set forth in Schedule 5.01(c), beginning on or before the Closing Date at such time as is specified therein.
- (e) If Purchaser is the Successful Bidder, the timing and/or sequence of the Implementation Steps and the Closing on the Closing Date may be altered at the request of the Purchaser, acting reasonably, and with the consent of the Monitor.

## **ARTICLE VI REPRESENTATIONS AND WARRANTIES OF TREES**

Trees represents and warrants, on behalf of itself and all other members of the Applicants, to the Purchaser as follows, and acknowledges that the Purchaser is relying upon the following representations and warranties in connection with its purchase of the New Common Shares:

### **6.01 Due Authorization and Enforceability of Obligations**

Subject to the granting of the Vesting Order, this Agreement has been duly authorized, executed and delivered by it, and constitutes a legal, valid and binding obligation of it, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors’ rights generally or by equitable principles relating to enforceability.

### **6.02 Existence and Good Standing**

Each of the members of the Applicants is validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization and: (a) has all requisite power and authority to execute and deliver this Agreement and (b) has taken all requisite corporate or other action necessary for it to execute and deliver this Agreement and to perform its obligations hereunder and consummate the transaction contemplated hereunder.



### **6.03 Sophisticated Parties**

Each of the members of the Applicants: (a) is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of this Agreement, (b) has conducted its own analysis and made its own decision to enter into this Agreement, including obtaining such independent advice as it deems appropriate, and (c) has not relied on the analysis or decision of any Person other than its own independent advisors.

### **6.04 Absence of Conflicts**

The execution and delivery of this Agreement by Trees and the completion by Trees of its obligations hereunder and the consummation of the transactions contemplated herein do not and will not violate or conflict with any Applicable Law, (subject to the receipt of any Transaction Regulatory Approvals and the granting of the Vesting Order) and will not result (with due notice or the passage of time or both) in a violation, conflict or breach of, or constitute a default under, or require any consent to be obtained under the certificate of incorporation, articles, by-laws or other constituent documents of any member of the Applicants. Subject to the granting of the Vesting Order, the execution, delivery and performance by Trees does not and will not violate any Order.

### **6.05 Approvals and Consents**

The execution and delivery of this Agreement by Trees, the completion by Trees of its obligations hereunder and the consummation by Trees of the transactions contemplated herein, do not and will not require any consent or approval or other action, with or by, any Governmental Authority, other than as contemplated by the Transaction Regulatory Approvals and the entry of the Vesting Order by the Court.

### **6.06 No Actions**

Except for as previously disclosed in writing to the Purchaser, there is not, as of the date hereof, pending or, to Trees' knowledge, threatened against any member of the Applicants or any of its properties, nor has any member of the Applicants received any written notice in respect of, any Claim, potential Claim, litigation, action, suit, arbitration, investigation or other proceeding before any Governmental Authority or legislative body that, would prevent Trees from executing and delivering this Agreement, performing its obligations hereunder and consummating the transactions and agreements contemplated by this Agreement.

### **6.07 HST Registrant**

Each of the Applicants is required to be registered and is, or will be on the Closing Date, registered under Subdivision (d) of Division V of Part IX of the ETA.

### **6.08 Subsidiaries**

Schedule 6.07 sets forth a complete and correct list of the name and jurisdiction of organization of each member of the Applicants.

### **6.09 Authorized and Issued Capital and Title to New Common Shares.**

Immediately following the Closing Time and the Consolidation and Cancellation, the Post-Consolidation Shares will constitute all of the issued and outstanding shares in the capital of Trees and the Purchaser will be the sole registered and beneficial owner of the Post-Consolidation Shares, with good and valid title thereto, free and clear of all Encumbrances, pursuant to and in accordance with the Vesting Order. Immediately following the Closing Time and the Consolidation and Cancellation, the Post-Consolidation Shares will be: (i) duly authorized and validly issued as fully paid and non-assessable, (ii) issued by Trees in compliance with all applicable corporate and securities laws and (iii) there will be no issued and outstanding common shares or other securities of Trees other than the Post-Consolidation Shares nor will there be any securities convertible into or options, equity-based awards or other rights, agreements or commitments that are held by any Person and which are convertible into or exchangeable for common shares or any other securities of Trees. The issuance of the New Common Shares and the Consolidation and Cancellation will not violate any pre-emptive, right of first offer or refusal or similar rights.

### **6.10 Competition Act**

Neither the aggregate book value of the assets in Canada of the Applicants, nor the consolidated gross revenues from sales in or from Canada generated from assets in Canada of the Applicants, both calculated in the manner prescribed under the *Competition Act* (Canada), exceeds \$93 million.

## **ARTICLE VII REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

The Purchaser represents and warrants to Trees as follows, and acknowledges that Trees is relying upon the following representations and warranties in connection with the sale of the New Common Shares:

### **7.01 Due Authorization and Enforceability of Obligations**

This Agreement has been duly authorized, executed and delivered by the Purchaser, and, assuming the due authorization, execution and delivery by it, this Agreement constitutes a legal, valid and binding obligation of it, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

### **7.02 Existence and Good Standing**

The Purchaser is validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization and has all requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and consummate the transactions contemplated by this Agreement.

### **7.03 Sophisticated Party**

Purchaser: (a) is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of this Agreement, (b) has conducted its own analysis and made its own decision to enter into this Agreement, including obtaining such independent advice as it deems appropriate, and (c) has not relied on the analysis or decision of any Person other than its own independent advisors.

### **7.04 Absence of Conflicts**

The execution and delivery of this Agreement by the Purchaser and the completion by the Purchaser of its obligations hereunder and the consummation of the transactions contemplated herein do not and will not violate or conflict with any Applicable Law, or any of its properties or assets, (subject to the receipt of any Transaction Regulatory Approvals) and will not result (with due notice or the passage of time or both) in a violation, conflict or breach of, or constitute a default under, or require any consent to be obtained under its certificate of incorporation, articles, by-laws or other constituent documents.

### **7.05 Approvals and Consents**

The execution and delivery of this Agreement by the Purchaser, the completion by the Purchaser of its obligations hereunder and the consummation by the Purchaser of the transactions contemplated herein, do not and will not require any consent or approval or other action, with or by, any Governmental Authority, other than as contemplated by the Transaction Regulatory Approvals and the granting of the Vesting Order by the Court.

### **7.06 No Actions**

There is not, as of the date hereof, pending or, to the Purchaser's knowledge, threatened against it or any of its properties, nor has the Purchaser received notice in respect of, any Claim, potential Claim, litigation, action, suit, arbitration, investigation or other proceeding before any Governmental Authority or legislative body that, would prevent it from executing and delivering this Agreement, performing its obligations hereunder and consummating the transactions and agreements contemplated by this Agreement.

### **7.07 HST Registrant**

The Purchaser is, or will be on the Closing Date, registered under Subdivision d of Division V of Part IX of the ETA.

### **7.08 Credit Bid; Availability of Funds**

The Purchaser has executed, on or prior to the date hereof, the requisite instruction letters to fully authorize the Purchaser, and the Purchaser is duly authorized, to, among other things, deliver the Credit Bid Consideration and Cash Consideration in connection with the consummation of the Closing hereunder.

**ARTICLE VIII  
AS IS, WHERE IS TRANSACTION**

The Purchaser acknowledges and agrees that it has conducted to its satisfaction an independent investigation and verification of the Business, the New Common Shares, the Assumed Liabilities and all related operations of the members of the Applicants, and, based solely thereon and the advice of its financial, legal and other advisors, has determined to proceed with the transactions contemplated by this Agreement. The Purchaser has relied solely on the results of its own independent investigation and verification and, except for the representations and warranties of Trees expressly set forth in Article VI, the Purchaser understands, acknowledges and agrees that all other representations, warranties, conditions and statements of any kind or nature, expressed or implied (including any relating to the future or historical financial condition, results of operations, prospects, assets or liabilities of the Applicants or the Business, or the quality, quantity or condition of the New Common Shares) are specifically disclaimed by Trees, the other members of the Applicants, their respective financial and legal advisors and the Monitor and its legal counsel. THE PURCHASER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF TREES EXPRESSLY AND SPECIFICALLY SET FORTH IN Article VI: (A) THE PURCHASER IS ACQUIRING THE NEW COMMON SHARES ON AN “AS IS, WHERE IS” BASIS; AND (B) NONE OF TREES, THE OTHER MEMBERS OF THE APPLICANTS, THE MONITOR OR ANY OTHER PERSON (INCLUDING ANY REPRESENTATIVE OF TREES, THE OTHER MEMBERS OF THE APPLICANTS OR THE MONITOR WHETHER IN ANY INDIVIDUAL, CORPORATE OR ANY OTHER CAPACITY) IS MAKING, AND THE PURCHASER IS NOT RELYING ON, ANY REPRESENTATIONS, WARRANTIES, CONDITIONS OR OTHER STATEMENTS OF ANY KIND WHATSOEVER, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AS TO ANY MATTER CONCERNING THE APPLICANTS, THE BUSINESS, THE NEW COMMON SHARES, THE ASSUMED LIABILITIES, THE EXCLUDED ASSETS, THE EXCLUDED LIABILITIES, THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THE AGREEMENT, OR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION PROVIDED TO (OR OTHERWISE ACQUIRED BY) THE PURCHASER OR ANY OF ITS RESPECTIVE REPRESENTATIVES, INCLUDING WITH RESPECT TO MERCHANTABILITY, PHYSICAL OR FINANCIAL CONDITION, DESCRIPTION, FITNESS FOR A PARTICULAR PURPOSE, OR IN RESPECT OF ANY OTHER MATTER OR THING WHATSOEVER, INCLUDING ANY AND ALL CONDITIONS, WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, PURSUANT TO ANY APPLICABLE LAWS IN ANY JURISDICTION, WHICH THE PURCHASER CONFIRMS DO NOT APPLY TO THIS AGREEMENT, AND ARE HEREBY WAIVED IN THEIR ENTIRETY BY THE PURCHASER.

**ARTICLE IX  
COVENANTS**

**9.01 Closing Date**

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Outside Date.

## 9.02 Break Fee

In consideration for Purchaser's expenditure of time and money (including professional fees) in connection with its agreement to act as the Stalking Horse Bid, and the preparation of this Agreement, and in performing due diligence pursuant to this Agreement, Purchaser shall be entitled to a break fee equal to \$60,000 (the "**Break Fee**"). The Break Fee is subject to Court approval, shall be approved in the SISP Order and shall be payable to the Purchaser out of the sale proceeds derived from, and upon completion of, a Successful Bid other than the Stalking Horse Bid. Each of Trees and the Purchaser acknowledges and agrees that the Break Fee: (a) represents a fair and reasonable estimate of the costs and damages that will be incurred by the Purchaser as a result of non-completion of this Agreement, and (b) is not intended to be punitive in nature nor to discourage competitive bidding with respect to the SISP. The Break Fee shall be paid by Trees to the Purchaser without deduction or withholding for taxes ("**Tax Deduction**") unless required by Applicable Law. If Trees determines that a Tax Deduction is required by Applicable Law to be made in respect of the payment of the Break Fee, or any portion thereof, Trees shall pay such additional amount as shall be required to result in the Purchaser receiving an amount equal to the amount which it would have received if no Tax Deduction had been required.

## 9.03 Interim Period

During the Interim Period, except as contemplated or permitted by this Agreement (including the Vesting Order and the Pre-Closing Reorganization): (i) the Applicants shall continue to maintain its business and operations in substantially the same manner as conducted on the date of this Agreement, (ii) the Applicants shall not, without the prior written approval of the Purchaser, sell or transfer any assets outside of the ordinary course for amounts greater than \$50,000, and (iii) the Applicants shall not enter into any transaction involving the Business outside of the ordinary course for an amount greater than \$50,000 without the prior written approval of the Purchaser.

## 9.04 Access During the Interim Period

Until the Closing Time, Trees shall give to the Purchaser's personnel engaged in the transactions contemplated by this Agreement and their accountants, legal advisers, consultants, financial advisors and representatives during normal business hours reasonable access to its premises and to all of the books and records relating to the Business, the members of the Applicants, the Assumed Liabilities and the employees, and shall furnish them with all such information relating to the Business, the members of the Applicants, the Assumed Liabilities and the employees as Purchaser may reasonably request in connection with the transactions contemplated by this Agreement; provided that such access shall be conducted at the Purchaser's expense, in accordance with Applicable Law and under supervision of Trees' personnel and in such a manner as to maintain confidentiality, and Trees will not be required to provide access to or copies of any such books and records if: (a) the provision thereof would cause Trees to be in contravention of any Applicable Law; or (b) making such information available would: (i) result in the loss of any lawyer-client or other legal privilege; or (ii) cause Trees to be found in contravention of any Applicable Law, or contravene any fiduciary duty or agreement (including any confidentiality agreement to which Trees or any of its Affiliates are a party). Notwithstanding anything in Section 9.03 to the contrary, any such investigation shall be conducted upon reasonable advance

notice and in such manner as does not materially disrupt the conduct of the Business or the possible sale thereof to any other Person.

#### **9.05 Transaction Regulatory Approvals**

- (a) The Parties shall use commercially reasonable efforts to apply for and obtain any Transaction Regulatory Approvals as soon as reasonably practicable and no later than the time limits imposed by Applicable Laws, in accordance with this Section 9.05, in each case at the sole cost and expense of the Purchaser.
- (b) The Parties shall co-operate with one another in connection with obtaining any Transaction Regulatory Approvals. Without limiting the generality of the foregoing, the Parties shall: (i) give each other reasonable advance notice of all meetings or other oral communications with any Governmental Authority relating to the Transaction Regulatory Approvals, as applicable, and provide as soon as practicable but in any case, if any, within the required time, any additional submissions, information and/or documents requested by any Governmental Authority necessary, proper or advisable to obtain the Transaction Regulatory Approvals; (ii) not participate independently in any such meeting or other oral communication without first giving the other Party (or their outside counsel) an opportunity to attend and participate in such meeting or other oral communication, unless otherwise required or requested by such Governmental Authority; (iii) if any Governmental Authority initiates an oral communication regarding the Transaction Regulatory Approvals, promptly notify the other Party of the substance of such communication; (iv) subject to Applicable Laws relating to the exchange of information, provide each other with a reasonable advance opportunity to review and comment upon and consider in good faith the views of the other in connection with all written communications (including any filings, notifications, submissions, analyses, presentations, memoranda, briefs, arguments, opinions and proposals) made or submitted by or on behalf of a Party with a Governmental Authority regarding the Transaction Regulatory Approvals as applicable; and (v) promptly provide each other with copies of all written communications to or from any Governmental Authority relating to the Transaction Regulatory Approvals as applicable.
- (c) Each of the Parties may, as advisable and necessary, reasonably designate any competitively or commercially sensitive material provided to the other under this Section as “Outside Counsel Only Material”, provided that the disclosing Party also provides a redacted version to the receiving Party. Such materials and the information contained therein shall be given only to the outside legal counsel of the recipient and, subject to any additional agreements between the Parties, will not be disclosed by such outside legal counsel to employees, officers or directors of the recipient unless express written permission is obtained in advance from the source of the materials or its legal counsel.

- (d) The obligations of either Party to use its commercially reasonable efforts to obtain the Transaction Regulatory Approvals does not require either Party (or any Affiliate thereof) to undertake any divestiture of any business or business segment of such Party, to agree to any material operating restrictions related thereto or to incur any material expenditure(s) related therewith, unless agreed to by the Parties. In connection with obtaining the Transaction Regulatory Approvals, no member of the Applicants shall agree to any of the foregoing items without the prior written consent of the Purchaser.

#### **9.06 Other Covenants Relating to this Agreement**

- (a) From the date hereof until the Closing Date, Trees and the Purchaser agree, and agree to cause their respective representatives and Affiliates, to keep each other informed on a reasonably current basis and no less frequently than on a weekly basis through teleconference or other meeting, or as reasonably requested by the Monitor, as to their progress in satisfying the conditions precedent in this Agreement.
- (b) From the date hereof until the Closing Date, Trees agrees, and agrees to cause its representatives, to promptly notify the Purchaser of: (i) any event, condition, or development that has resulted in the inaccuracy in a material respect or material breach of any representation or warranty, covenant or agreement contained in this Agreement, or (ii) any Material Adverse Effect occurring from and after the date hereof prior to the Closing Date.
- (c) Trees and the Purchaser agree to use commercial reasonable efforts to timely prepare and file all documentation and pursue all steps reasonably necessary to obtain any material third-party consents and approvals as may be required in connection with the transaction contemplated by this Agreement.
- (d) Trees and the Purchaser shall cooperate and use commercially reasonable efforts to cause Trees to cease to be a reporting issuer (or equivalent thereof) in the applicable jurisdictions of Canada as soon as reasonably practicable after the Closing Date.
- (e) If Purchaser is the Successful Bidder, at the request of Purchaser, Trees shall proceed with the liquidation, winding-up, dissolution and/or amalgamation of any members of the Applicants designated by Purchaser on or prior to the Closing Date, which costs shall be borne by the Purchaser.

#### **9.07 Tax Matters**

- (a) Trees shall be responsible for all Taxes owed or owing or accrued by the Applicants in respect of the period commencing on the Filing Date and ending on the Closing Date (the “**Post-Filing Tax Obligations**”), if any.
- (b) Save and except for the Pre-Filing GST/HST Obligations, all Taxes owed or owing or accrued by the Applicants prior to the Filing Date (the “**Pre-Filing Tax**”

**Obligations**”) shall be transferred to, assumed by, and vested in ResidualCo as Excluded Liabilities. For greater certainty, any audits or reassessments by the Canada Revenue Agency or any other Governmental Authority with respect to Taxes that relate to a time period occurring, or facts arising, prior to the Filing Date shall be a Pre-Filing Tax Obligation, regardless upon when such audit was commenced or completed, and any and all such obligations with respect to such audits and reassessments shall be transferred to and assumed by ResidualCo as Excluded Liabilities.

- (c) Prior to Closing, Trees shall provide evidence in form and substance satisfactory to the Purchaser that all such Post-Filing Tax Obligations have been paid in full to the relevant Governmental Authority or that sufficient cash reserves will be held by the Applicants at Closing to pay all such Post-Filing Tax Obligations in full post-Closing.
- (d) After Closing, the Purchaser shall cause to be prepared and filed on a timely basis all Tax Returns for the Applicants for (a) any period which ends on or before the Closing Date and for which Tax Returns have not been filed as of such date, and (b) for any period that begins prior to the Closing Date and ends after the Closing Date for which Tax Returns are required to be prepared and filed.

#### **9.08 Employee Matters**

- (a) The Purchaser intends to assume all store-level employees of the Applicants. The Purchaser may in as many separate instances as it may require, acting reasonably, interview any employee, contractor, or consultant beforehand. The Purchaser shall notify Trees of its intention, and upon receipt of a request thereof, Trees will use reasonable efforts to facilitate such interviews as soon as practicable.
- (b) The Purchaser may, but is not obligated to, in the name of the applicable member of the Applicants, make conditional (upon Closing) continued or new (as applicable) offers of employment on such terms as it may determine in its absolute and sole discretion.
- (c) The Purchaser shall make commercially reasonable efforts to make such offers in writing on or prior to the date that is ten (10) calendar days prior to the anticipated Closing Date, provided that such offers shall be made no later than five (5) calendar days prior to the anticipated Closing Date, and leave such offers open for acceptance up to and including one (1) calendar day prior to the Closing Date. The Purchaser agrees that no fewer than 95% of the total current number of store-level employees of the Applicants shall receive an offer of employment in accordance with this section 9.08(c). Notwithstanding any other provision of this Agreement, the Purchaser has no obligation to offer employment to any particular employee.
- (d) In the event:



- (i) no conditional offer of employment is made to such employee of the Applicants; or
- (ii) an employee who receives an offer of employment rejects such offer in writing or fails to accept such offer of employment up to and including one (1) calendar day prior to the Closing Date,

such employee shall be deemed to be a “**Terminated Employee**”.

### **9.09 Administrative Expense Amount**

- (a) On the Closing Date, Trees shall pay the Administrative Expense Amount to the Monitor, which the Monitor shall use to pay the Administrative Expense Costs and the CCAA Charge Amount.
- (b) From time to time after the Closing Date, the Monitor may pay from the Administrative Expense Amount the Administrative Expense Costs and amounts secured by the CCAA Charges at its sole discretion and without further authorization from Trees or the Purchaser. Any unused portion of the Administrative Expense Amount after payment or reservation for all Administrative Expense Costs, as determined by the Monitor, shall be transferred by the Monitor to Trees.
- (c) Notwithstanding the foregoing or anything else contained herein or elsewhere, each of Trees and the Purchaser acknowledges and agrees that: (i) the Monitor’s obligations hereunder are and shall remain limited to those specifically set out in this Section 9.09; and (ii) the Monitor is acting solely in its capacity as the CCAA Court-appointed Monitor of the Applicants pursuant to the Initial Order and not in its personal or corporate capacity, and the Monitor has no liability in connection with this Agreement whatsoever, in its personal or corporate capacity or otherwise, save and except for and only to the extent of the Monitor’s gross negligence or intentional fault.
- (d) The Parties acknowledge that the Monitor may rely upon the provisions of this Section 9.09 notwithstanding that the Monitor is not a party to this Agreement. The provisions of this Section 9.09 shall survive the termination or non-completion of the transactions contemplated by this Agreement.

### **9.10 ResidualCo**

On the Closing Date, Trees shall convey all Equity Interests in ResidualCo to Thornton Grout Finnigan LLP (“TGF”) to hold as agent and bare trustee on behalf of the common shareholders of Trees immediately prior to the Consolidation and Cancellation as their interests may be agreed or as they may be determined by the Court in the CCAA Proceedings. For greater certainty, TGF shall not have any obligation or duties to take any actions, steps or otherwise in respect of the Equity Interests of ResidualCo, subject to direction from the Monitor, or Order of the Court in the CCAA Proceeding.

### **9.11 Release by Purchaser**

Except in connection with any obligations of Trees or the Monitor contained in this Agreement and any Closing Documents, effective as of the Closing Time, Purchaser and its Affiliates hereby releases and forever discharges Trees, the Monitor, and their respective Affiliates, and each of their respective successors and assigns, and all present and former officers, directors, partners, members, shareholders, limited partners, employees, agents, financial and legal advisors of each of them, from any and all actual or potential Released Claims which such Person had, has or may have in the future to the extent relating to the Business, the New Common Shares or the Assumed Liabilities, save and except for Released Claims arising out of fraud, bad faith or illegal acts (unless such Person believed in good faith that its conduct was legal). For greater certainty, this section does not release Trees of any obligations in respect of the Loan Agreements.

### **9.12 Release by Trees**

Except in connection with any obligations of Purchaser and the Monitor contained in this Agreement and any Closing Documents, effective as of the Closing Time, Trees and its Affiliates hereby release and forever discharge Purchaser, the Monitor and their respective Affiliates, and each of their respective successors and assigns, and all former and present officers, directors, partners, members, shareholders, limited partners, employees, agents, financial and legal advisors of each of them, from any and all actual or potential Released Claims which such Person had, has or may have in the future to the extent relating to: (a) the New Common Shares, (b) the Excluded Assets, or (c) the Excluded Liabilities, save and except for Released Claims arising out of fraud, bad faith or illegal acts (unless such Person believed in good faith that its conduct was legal).

## **ARTICLE X CLOSING**

### **10.01 Location and Time of the Closing**

Closing shall take place electronically (or as otherwise determined by mutual agreement of the Parties in writing), by the exchange of deliverables (in counterparts or otherwise) by electronic transmission in PDF format.

### **10.02 Pre-Closing Reorganization**

- (a) Subject to the other terms of this Agreement, Trees shall effect the Pre-Closing Reorganization.
- (b) The Purchaser and Trees shall work cooperatively and use commercially reasonable efforts to prepare, before the Closing Date, all documentation necessary and do such other acts and things as are necessary to give effect to the Pre-Closing Reorganization.

### **10.03 Trees' Deliveries at Closing**

At or before the Closing Time, Trees shall deliver or cause to be delivered to the Purchaser the following:

- (a) a true copy of the Vesting Order and the SISP Order, as issued and entered by the Court, each of which shall be a final order which shall not have been appealed, set aside, varied or stayed within the applicable appeal period, or if either the Vesting Order or the SISP Order have been appealed within the applicable appeal period or if any motion has been commenced to set aside, vary or stay the Vesting Order or the SISP Order, all such appeals and motions shall have been finally dismissed;
- (b) share certificates representing the New Common Shares;
- (c) a certificate dated as of the Closing Date confirming that all of the representations and warranties of Trees contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that Trees has performed in all material respects the covenants to be performed by it prior to the Closing Time;
- (d) written confirmation of the due incorporation and organization of ResidualCo on the terms set forth herein;
- (e) evidence that the Consolidation and Cancellation has been completed including a copy of the filed articles of amendment thereof; and
- (f) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

#### **10.04 Purchaser's Deliveries at Closing**

At or before the Closing Time, the Purchaser shall deliver or cause to be delivered to Trees (or to the Monitor, as applicable), the following:

- (a) the Cash Consideration and the Credit Bid Consideration Statement;
- (b) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all material respects the covenants to be performed by it prior to the Closing Time; and
- (c) such other agreements, documents and instruments as may be reasonably required by Trees to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

#### **10.05 Simultaneous Transactions**

All actions taken and transactions consummated at the Closing shall be deemed to have occurred in the manner and sequence set forth in the Implementation Steps and the Vesting Order (subject

to the terms of any escrow agreement or arrangement among the Parties relating to the Closing), and no such transaction shall be considered consummated unless all are consummated.

## ARTICLE XI CLOSING CONDITIONS

### 11.01 Conditions for the Benefit of the Purchaser and Trees

The respective obligations of the Purchaser and Trees to consummate the transactions contemplated by this Agreement are subject to the satisfaction of, or compliance with, at or prior to the Closing Time, each of the following conditions:

- (a) No Law: No provision of any Applicable Law and no judgment, injunction or Order preventing or otherwise frustrating the consummation of the purchase of the New Common Shares or any of the other transactions pursuant to this Agreement shall be in effect;
- (b) Vesting Order: The Court shall have granted the Vesting Order in form and substance satisfactory to each of the Purchaser and Trees, in their sole discretion, substantially in the form attached hereto as Schedule 1.01(kkkk), *provided*, however, that it shall not be a condition to closing that the Court grant the releases in the form of Vesting Order.
- (c) Transaction Regulatory Approvals: The members of the Applicants shall have received all required Transaction Regulatory Approvals, and all required Transaction Regulatory Approvals shall be in full force and effect, except for Transaction Regulatory Approvals that need not be in full force and effect prior to Closing.

The Parties acknowledge that the foregoing conditions are for the mutual benefit of Trees and the Purchaser. Any condition in this Section 11.01 may be waived by Trees and the Purchaser, in whole or in part, without prejudice to any of their respective rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver will be binding on Trees or the Purchaser, as applicable, only if made in writing.

### 11.02 Conditions for the Benefit of Purchaser

The obligation of the Purchaser to consummate the transactions contemplated by this Agreement is subject to the satisfaction of, or compliance with, or waiver by the Purchaser of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Purchaser):

- (a) Performance of Covenants: The covenants contained in this Agreement to be performed or complied with by Trees at or prior to the Closing Time shall have been performed or complied with in all material respects as at the Closing Time;

- (b) No Breach of Representations and Warranties: Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement, each of the representations and warranties contained in Article VI shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date, or (ii) if made as of a date specified therein, as of such date.
- (c) No Material Adverse Effect: Since the date hereof, no change effect, event, occurrence, state of facts or development shall have occurred that resulted in, or would reasonably be expected to result in, a Material Adverse Effect;
- (d) Trees' Deliverables: Trees shall have delivered to the Purchaser all of the deliverables contained in Section 10.03 in form and substance reasonably satisfactory to Purchaser;
- (e) Implementation Steps: The members of the Applicants shall have completed the Implementation Steps that are required to be completed prior to Closing, in form and substance reasonably acceptable to Purchaser, acting reasonably;
- (f) Terminated Employees: The applicable member of the Applicants shall have terminated the employment of the Terminated Employees, and all liabilities owing to any such Terminated Employees in respect of such terminations, including all amounts owing on account of or damages in lieu of, statutory notice, termination payments, severance, benefits, bonuses or other compensation or entitlements, shall be Excluded Liabilities which, pursuant the Vesting Order, shall be assigned and transferred as against the applicable member of the Applicants to and assumed by ResidualCo.
- (g) ResidualCo.: Pursuant to the Vesting Order: (i) all Excluded Assets and Excluded Liabilities shall have been transferred to ResidualCo or discharged, (ii) the Excluded Liabilities shall have attached to the Excluded Assets and the proceeds from the Purchase Price, and (iii) Trees, its Business and property shall have been released and forever discharged of all Claims and Encumbrances (other than Assumed Liabilities, if any) such that, from and after Closing the Business and property of Trees shall exclude the Excluded Assets and shall not be subject to any Excluded Liabilities.
- (h) CCAA Proceeding: Upon Closing, the CCAA Proceedings shall have been terminated in respect of the Applicants, their Business and property, as set out in the Vesting Order, but, for greater certainty, shall continue in respect of ResidualCo.
- (i) Disclaim Excluded Contracts: Trees or its Affiliates shall have sent notices of disclaimer for all such known Excluded Contracts and other agreements, and such known Excluded Contracts shall form part of the Excluded Assets.

### 11.03 Conditions for the Benefit of Trees

The obligation of Trees to consummate the transactions contemplated by this Agreement is subject to the satisfaction of, or compliance with, or waiver where applicable by Trees of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of Trees):

- (a) Performance of Covenants: The covenants contained in this Agreement to be performed by the Purchaser at or prior to the Closing Time shall have been performed in all material respects as at the Closing Time;
- (b) No Breach of Representations and Warranties: Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement, each of the representations and warranties contained in Article VII shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date, or (ii) if made as of a date specified therein, as of such date.
- (c) Purchaser Deliverables: The Purchaser shall have delivered to Trees all of the deliverables contained in Section 10.04 in form and substance satisfactory to Trees.

### 11.04 Monitor's Certificate

As soon as practicable following the Closing Time, the Monitor shall file a copy of the Monitor's Certificate with the Court and shall provide a copy of the Monitor's Certificate to the Purchaser and Trees. The Parties hereby acknowledge and agree that the Monitor will be entitled to file the Monitor's Certificate with the Court, without independent investigation, upon receiving written confirmation from Trees and the Purchaser in form and substance satisfactory to the Monitor that all conditions to Closing have been met or waived, and the Monitor will have no liability to the Purchaser, Trees or any other Person as a result of filing the Monitor's Certificate in accordance with this Section 11.04.

## ARTICLE XII INSOLVENCY PROVISIONS

### 12.01 Court Orders and Related Matters

- (a) From and after the date of this Agreement and until the Closing Date, Trees shall deliver to the Purchaser drafts of any and all pleadings, motions, notices, statements, applications, schedules, and other papers to be filed or submitted by any member of the Applicants in connection with or related to this Agreement, including with respect to the Vesting Order, for Purchaser's prior review at least three (3) days in advance of service and filing of such materials (or where circumstances make it impracticable to allow for three (3) days' review, with as much opportunity for review and comment as is practically possible in the circumstances). Trees acknowledges and agrees (i) that any such pleadings, motions, notices, statements, applications, schedules, or other papers shall be in

form and substance satisfactory to the Purchaser, acting reasonably, and (ii) to consult and cooperate with the Purchaser regarding any discovery, examinations and hearing in respect of any of the foregoing, including the submission of any evidence, including witnesses testimony, in connection with such hearing.

- (b) Notice of the motions seeking the issuance of the Vesting Order shall be served or be caused to be served by Trees on all persons required to receive notice under Applicable Law and the requirements of the CCAA, the Court, and any other Person determined necessary by Trees or Purchaser, acting reasonably.
- (c) As soon as practicable if the Purchaser is selected or deemed to be the Successful Bidder in accordance with the SISP, the Applicants shall file a motion seeking the issuance of the Vesting Order.
- (d) If the Vesting Order relating to this Agreement is appealed or a motion for leave to appeal, rehearing, re-argument or reconsideration is filed with respect thereto, Trees agrees (subject to the available liquidity of Trees) to take all action as may be commercially reasonable and appropriate to defend against such appeal, petition or motion.
- (e) Trees acknowledges and agrees, that the Vesting Order shall provide that, on the Closing Date and concurrently with the Closing, the Purchased Shares shall be transferred to Purchaser free and clear of all Encumbrances, other than Permitted Encumbrances.

### **ARTICLE XIII TERMINATION**

#### **13.01 Termination**

This Agreement may be terminated on or prior to the Closing Date as follows:

- (a) by the mutual written agreement of Trees and the Purchaser;
- (b) by either Party upon written notice to the other Party:
  - (i) if this Agreement is not the Successful Bid or the Back-Up Bid (as determined pursuant to the SISP); or this Agreement is the Back-Up Bid and the transaction contemplated by the Successful Bid is closed;
  - (ii) if Closing has not occurred on or before the Outside Date, provided that the terminating Party is not in breach of any representation, warranty, or covenant in this Agreement that would prevent the satisfaction of the conditions in Article XI on or before the Outside Date;

- (iii) if at any time after the date hereof any of the conditions in Article XI is not capable of being satisfied by the applicable dates required in Article XI of this Agreement or if not otherwise required, by the Outside Date;
  - (iv) upon the termination, dismissal or conversion of the CCAA Proceedings;
  - (v) upon dismissal of the motion for the Vesting Order (or if any such order is stayed, vacated or varied without the consent of Purchaser); or
  - (vi) if a court of competent jurisdiction, including the Court or a Governmental Authority has issued an Order or taken any other action to restrain, enjoin or otherwise prohibit the consummation of closing of the Transactions and such Order or action has become a final Order;
- (c) by Purchaser upon written notice to Trees:
- (i) upon the appointment of a receiver, trustee in bankruptcy or similar official in respect of any member of the Applicants or any of the property of any member of the Applicants, other than with the prior written consent of Purchaser;
  - (ii) if an Event of Default (as defined in the DIP Term Sheet) has occurred and such Event of Default has not been waived by Purchaser or cured within ten (10) Business Days after receipt of written notice from Purchaser;
  - (iii) if there has been a material violation or breach by Trees of any covenant, representation or warranty which would prevent the satisfaction of the conditions set forth in Section 11.01 or Section 11.02, as applicable, by the Outside Date and such violation or breach has not been waived by Purchaser or cured within ten (10) Business Days after receipt of written notice thereof from Purchaser, unless Purchaser is in material breach of its obligations under this Agreement which would prevent the satisfaction of the conditions set forth in Section 11.01 or Section 11.03, as applicable, by the Outside Date; or
- (d) by Trees upon written notice to the Purchaser, if there has been a material violation or breach by Purchaser of any covenant, representation or warranty which would prevent the satisfaction of the conditions set forth in Section 11.01 or Section 11.03, as applicable, by the Outside Date, and such violation or breach has not been waived by Trees or cured within ten (10) Business Days after written notice thereof from Trees, unless Trees is in material breach of their obligations under this Agreement which would prevent the satisfaction of the conditions set forth in Section 11.01 or Section 11.02, as applicable, by the Outside Date;



### **13.02 Effect of Termination.**

If this Agreement is terminated pursuant to Section 13.01, all further obligations of the Parties under this Agreement will terminate, and no Party will have any liability or further obligations hereunder. For certainty, if this Agreement is terminated pursuant to Section 13.01, the DIP Facility shall become immediately repayable on demand in accordance with the DIP Term Sheet. Notwithstanding anything to the contrary in this Agreement: (a) this Section 13.02, Section 14.10 Section 14.11, and Section 14.13 shall survive termination of this Agreement, and (b) termination of this Agreement shall relieve any Party of any liability for any wilful breach by it of this Agreement.

## **ARTICLE XIV GENERAL MATTERS**

### **14.01 Access to Books and Records**

For a period of five years from the Closing Date or for such longer period as may be reasonably required for ResidualCo (or any trustee in bankruptcy of the estate of ResidualCo) to comply with Applicable Law, the Purchaser shall cause Trees and its Affiliates to retain all original books and records. So long as any such books and records are retained by the Applicants pursuant to this Agreement, ResidualCo (and any representative, agent, former director or officer of the Applicants or trustee in bankruptcy of the estate of ResidualCo, including the Monitor) has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Applicants.

### **14.02 Time**

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by Trees and the Purchaser.

### **14.03 Entire Agreement**

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement among the Parties, and set out all the covenants, promises, warranties, representations, conditions and agreements among the Parties in connection with the subject matter of this Agreement, and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral among the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

#### **14.04 Paramountcy**

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with the Transactions or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

#### **14.05 Waiver, Amendment**

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by the Parties. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

#### **14.06 Governing Law; Jurisdiction and Venue**

This Agreement, the rights and obligations of the Parties under this Agreement, and any Claim or controversy directly or indirectly based upon or arising out of this Agreement or the transactions contemplated by this Agreement (whether based on contract, tort or any other theory), including all matters of construction, validity and performance, shall in all respects be governed by, and interpreted, construed and determined in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to the conflicts of law principles thereof. The Parties consent to the jurisdiction and venue of the Court for the resolution of any such disputes arising under this Agreement. Each Party agrees that service of process on such Party as provided in Section 14.13 shall be deemed effective service of process on such Party.

#### **14.07 Further Assurances**

As reasonably required by a Party in order to effectuate the transactions contemplated by this Agreement, the Purchaser and Trees shall execute and deliver at (and after) the Closing such other documents, and shall take such other actions, as are necessary or appropriate, to implement and make effective the transactions contemplated by this Agreement.

#### **14.08 Public Notices**

No press release or other announcement concerning the transactions contemplated by this Agreement shall be made by Trees or the Purchaser without the prior written consent of the other Party (such consent not to be unreasonably withheld, conditioned or delayed); provided, however, that subject to the last sentence of this Section 14.08, any Party may, without such consent, make such disclosure if the same is required by Applicable Law (including the CCAA Proceedings) or by any stock exchange on which any of the securities of such Party or any of its Affiliates are listed, or by any insolvency or other court or securities commission, or other similar Governmental Authority having jurisdiction over such Party or any of its Affiliates, and, if such disclosure is required, the Party making such disclosure shall use commercially reasonable efforts to give prior written notice to the other Party to the extent legally permissible and reasonably practicable, and if such prior notice is not legally permissible or reasonably practicable, to give such notice reasonably promptly following the making of such disclosure. Notwithstanding the foregoing: (a)

this Agreement may be filed by Trees: (i) with the Court; and (ii) on its profile on [www.sedar.com](http://www.sedar.com); and (b) the transactions contemplated in this Agreement may be disclosed by Trees to the Court. The Parties further agree that:

- (a) the Monitor may prepare and file reports and other documents with the Court containing references to the transactions contemplated by this Agreement and the terms of such transactions; and
- (b) Trees, the Purchaser and their respective professional advisors may prepare and file such motions, affidavits, materials, reports and other documents with the Court containing references to the transactions contemplated by this Agreement and the terms of such transactions as may reasonably be necessary to complete the transactions contemplated by this Agreement or to comply with their obligations in connection therewith.

#### **14.09 Survival**

None of the representations, warranties and covenants of any of the Parties set forth in this Agreement or in any other agreement, document or certificate delivered pursuant to or in connection with this Agreement or the transactions contemplated hereby shall survive the Closing. Notwithstanding the foregoing, the following covenants shall survive Closing and remain in full force and effect: Article II, Article III, Article XII, and Article XIV.

#### **14.10 Non-Recourse**

No past, present or future director, officer, employee, incorporator, member, partner, security holder, Affiliate, agent, lawyer or representative of the respective Parties, in such capacity, shall have any liability for any obligations or liabilities of the Purchaser or Trees, as applicable, under this Agreement, or for any Claims based on, in respect of or by reason of the transactions contemplated hereby.

#### **14.11 Assignment; Binding Effect**

No Party may assign its right or benefits under this Agreement without the consent of each of the other Parties, except that the Purchaser may assign this Agreement or any or all of its rights and obligations hereunder to one or more of its Affiliates, provided that no such assignment or direction shall relieve the Purchaser of its obligations hereunder. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and permitted assigns.

#### **14.12 Benefit of Agreement**

This Agreement shall enure to the benefit of and be binding upon the Parties, their Affiliates and their respective successors and permitted assigns, including for greater certainty, ResidualCo. Nothing in this Agreement shall create or be deemed to create any third-party beneficiary rights in any other Person not a Party to this Agreement.

### 14.13 Notices

Any notice, request, demand or other communication required or permitted to be given to a Party pursuant to the provisions of this Agreement will be in writing and will be effective and deemed given under this Agreement on the earliest of: (a) the date of personal delivery; (b) the date of transmission by email, with confirmed transmission and receipt (if sent during normal business hours of the recipient, if not, then on the next Business Day); (c) two (2) days after deposit with a nationally-recognized courier or overnight service; or (d) five (5) days after mailing via certified mail, return receipt requested. All notices not delivered personally or by email will be sent with postage and other charges prepaid and properly addressed to the Party to be notified at the address set forth for such Party:

If to Purchaser at:

One Plant (Retail) Corp.  
210 Shields Court  
Markham, ON L3R 8V2

Attention: Michael Serruya

Email: [michael@serruyaequity.com](mailto:michael@serruyaequity.com)

With a copy to:

**Fasken LLP**  
Bay Adelaide Centre  
Suite 2400, 333 Bay Street  
Toronto, ON M5H 2T6

Attention: Dylan Chochla  
Daniel Richer

Email: [dchochla@fasken.com](mailto:dchochla@fasken.com)  
[dricher@fasken.com](mailto:dricher@fasken.com)

If to Trees at:

**Trees Corporation**  
181 Bay Street, Suite 1800  
Toronto, ON M5J 2T9

Attention: Campbell Becher  
Jeffrey Holmgren

Email: [rwbecher@gmail.com](mailto:rwbecher@gmail.com)  
[jeffh@treescorp.ca](mailto:jeffh@treescorp.ca)

With a copy to:

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

Attention: Mitch Grossell  
Derek Harland

Email: [mgrossell@tgf.ca](mailto:mgrossell@tgf.ca)  
[धारलंद@tgf.ca](mailto:धारलंद@tgf.ca)

With a copy to the Monitor:

**FTI Consulting Canada Inc.**  
TD South Tower  
79 Wellington Street West, Suite 2010  
Toronto, ON M5K 1G8

Attention: Jeffrey Rosenberg  
Jodi Porepa  
Carter Wood

Email: [Jeffrey.Rosenberg@fticonsulting.com](mailto:Jeffrey.Rosenberg@fticonsulting.com)  
[Jodi.Porepa@fticonsulting.com](mailto:Jodi.Porepa@fticonsulting.com)  
[Carter.Wood@fticonsulting.com](mailto:Carter.Wood@fticonsulting.com)

With a copy to:

**Torys LLP**  
79 Wellington St. W.  
30th Floor (deliveries)  
Box 270, TD South Tower  
Toronto, ON M5K 1N2

Attention: David Bish  
Mike Noel

Email: [dbish@torys.com](mailto:dbish@torys.com)  
[mnoel@torys.com](mailto:mnoel@torys.com)

Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such Party at its changed address.

#### **14.14 Monitor's Certificate**

The Parties acknowledge and agree that the Monitor shall be entitled to deliver to the Purchaser, and file with the Court, an executed Monitor's Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Monitor shall have no Liability to the Parties in connection therewith. The Parties further acknowledge and agree that upon written confirmation from both Parties that all conditions of Closing in favour of such Party have been satisfied or waived, the Monitor may deliver the executed Monitor's Certificate to the Purchaser's counsel in escrow, with the sole condition of its release from escrow being the Monitor's written confirmation that all such funds have been received. Upon such confirmation being given, the Monitor's Certificate will be released from escrow to the Purchaser, and the Closing shall be deemed to have occurred.

#### **14.15 Monitor's Capacity**

In addition to all of the protections granted to the Monitor under the CCAA or any Order of the Court in the CCAA Proceeding, Trees and the Purchaser acknowledge and agree that the Monitor, acting in its capacity as Monitor of the Applicants and not in its personal capacity, will have no Liability, in its personal capacity or otherwise, in connection with this Agreement or the Transaction contemplated herein whatsoever as Monitor.

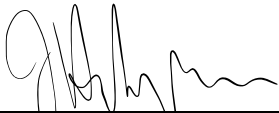
#### **14.16 Counterparts; Electronic Signatures**

This Agreement may be signed in counterparts and each counterpart shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument. Execution of this Agreement may be made by electronic signature which, for all purposes, shall be deemed to be an original signature.

*[Signature pages to follow]*

**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the date first written above.

**TREES CORPORATION**

By:   
Name: Jeffrey Holmgren  
Title: President and Chief Financial Officer

I have the authority to bind the corporation.

**ONE PLANT (RETAIL) CORP.**

By: \_\_\_\_\_  
Name:  
Title:

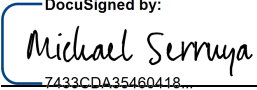
**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the date first written above.

**TREES CORPORATION**

By: \_\_\_\_\_  
Name: Jeffrey Holmgren  
Title: President and Chief Financial Officer

I have the authority to bind the corporation.

**ONE PLANT (RETAIL) CORP.**

By:  \_\_\_\_\_  
Name:  
Title:



**Schedule 1.01(d)**  
**Administrative Expense Amount Estimate**

(To be completed prior to the Phase 1 Bid Deadline)

**Schedule 1.01(hhh)**  
**Permitted Encumbrances**

(To be completed prior to the Phase 1 Bid Deadline)

**Schedule 1.01(yyy)**  
**Sale and Investment Solicitation Process**

(Attached)

**Schedule 1.01(kkkk)  
Form of Vesting Order**

(Attached)

**Schedule 2.03**  
**Excluded Assets**

(To be completed prior to the Phase 1 Bid Deadline)

**Schedule 2.03(c)**  
**Excluded Contracts and Excluded Leases**

(To be completed prior to the Phase 1 Bid Deadline)

**Schedule 2.04**  
**Assumed Liabilities**

(To be completed prior to the Phase 1 Bid Deadline)

**Schedule 2.05**  
**Non-Exhaustive List of Certain Enumerated Excluded Liabilities**

(To be completed prior to the Phase 1 Bid Deadline)



**Schedule 5.01(c)**  
**Implementation Steps**

(To be completed prior to the Phase 1 Bid Deadline)

**Schedule 6.07**  
**Subsidiaries**

	<b>Name</b>	<b>Jurisdiction of Incorporation</b>
1.	Trees Corporation	Canada
2.	Ontario Cannabis Holdings Corp.	Ontario
3.	Miraculo Inc.	Ontario
4.	2707461 Ontario Ltd.	Ontario
5.	OCH Ontario Consulting Corp.	Ontario
6.	11819496 Canada Inc.	Canada
7.	God's Greenery, Inc.	Delaware

**Schedule 10.02**  
**Pre-Closing Reorganization**

(To be completed prior to the Phase 1 Bid Deadline)

**Schedule 11.01(c)**  
**Transaction Regulatory Approvals to be Obtained Prior to the Closing Time**

(To be completed prior to the Phase 1 Bid Deadline)

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Administering Oath or Declaration Remotely."

Rudrakshi Chakrabarti

A Commissioner for taking affidavits

**RUF TCM SHI CHAKRABARTI**

**THIS RECTIFICATION AND AMENDING AGREEMENT** made as of the 12<sup>th</sup> day of January, 2024 (this “**Agreement**”).

AMONG:

**ONE PLANT (RETAIL) CORP. (“One Plant”)**

- and -

**TREES CORPORATION**

- and -

**OCH ONTARIO CONSULTING CORP.**

- and -

**2707461 ONTARIO LTD.**

- and -

**11819496 CANADA INC.**

- and -

**ONTARIO CANNABIS HOLDINGS CORP.**

- and -

**MIRACULO INC.**

**RECITALS:**

**WHEREAS** the parties hereto are each party to the debtor in possession financing term sheet attached hereto as Exhibit “A” (the “**Term Sheet**”);

**AND WHEREAS** the Term Sheet contains an error in the name of One Plant;

**AND WHEREAS** One Plant executed the Term Sheet intending to be bound by the Term Sheet as if the Term Sheet did not contain such error and the correct entity name had been included in the Term Sheet;

**AND WHEREAS** the parties hereto have agreed to execute and deliver this Agreement to rectify the error in the Term Sheet and to make a consequential amendment to the Term Sheet to ensure that the Term Sheet reflects the common intention of the parties thereto at the time they executed the Term Sheet;

**NOW THEREFORE**, in consideration of the mutual covenants in this Agreement and of other consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Truth of Recitals.** One Plant acknowledges, confirms and agrees that the recitals to this Agreement are true and correct in substance and in fact.

2. **Rectification and Amendment.** To address any defects or irregularities in the name of a signatory to the Term Sheet, and to reflect the intention of the parties thereto at the

time the agreement was executed, the Term Sheet be and is hereby rectified, and the following amendment to the Term Sheet is hereby made to rectify the incorrect reference to “One Plant Retail Corp.”:

- (a) The signatory “One Plant Retail Corp.” is deleted and replaced with “One Plant (Retail) Corp.”

3. **Governing Law.** This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada.

4. **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and to their respective successors and assigns.

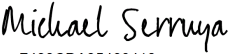
5. **Counterpart.** This Agreement may be executed in two or more counterparts, each of which when so executed, shall be deemed to be an original and all such counterparts, taken together, shall constitute one and the same Agreement.

6. **Electronic Execution.** This Agreement may be executed in original or pdf file copy or by other electronic means in one or more counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same Agreement.


*[Remainder of Page Intentionally Left Blank]*

**IN WITNESS WHEREOF** the parties hereto have duly executed this Agreement with effect as and from the date first written above.


**ONE PLANT (RETAIL) CORP.**

By: DocuSigned by:  
  
7433CDA36460418...  
Name: Michael Serruya  
Title: CEO


**TREES CORPORATION**

By: DocuSigned by:  
  
B485BAAEE39E49B...  
Name: Jeffrey Holmgren  
Title: President and CFO


**OCH ONTARIO CONSULTING CORP.**

By: DocuSigned by:  
  
B485BAAEE39E49B...  
Name: Jeffrey Holmgren  
Title: President and CFO

**2707461 ONTARIO LTD.**

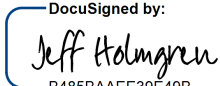
By: DocuSigned by:  
  
B485BAAEE39E49B...  
Name: Jeffrey Holmgren  
Title: President

**11819496 CANADA INC.**

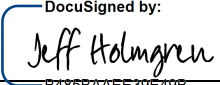
By: DocuSigned by:  
  
B485BAAEE39E49B...  
Name: Jeffrey Holmgren  
Title: President



**ONTARIO CANNABIS HOLDINGS CORP.**

By:    
 B485BA4EE30E40B...   
 Name: Jeffrey Holmgren   
 Title: President and CFO

**MIRACULO INC.**

By:    
 B485BA4EE30E40B...   
 Name: Jeffrey Holmgren   
 Title: CFO

**EXHIBIT "A"**

**TERM SHEET**

**ONE PLANT RETAIL CORP.**  
**DEBTOR IN POSSESSION FINANCING TERM SHEET**  
 (the “**Term Sheet**”)

December 21, 2023

Trees Corporation  
 181 Bay Street, Suite 1800  
 Toronto, Ontario  
 M5J 2T9

**Attention: Jeffrey Holmgren, President and Chief Financial Officer**

**Re: Debtor in Possession Financing for Trees Corporation**

- A. Trees Corporation, OCH Ontario Consulting Corp., 2707461 Ontario Ltd., 11819496 Canada Inc., Ontario Cannabis Holdings Corp. and Miraculo Inc., (collectively, the “**Borrowers**”) intend to make an application to the Ontario Superior Court of Justice (Commercial List) for an initial order (the “**Initial Order**”), among other things, commencing proceedings (the “**CCAA Proceedings**”) under the *Companies Creditors Arrangement Act* (Canada) (the “**CCAA**”), imposing a stay of proceedings in favour of the Borrowers (the “**Initial Stay**”), appointing Ernst & Young Inc. as monitor of the Borrowers (in such capacity, the “**Monitor**”), approving this Term Sheet and granting the DIP Charge (as defined herein) to secure an initial authorized advance of CAD \$350,000 under the DIP Facility (as defined herein);
- B. In the event that the Initial Order is granted, and prior to the expiry of the Initial Stay, the Borrowers will seek an amended and restated initial order (the “**ARIO**”) within the CCAA Proceedings, for, in addition to the relief set out in the Initial Order and among other things, an extension of the Initial Stay and approval of an increase in the authorized limit of the DIP Facility secured by the DIP Charge to CAD \$800,000;
- C. The Borrowers require funding to satisfy the cash flow requirements of the CCAA Proceedings and other short-term liquidity requirements; and
- D. One Plant Retail Corp. (the “**Lender**”) has agreed to advance a debtor-in-possession loan in the aggregate principal amount of CAD \$800,000, subject to and in accordance with the terms and conditions of this Term Sheet.

1. **BORROWERS:** Trees Corporation, OCH Ontario Consulting Corp., 2707461 Ontario Ltd., 11819496 Canada Inc, Ontario Cannabis Holdings Corp. and Miraculo Inc.
2. **LOAN AMOUNT:** CAD \$800,000
3. **DIP FACILITY** Non-revolving facility in the maximum aggregate amount of CAD \$800,000 (the “**DIP Facility**”).

The DIP Facility shall be used for short-term liquidity and other general corporate purposes, including working capital requirements and restructuring fees in accordance with the cash flow projections attached hereto as Schedule “A” (the “**Cash Flow Projections**”) approved by the

DIP Lender and the Monitor while the Borrowers complete a stalking horse sales process and share purchase transaction (the “**Transaction**”) within proceedings commenced under the CCAA.

The amount and purpose of the DIP Facility may be amended by the Borrowers and the DIP Lender in writing and subject to the consent of the Monitor or order of the Court. The Borrowers may not use the proceeds of the DIP Facility to pay any pre-filing obligations of the Borrowers, except with the consent of the DIP Lender and in accordance with the Cash Flow Projections.

4. **ADVANCES:**

Subject to the Conditions Precedent set out in Section 12 of this Term Sheet, and the Borrowers being in compliance with the provisions of this Term Sheet, the DIP Lender shall make the DIP Facility available to the Borrowers by advances as follows:

- (a) upon the issuance of the Initial Order, CAD \$350,000 shall be advanced by the DIP Lender to the Borrowers (the “**Initial Advance**”) by not later than December 22, 2023, to finance working capital requirements and professional fees and expenses for the period from the date of the Initial Order to the date of the ARIO; and
- (b) after the issuance of the ARIO, the balance of the DIP Facility shall be advanced by the DIP Lender to the Borrowers as needed in installments of not less than CAD \$100,000, as approved by the Monitor (each, a “**Subsequent Advance**” and either the Initial Advance or any Subsequent Advance may hereinafter be referred to as an “**Advance**”).

Each Subsequent Advance shall be requested by the Borrowers in writing (each, a “**Subsequent Advance Request**”).

Nothing in this Term Sheet creates a legally binding obligation on the DIP Lender to advance any amount under the DIP Facility at any time unless the Borrowers comply with the provisions of this Term Sheet.

Any Advance shall be funded by wire transfer into an account designated by the Borrowers, cheque payable to one of the Borrowers, or such other means as determined by the DIP Lender in its sole discretion, acting reasonably.

5. **INTEREST:**

Interest shall accrue under the DIP Facility at a rate equal to 15% per annum on the outstanding indebtedness (the “**Interest**”). Interest shall be calculated on the daily outstanding balance owing under the DIP Facility, not in advance, and shall accrue and be paid on the Maturity Date (as defined herein).

6. **RECOVERABLE EXPENSES:**

The Borrowers shall pay, in each case, on a full indemnity basis: (i) all reasonable legal expenses incurred by the DIP Lender in connection with the negotiation, preparation and performance of this Term Sheet,

and (ii) all of the DIP Lender's costs of realization or enforcement, in each case in connection with or related to the DIP Facility, the DIP Charge (defined below), this Term Sheet, or the CCAA Proceedings (collectively, "**Recoverable Expenses**"), provided that the Recoverable Expenses will become payable on the Maturity Date.

For greater certainty, Recoverable Expenses shall include all reasonable fees and expenses incurred by the DIP Lender in connection with the CCAA Proceedings and all court attendances in respect thereof. If the DIP Lender has paid any expense for which the DIP Lender is entitled to reimbursement from the Borrowers, such expenses shall be added to the DIP Facility and shall accrue interest at the rate set out above. All such fees and expenses and interest thereon shall be secured by the DIP Charge, whether or not any funds are advanced under the DIP Facility.

7. **COMMITMENT FEE**

The Borrowers shall pay a commitment fee in the amount of CAD \$50,000 (the "**Fee**"), representing 6.25% of the total maximum amount available under the DIP Facility, which shall be deemed to be fully earned by the DIP Lender and payable on the date that the Court issues the Initial Order approving the DIP Facility. The Fee shall be added to the indebtedness outstanding under the DIP Facility and secured by the DIP Charge.

8. **SECURITY:**

All debts, liabilities and obligations of the Borrowers to the DIP Lender under or in connection with the DIP Facility, this Term Sheet, and any other documents executed in connection therewith shall be secured by a Court-ordered super-priority charge (the "**DIP Charge**") granted to the DIP Lender in and to all present and future properties, assets, and undertakings of the Borrowers, real and personal, tangible and intangible, including all intellectual property owned by the Borrowers, whether now owned or hereafter acquired (collectively, the "**Property**"), ranking subordinate only to: (i) an administration charge in the maximum aggregate amount of CAD \$500,000 for the payment of the fees and expenses of counsel to the Borrowers, the Monitor and counsel to the Monitor (the "**Administration Charge**"), and (ii) any valid purchase money security interests registered under the *Personal Property Security Act* (Ontario).

9. **MATURITY DATE**

Unless otherwise agreed by the DIP Lender in its sole discretion, the term of the DIP Facility shall expire, and the Borrowers shall repay all obligations owing to the DIP Lender under this Term Sheet on the earliest of (the "**Maturity Date**"):

- (a) February 29, 2024;
- (b) The closing of a Transaction;
- (c) any Order made by the Court replacing Ernst & Young Inc. as Monitor;

- (d) the date on which the CCAA Proceedings are terminated for any reason, including if one or more of the Borrowers become bankrupt, whether voluntarily or involuntarily; and
- (e) the occurrence of an Event of Default (as defined herein).

**10. EXTENSION**

Provided that the Borrowers are not in default, the DIP Lender shall agree to extend the Maturity Date for up to an additional 90 calendar days, subject to the Borrowers achieving the following milestones by February 29, 2024, to the satisfaction of the DIP Lender in its sole and unfettered discretion:

- (a) the Court grants the Sale and Investment Solicitation Process (“SISP”) Order that, among other things, approves the DIP Lender acting as the stalking horse bidder in the SISP;
- (b) the Borrowers receive one or more bids in the SISP that will repay, in full, all amounts outstanding under this Term Sheet and any other first-ranking secured debt held by the DIP Lender or its nominee or affiliates at the time such bid is made (including any such debt acquired from third parties);
- (c) the Borrowers bring a motion for the approval of the successful bid in the SISP; and
- (d) the Borrowers and the successful bidder under the SISP are making reasonable progress towards satisfying all closing conditions to the Transaction contemplated by the successful bid.

**11. REPAYMENT:**

The aggregate principal amount owing under the DIP Facility plus all accrued and unpaid Interest, Recoverable Expenses and the Fee, shall become immediately due and payable on the Maturity Date. The DIP Facility may be prepaid at any time, without penalty (provided all accrued and unpaid Interest, Recoverable Expenses and the Fee are paid in full). If the Borrowers choose to prepay any amount owing under the DIP Facility, any such payment shall be applied: (i) first, to all accrued and unpaid Interest; (ii) second, to the Fee and all Recoverable Expenses; and (iii) third, to any principal amount outstanding under the DIP Facility.

If the DIP Lender completes a Transaction with one or more of the Borrowers, the Borrowers agree that all amounts outstanding under the DIP Facility, plus all accrued and unpaid Interest, Recoverable Expenses, and the Fee (if applicable), shall be credited against the amount of the consideration payable by the DIP Lender or its nominee under the Transaction.

**12. CONDITIONS PRECEDENT:**

The availability of the Initial Advance under the DIP Facility shall be subject to and conditional upon the following, which may be waived by

the DIP Lender, in its sole and unfettered discretion, in writing (the “**Initial Conditions Precedent**”):

- (a) written acceptance of this Term Sheet by the Borrowers;
- (b) the DIP Lender shall have received and approved the Cash Flow Projections in accordance with the terms of this Term Sheet;
- (c) the Court shall have issued the Initial Order, in a form satisfactory to the DIP Lender, including:
  - i. approving this Term Sheet and the DIP Facility up to an authorized limit of CAD \$350,000; and
  - ii. granting the DIP Charge in favour of the DIP Lender;
- (d) the DIP Lender shall, acting reasonably, be satisfied that the Borrowers have complied with and are continuing to comply, in all material respects, with all applicable laws, regulations and policies in relation to their business other than as may be permitted by an Order of the Court in the CCAA Proceedings, provided that the issuance of any such Order does not result in the occurrence of an Event of Default;
- (e) no Event of Default has occurred or will occur as a result of the Advance.

The availability of any Subsequent Advance under the DIP Facility shall be subject to and conditional upon the following, which may be waived by the DIP Lender, in its sole and unfettered discretion, in writing:

- (f) the Initial Conditions Precedent;
- (g) the Court shall have issued the ARIO, in a form satisfactory to the DIP Lender, including increasing the authorized limit of the DIP Facility secured by the DIP Lender’s Charge to CAD \$800,000; and
- (h) the DIP Lender shall have received a Subsequent Advance Request from the Borrowers, which may be from counsel to the Borrowers, that the requested Subsequent Advance is within the maximum amount available under the DIP Facility, in accordance with the Cash Flow Projections, and that the Borrowers are in compliance with this Term Sheet and the ARIO.

13. **REPRESENTATIONS AND WARRANTIES**

The Borrowers, as applicable, represent and warrant to the DIP Lender, upon which representations and warranties the DIP Lender relies in entering into this Term Sheet and when making each Advance, as follows (the “**Representations and Warranties**”):

- (a) the transactions contemplated by this Term Sheet (other than any stalking horse purchase agreement):
  - i. upon the granting of the Initial Order, are within the powers of the Borrowers;
  - ii. have been duly authorized by all necessary corporate approvals of the Borrowers;
  - iii. have been duly executed and delivered by or on behalf of the Borrowers;
  - iv. upon the granting of the Initial Order, constitute legal, valid and binding obligations of the Borrowers; and
  - v. upon the granting of the Initial Order, do not require the consent or approval of, registration or filing with, or any other action by, any governmental authority, other than filings which may be made to register or otherwise record the DIP Charge or any security granted to the DIP Lender;
- (b) the Borrowers are corporations existing under the laws of their jurisdiction of incorporation;
- (c) the Borrowers own, or are licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, and the use thereof by the Borrowers do not infringe upon the rights of any other person to the knowledge of the Borrowers;
- (d) save to the extent disclosed by the Borrowers to the DIP Lender, the Borrowers have paid, where due, its tax and other obligations, including for payroll, employee source deductions, and *Harmonized Sales Tax*, and is not in arrears in respect of these obligations;
- (e) the Borrowers maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar business and operating in the same or similar locations; and
- (f) all factual information provided by or on behalf of the Borrowers to the DIP Lender for the purposes of or in connection with this Term Sheet or any transaction contemplated herein is true and accurate in all material respects on the date as of which such information is dated or certified and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially



misleading at such time in light of the circumstances under which such information was provided.

**14. COVENANTS:**

The Borrowers covenant and agree with the DIP Lender, so long as any amounts are outstanding by the Borrowers to the DIP Lender hereunder, to:

- (a) use reasonable efforts to keep the DIP Lender apprised on a timely basis of all material developments with respect to the business and affairs of the Borrowers;
- (b) promptly, upon receipt by the Borrowers of same, give the DIP Lender a copy of any Notice of Motion or Application to vary, supplement, revoke, terminate or discharge the Initial Order or the ARIO, including, without limitation, any application to the Court for the granting of new or additional security that will or may have priority over the DIP Charge, or otherwise for the variation of the priority of the DIP Charge;
- (c) prior to service, provide the DIP Lender with all materials the Borrowers intend to file in the CCAA Proceedings and provide the DIP Lender and its counsel a reasonable amount of time to review same;
- (d) provide the DIP Lender with any additional financial information reasonably requested by the DIP Lender, including any updated Cash Flow Projections;
- (e) use the Advances under the DIP Facility for the purposes for which they are being provided, as set out in Section 3 of this Term Sheet, or such other purposes that may be agreed to by the DIP Lender and the Monitor in writing;
- (f) comply with the provisions of the Initial Order, the ARIO and any other court order made in the CCAA Proceedings; provided that if any court order in the CCAA Proceedings contravenes this Term Sheet or any other DIP Facility documentation so as to adversely impact the rights or interests of the DIP Lender in a material manner, the same shall be an Event of Default hereunder;
- (g) provide the DIP Lender with prompt written notice of any event that constitutes, or would, with notice, lapse of time, or both, constitute an Event of Default, a breach of any covenant, or other term or condition of this Term Sheet, or of any document executed in connection with this Term Sheet;
- (h) conduct all activities in a manner consistent with the Cash Flow Projections;

- (i) keep and maintain books of account and other accounting records in accordance with generally accepted accounting principles;
- (j) not declare any dividend, or make any other distributions with respect to any shares of the Borrowers without the prior written consent of the DIP Lender and the consent of the Monitor or order of the Court;
- (k) not make any payment to any director, officer, investor or related party (except salary and wages in the normal course) without the prior written consent of the DIP Lender and the Monitor or order of the Court;
- (l) keep the Borrowers' assets fully insured against such perils and in such manner as would be customarily insured by companies owning similar assets; and
- (m) not, without the prior written consent of the DIP Lender and the consent of the Monitor or order of the Court, incur any borrowings or other secured indebtedness, obligations or liabilities, other than the DIP Facility, or create or grant any security (other than the Administration Charge, the DIP Charge and a charge in favour of the directors and officers) over any of its Property, whether ranking in priority to or subordinate to the DIP Charge;
- (n) not sell, transfer, assign, convey or lease any Property unless agreed to by the DIP Lender and consented to by the Monitor or order of the Court; and
- (o) not enter into a Transaction unless all amounts outstanding under this Term Sheet and any other first-ranking secured debt held by the DIP Lender or its nominees or affiliates at the time such Transaction is entered into (including any such debt acquired from third parties) will be permanently and indefeasibly repaid upon closing of the Transaction, or if the terms of the Transaction have otherwise been approved by the DIP Lender.

15. **INDEMNITY:**

The Borrowers agree to indemnify and hold harmless the DIP Lender and its affiliates and officers, directors, employees, representatives, advisors, solicitors and agents (collectively, the "**Indemnified Persons**") from and against any and all actions, lawsuits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever that may be incurred by or asserted against or involve any of the Indemnified Persons as a result of, in connection with or in any way related to the DIP Facility, the proposed or actual use of proceeds of the DIP Facility, this Term Sheet, the CCAA Proceedings, the Initial Order, the ARIO or

any other agreements entered into between the DIP Lender and the Borrowers with respect to the foregoing. Notwithstanding the foregoing, none of the Borrowers have any obligation to indemnify any Indemnified Person against any such loss, liability cost or expense (a) to the extent that such Indemnified Person is found by a final judgment of a court of competent jurisdiction to arise from their gross negligence, bad faith or wilful misconduct, or (b) to the extent arising from any dispute solely among Indemnified Persons other than any claims arising out of any act or omission on the part of the Borrowers. The DIP Lender shall not be responsible or liable to the Borrowers or any other person for consequential or punitive damages.

**16. EVENTS OF DEFAULT:** The DIP Facility shall be subject to the following events of default (“**Events of Default**”):

- (a) the Borrowers’ failure to pay any amount due hereunder when due and payable;
- (b) any covenant, Condition Precedent, payment obligation, or other term or condition of this Term Sheet is not complied with or fulfilled to the satisfaction of the DIP Lender, acting reasonably;
- (c) any representation or warranty made by the Borrowers is incorrect or misleading in any material respect when made;
- (d) the seeking or support by the Borrowers of any Court order (in the CCAA Proceedings or otherwise) that is adverse or potentially adverse to the interests of the DIP Lender;
- (e) the issuance of any court order staying, reversing, vacating or modifying the terms of the Initial Order, the ARIO, the DIP Facility or the DIP Charge without the DIP Lender’s consent, which consent may be withheld in the DIP Lender’s sole discretion;
- (f) the service or filing of a notice of appeal, application for leave to appeal, or an appeal in respect of the Initial Order or the ARIO that is not being diligently contested by the Borrowers, provided that, if the Borrowers are unsuccessful in contesting any such appeal, that shall automatically constitute an Event of Default;
- (g) an event occurs that will, in the opinion of the DIP Lender, acting reasonably, materially impair the Borrowers’ financial condition, operations or ability to perform its obligations under this Term Sheet or any order of the Court;
- (h) failure by the Borrowers to comply with the Initial Order, the ARIO or any further Order of the Court;

- (i) any material adverse change in: (i) the business, operations, or financial condition of the Borrowers or their affiliates; (ii) the Property of the Borrowers; (iii) the DIP Charge, including its priority; (iv) the ability of the Borrowers to perform their obligations under this Term Sheet or to any person under any material contract; (v) the DIP Lender's ability to enforce any of its rights or remedies against the Property, or for the obligations of the Borrowers to be satisfied from the realization thereof;
- (j) one or more of the Borrowers become bankrupt, or a receiver, interim receiver, receiver and manager, or trustee in bankruptcy is appointed in respect of the Borrowers, or any of their Property;
- (k) the acceptance of any Transaction, or the filing of a motion seeking approval of the Court to accept any such Transaction, unless the total indebtedness owing by the Borrowers under the DIP Facility and any other first-ranking secured debt held by the DIP Lender or its nominees or affiliates at the time such Transaction is entered into (including any such debt acquired from third parties) is to be permanently and indefeasibly paid in full in cash or other immediately available funds upon completion of the Transaction or if the terms of the Transaction have otherwise been approved by the DIP Lender;
- (l) the filing of any proposal to which the DIP Lender does not consent, which consent cannot be unreasonably withheld; and
- (m) the commencement of any claim, action, proceeding, application, motion, defense or other contested matter (collectively, a "**Claim**") that is not being diligently contested by the Borrowers, the purpose of which is to seek or the result of which would be to obtain any order, judgment, determination, declaration or similar relief: (i) invalidating, setting aside, avoiding, or subordinating the obligations of the Borrowers under the DIP Facility, the DIP Charge or its priority, (ii) for monetary, injunctive or other relief against the DIP Lender or the Property, or (iii) preventing, hindering or otherwise delaying the exercise by the DIP Lender of any of its rights and remedies hereunder, pursuant to the Initial Order, the ARIIO or under applicable law, or the enforcement or realization by the DIP Lender against any of its collateral, provided that if the Borrowers are unsuccessful in contesting any such Claim, that shall automatically constitute an Event of Default.

**17. REMEDIES AND ENFORCEMENT**

Upon the occurrence of an Event of Default, the DIP Lender may, in its sole discretion, by way of written notice to the Borrowers, elect to terminate the DIP Facility and accelerate all amounts outstanding under the DIP Facility. In addition, upon the occurrence of an Event of Default, the DIP Lender may, upon providing four business days'

written notice to the Applicants and the Monitor, in accordance with the Initial Order or the ARIO:

- (a) apply to the Court for the appointment of a receiver, an interim receiver or a receiver and manager over the Property, or for the appointment of a trustee in bankruptcy of the Borrowers;
- (b) apply to the Court to be allowed to exercise the rights and powers of a secured lender pursuant to the *Personal Property Security Act* (Ontario), or any legislation of similar effect; and
- (c) exercise all such other rights and remedies available to the DIP Lender under this Term Sheet, the Initial Order, the ARIO, any other order of the Court or applicable law.

No failure or delay on the part of the DIP Lender in exercising any of its rights and remedies shall be deemed to be a waiver of any kind.

**18. DIP LENDER APPROVALS**

Any consent, approval, instruction or other expression of the DIP Lender to be delivered in writing may be delivered by any written instrument, including by way of electronic mail, by the DIP Lender, or its counsel, pursuant to the terms hereof.

**19. MONITOR**

The monitor of the Borrowers shall be Ernst & Young Inc.

**20. LEGAL FEES**

The Borrowers shall be responsible for all of the DIP Lender's reasonable legal fees incurred in respect of the DIP Facility on a full indemnity basis.

**21. FURTHER ASSURANCES**

The Borrowers will, at their own expense and promptly on demand by the DIP Lender at any time, do such acts and things and execute and deliver such documents as the DIP Lender may reasonably request to give effect to any other provisions set out hereunder.

**22. ENTIRE AGREEMENT; CONFLICT**

This Term Sheet constitutes the entire agreement between the parties relating to the subject matter hereof. To the extent that there is any inconsistency between this Term Sheet and any of the other documentation that the DIP Lender requires the Borrowers to execute, this Term Sheet shall govern.

**23. WAIVERS**

No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder will operate as a waiver hereof or thereof unless made in writing by the DIP Lender and delivered in accordance with the terms of this Term Sheet, and then such waiver shall be effective only in the specific instance and for the specific purpose given.

**24. SEVERABILITY**

Any provision in this Term Sheet, which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

25. **ASSIGNMENT** The Borrowers shall not assign this Term Sheet or any of the provisions set out herein without the prior written consent of the DIP Lender, which consent may be unreasonably withheld. The DIP Lender may assign or sell its rights or obligations with respect to this Term Sheet to any person without the prior written consent of the Borrowers.
26. **GOVERNING LAW** The DIP Facility and the provisions set out herein shall be governed and construed in all respects in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
27. **COUNTERPARTS** This Term Sheet may be executed in any number of counterparts and by facsimile or other electronic transmission, each of which when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute one and the same instrument.
28. **ACCEPTANCE** The Borrowers agree that the DIP Lender's services are rendered at the time this Term Sheet is both accepted by the Borrowers and approved by the Court. Notwithstanding the foregoing, the Fee shall be payable by the Borrowers to the DIP Lender if this Term Sheet is not approved by the Court.

If the terms and conditions set out herein are satisfactory and the Borrowers are prepared to seek Court approval of same, kindly acknowledge acceptance by initialling each page and signing below.



**BORROWERS' ACKNOWLEDGMENT AND ACCEPTANCE:**

The undersigned hereby acknowledge that they have been advised by the DIP Lender to seek legal advice with respect to this Term Sheet and have done so prior to signing this Term Sheet.

The undersigned hereby accepts and agreed to be bound by the terms and conditions of this Term Sheet, expressly subject to Court approval of same.

Dated this 21st day of December, 2023.

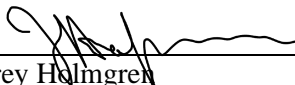
**BORROWERS:**

**TREES CORPORATION**

Per:   
Name: Jeffrey Holmgren  
Title: President and Chief Financial Officer

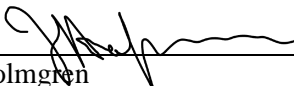
I have the authority to bind the Corporation.

**OCH ONTARIO CONSULTING CORP.**

Per:   
Name: Jeffrey Holmgren  
Title: President and Chief Financial Officer

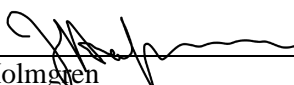
I have the authority to bind the Corporation.

**2707461 ONTARIO LTD.**

Per:   
Name: Jeffrey Holmgren  
Title: President

I have the authority to bind the Corporation.

**11819496 CANADA INC.**

Per:   
Name: Jeffrey Holmgren  
Title: President

I have the authority to bind the Corporation.



**ONTARIO CANNABIS HOLDINGS CORP.**

Per: \_\_\_\_\_

Name: Jeffrey Holmgren

Title: President and Chief Financial Officer

I have the authority to bind the Corporation.

**MIRACULO INC.**

Per: \_\_\_\_\_

Name: Jeffrey Holmgren

Title: Chief Financial Officer

I have the authority to bind the Corporation.

**Schedule "A"**  
**Cash Flow Forecast**

(attached).

**Trees Corporation**  
**Consolidated Cash Flow Forecast**  
**\$CDN 000's**

	Week	1	2	3	4	5	6	7	8	9	10	11	12	13	Total
		17-Dec-23	24-Dec-23	31-Dec-23	7-Jan-24	14-Jan-24	21-Jan-24	28-Jan-24	4-Feb-24	11-Feb-24	18-Feb-24	25-Feb-24	3-Mar-24	10-Mar-24	
<b>Receipts</b>															
Retail Sales and Other Receipts	1	\$ 370	\$ 394	\$ 380	\$ 413	\$ 360	\$ 360	\$ 311	\$ 355	\$ 311	\$ 311	\$ 311	\$ 355	\$ 311	\$ 5,269
<b>Total Receipts</b>		<b>370</b>	<b>394</b>	<b>380</b>	<b>413</b>	<b>360</b>	<b>360</b>	<b>311</b>	<b>355</b>	<b>311</b>	<b>311</b>	<b>311</b>	<b>355</b>	<b>311</b>	<b>5,269</b>
<b>Disbursements</b>															
Cannabis and Accessory Inventory Purchases	2	246	351	233	225	208	230	200	230	200	200	200	200	200	3,395
Payroll Costs	3	104	55	61	93	65	91	51	81	55	88	51	83	58	1,082
Rent	4	5	-	-	120	-	-	-	91	-	-	-	91	-	389
Operational G&A and Taxes	5	8	45	119	173	2	16	2	191	2	-	18	75	15	773
Restructuring Costs	6	-	300	-	50	-	50	-	50	-	25	-	25	-	500
<b>Total Disbursements</b>		<b>363</b>	<b>751</b>	<b>413</b>	<b>662</b>	<b>274</b>	<b>387</b>	<b>253</b>	<b>643</b>	<b>257</b>	<b>313</b>	<b>269</b>	<b>474</b>	<b>273</b>	<b>6,139</b>
<b>Net cash receipts/(disbursements)</b>		<b>\$ 7</b>	<b>\$ (358)</b>	<b>\$ (33)</b>	<b>\$ (249)</b>	<b>\$ 86</b>	<b>\$ (27)</b>	<b>\$ 58</b>	<b>\$ (289)</b>	<b>\$ 54</b>	<b>\$ (2)</b>	<b>\$ 42</b>	<b>\$ (120)</b>	<b>\$ 38</b>	<b>\$ (869)</b>
<b>Cash on hand</b>															
Opening Balance	7	\$ 36	\$ 43	\$ 35	\$ 2	\$ 203	\$ 289	\$ 262	\$ 320	\$ 32	\$ 86	\$ 84	\$ 126	\$ 6	\$ 113
DIP Facility Draw/Repayment		-	350	-	450	-	-	-	-	-	-	-	-	-	800
Net Cash Receipts/(disbursements)		7	(358)	(33)	(249)	86	(27)	58	(289)	54	(2)	42	(120)	38	(869)
<b>Ending cash balance</b>		<b>\$ 43</b>	<b>\$ 35</b>	<b>\$ 2</b>	<b>\$ 203</b>	<b>\$ 289</b>	<b>\$ 262</b>	<b>\$ 320</b>	<b>\$ 86</b>	<b>\$ 84</b>	<b>\$ 126</b>	<b>\$ 6</b>	<b>\$ 44</b>	<b>\$ 44</b>	<b>\$ 44</b>
<b>Proposed Debt-in-Process Financing</b>															
Opening balance		\$ -	\$ -	\$ 401	\$ 402	\$ 855	\$ 857	\$ 860	\$ 862	\$ 865	\$ 867	\$ 870	\$ 872	\$ 875	\$ -
Draw/(Repayment)	8	-	350	-	450	-	-	-	-	-	-	-	-	-	800
Commitment fee		-	50	-	-	-	-	-	-	-	-	-	-	-	50
Accrued Interest	8	-	1	1	2	2	2	2	2	2	3	3	3	3	27
<b>Ending balance</b>		<b>\$ -</b>	<b>\$ 401</b>	<b>\$ 402</b>	<b>\$ 855</b>	<b>\$ 857</b>	<b>\$ 860</b>	<b>\$ 862</b>	<b>\$ 865</b>	<b>\$ 867</b>	<b>\$ 870</b>	<b>\$ 872</b>	<b>\$ 875</b>	<b>\$ 877</b>	<b>\$ 877</b>

**IN THE MATTER OF THE CCAA OF TREES CORPORATION, ONTARIO CANNABIS  
HOLDINGS CORP., MIRACULO INC., 2707461 ONTARIO LTD., OCH ONTARIO  
CONSULTING CORP., AND 11819496 CANADA INC.  
(collectively, the “Applicants”)**

**Notes to the Unaudited Cash Flow Forecast of the Applicants**

**December 17, 2023 to March 16, 2024 (the “Forecast Period”)**

**Disclaimer:**

In preparing this cash flow forecast (the “**Cash Flow Forecast**”), the Applicants, with the assistance of Ernst & Young Inc. (the “**Proposed Monitor**”), have relied upon unaudited financial information and the Applicants have not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the Applicants’ operations and additional assumptions discussed below with respect to the requirements and impact of a *Companies’ Creditors Arrangement Act* (“**CCAA**”) filing (the “**Probable and Hypothetical Assumptions**” or the “**Assumptions**”). Since the Cash Flow Forecast is based on Assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Cash Flow Forecast period will vary from the Cash Flow Forecast, even if the Assumptions materialize, and such variation may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

The Proposed Monitor has reviewed the Cash Flow Forecast to the standard required of a Court-appointed Monitor pursuant to section 23(1)(b) of the CCAA, which requires a Monitor to review the debtor’s cash flow statements as to its reasonableness and to file a report with the Court on the Monitor’s findings.

Pursuant to this standard, the Proposed Monitor’s review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to information supplied to it by management of the Applicants. Since the Probable and Hypothetical Assumptions need not be supported, the Proposed Monitor’s procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. The Proposed Monitor also reviewed the support provided by the Applicants for the Probable and Hypothetical Assumptions and the preparation and presentation of the Cash Flow Forecast.

Based on the Proposed Monitor’s review, nothing has come to the Monitor’s attention that causes the Proposed Monitor to believe, in any material respect, that:

- (a) The Probable and Hypothetical Assumptions are not consistent with the purpose of the Cash Flow Forecast;

- (b) As at the date of this report, the Probable and Hypothetical Assumptions are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow Forecast, given the Probable and Hypothetical Assumptions; or
- (c) The Cash Flow Forecast does not reflect the Probable and Hypothetical Assumptions.

**Overview:**

The Cash Flow Forecast includes the receipts and disbursements of the Applicants during the Forecast period. The Applicants, with the assistance of the Proposed Monitor, have prepared the Cash Flow Forecast based primarily on estimated receipts and disbursements related to the Applicants' ongoing operations and the CCAA proceedings.

Receipts and disbursements are denominated in thousands of Canadian dollars.

**Assumptions:**

**1. Retail Sales and Other Receipts**

This category includes revenues generated by the Applicants' retail stores and the profit-sharing from sales data sold through a service provided to licensed producers.

**2. Cannabis and Accessory Inventory Purchases**

Represents disbursements related to weekly inventory purchases from the provincial distributors in British Columbia and Ontario for the Applicants' operations, as well as cannabis accessory purchases from vendors.

**3. Payroll Costs**

Store employees are paid bi-weekly while executives are paid semi-monthly. Payroll is funded on a gross basis through a third-party service provider which then remits withholding taxes. Payroll costs also includes, full-time contractors, and health care benefits and life insurance premiums. It is assumed the closure of certain locations in January.

**4. Rent**

Represents the monthly lease obligations for the leased retail stores. It is assumed that certain leases are disclaimed.

**5. Operational G&A and Taxes**

Operational expenses such as utilities, security, software, cash management services, insurance for the store locations, sales taxes, and other general administrative costs. This includes payment of amounts owed to the external corporate counsel.

**6. Restructuring Costs**

Restructuring costs include professional fee payments and expenses of the Applicants' legal counsel, the proposed Monitor and its counsel in connection with the Applicants' restructuring proceedings.

**7. Beginning Balance**

Represents the projected opening cash balance as of December 17, 2023.

**8. Debt-in-Possession Facility ("DIP") Draws and Repayments**

Reflects projected draws and repayments under the DIP facility, subject to Court approval.

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

Proceedings commenced at Toronto

**AFFIDAVIT OF JEFFREY HOLMGREN**

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

**Robert I. Thornton** (LSO# 24266B)  
Email: [rthornton@igf.ca](mailto:rthornton@igf.ca)

**Mitchell W. Grossell** (LSO# 69993I)  
Email: [mgrossell@tgf.ca](mailto:mgrossell@tgf.ca)

**Derek Harland** (LSO# 79504N)  
Email: [dharland@tgf.ca](mailto:dharland@tgf.ca)

**Rudrakshi Chakrabarti** (LSO# 86868U)  
Email: [rchakrabarti@igf.ca](mailto:rchakrabarti@igf.ca)

Tel: 416-304-1616  
Fax: 416-304-1313  
Lawyers for the Applicants

# TAB 3



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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF

THE TREES CORPORATION, ONTARIO CANNABIS HOLDINGS  
CORP., MIRACULO INC., 2707461 ONTARIO LTD., OCH ONTARIO  
CONSULTING CORP. AND 11819496 CANADA INC.

**AFFIDAVIT OF ALLEN (LIANG) YAO  
Sworn January 19, 2024**

I, **ALLEN (LIANG) YAO, CPA, CA, CIRP**, of the City of Toronto, in the Province of Ontario, make oath and say as follows:


1. I am a Senior Vice President of Ernst & Young Inc. ("**EYI**"), in its capacity as Monitor (the "**Monitor**") under the Companies' Creditors Arrangement Act (the "**CCAA**") of The Trees Corporation Inc., Ontario Cannabis Holdings Corp., Miraculo Inc. 2707461 Ontario Ltd., OCH Ontario Consulting Corp. and 11819496 Canada Inc. (collectively, the "**Applicants**") and, as such, have knowledge of the matters to which I hereinafter dispose. Unless I indicate to the contrary, the facts wherein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.
2. Attached hereto as **Exhibit "A"** is a true copy of the invoice prepared by the Monitor for fees and disbursements incurred by the Monitor in the course of the CCAA proceedings in respect of the Applicants for the period December 17, 2023 to January 2, 2024.
3. Attached hereto as **Exhibit "B"** is a schedule summarizing the invoice attached as **Exhibit "A"**, certain additional out-of-pocket expenses that the Monitor incurred in connection with newspaper advertisements during the course of the CCAA proceedings, and

the HST charged on the foregoing. Those out-of-pocket expenses are not reflected in the Monitor's invoice at **Exhibit "A"** because the Monitor has not yet received an invoice for those services. Accordingly, the total amount of fees, disbursements, out-of-pocket expenses and HST for which approval is being sought in respect of the Monitor's services is \$66,817.48.

4. Attached hereto as **Exhibit "C"** is a schedule summarizing the billing rates and total hours of each of the members of EYI who acted on behalf of the Monitor in these proceedings.
5. To the best of my knowledge, the rates charged by EYI throughout the course of these proceedings are comparable to the rates charged by other accounting firms in the Toronto market for the provision of similar services.
6. The hourly billing rates outlined in **Exhibit "C"** to this affidavit are comparable to the hourly rates charged by EYI for services rendered in relation to similar proceedings.
7. I make this affidavit in support of a motion by the Applicants for, inter alia, approval for the fees and disbursements of the Monitor.

SWORN remotely by Allen (Liang) Yao,  
of the City of Toronto, in the Province  
of Ontario, before me at the City of  
Brampton, Province of Ontario, on this  
January 19, 2024, in accordance with O.  
Reg 431/20 Administering Oath or  
Declaration Remotely.

  
\_\_\_\_\_  
ALLEN (LIANG) YAO

  
\_\_\_\_\_  
A Commissioner in and for the  
Province of Ontario

DONNA MARIE HATFULL, a  
Commissioner, etc., Province of Ontario,  
for Ernst & Young Inc.  
Expires August 25, 2025.

THIS IS EXHIBIT "A" REFERRED  
TO IN THE AFFIDAVIT OF  
ALLEN (LIANG) YAO  
SWORN BEFORE ME THIS 19<sup>TH</sup>  
DAY JANUARY 2024



---

**DONNA MARIE HATFULL, a  
Commissioner, etc., Province of Ontario,  
for Ernst & Young Inc.  
Expires August 25, 2025.**



**Ernst & Young Inc.**  
Toronto, ON

Trees Corporation  
520 3 Rd Ave SW Ste 1600  
Calgary, AB T2P 0R3  
Canada

**Invoice**

**Invoice No.: CA12C500010144**  
Please include this number with payment

Invoice Date: January 12, 2024  
Due Date: Upon receipt  
Client No.: 0012544918  
Engagement No.: E-67919298

Please see last page of the invoice for payment instructions.

Fees for professional services rendered to Jan 2, 2024.

	Net	Tax	Rate	Tax Amount	<b>CAD</b> Total
Fees	75,780.00				
Admin Expense @5%	3,789.00				
Discount (\$25,000)	-25,000.00				
<b>Total Fee and Disbursement</b>	<b>54,569.00</b>	<b>HST</b>	<b>13 %</b>	<b>7,093.97</b>	<b>61,662.97</b>
	<b>54,569.00</b>			<b>7,093.97</b>	<b>61,662.97</b>
<b>Invoice summary</b>	<b>54,569.00</b>				
		Tax:	13% HST	7,093.97	
<b>Total:</b>	<b>54,569.00</b>			<b>7,093.97</b>	<b>61,662.97</b>

*A member of Ernst & Young Global*

**Terms:** Payment due upon receipt. Interest is charged at the rate of 12 % per annum on balances unpaid after 30 days from date of invoice. Any disbursements not charged to your account on the date of this invoice will be billed later.  
**GST/HST:** R123425522 **QST:** 1006354498



**Ernst & Young Inc.**  
Toronto, ON

### Payment Options and Instructions

#### Interac e-Transfer

Email to use for transfer: [etransfer.eyllp.cad@ca.ey.com](mailto:etransfer.eyllp.cad@ca.ey.com)

Auto-deposit is enabled, no password is required.

In Notes/Comments section, please include invoice number(s).

#### Wire Transfer

Beneficiary: Ernst & Young LLP  
Address: 100 Adelaide Street West  
Toronto, ON, M5H 0B3  
Beneficiary Bank: BMO Bank of Montreal  
Bank SWIFT Code: BOFMCAM2  
Code CC: 000124112  
Beneficiary's Account #: 24111000237

#### Cheques

P.O. Box 57104  
Postal Station A  
Toronto, ON M5W 5M5.

Please include the invoice number(s) on the cheque details.

#### Electronic Funds Transfer (EFT)

Legal Name: Ernst & Young LLP  
Banking Information: Bank of Montreal  
Bank : 001  
Transit : 24112  
Account #: 1000237

To ensure proper application of your electronic payment, please provide client and invoice number details directly to:  
[gss.CanadaAccountsReceivable@xe02.ey.com](mailto:gss.CanadaAccountsReceivable@xe02.ey.com).

# Trees Corp

## Summary of Professional Fees to Jan 05, 2024

<u>Name</u>	<u>Position</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
Alex Morrison	Partner/Senior Vice President	6.5	945	6,142.50
Karen Fung	Partner/Senior Vice President	65	945	61,425.00
Allen Yao	Senior Manager/Vice President	6	725	4,350.00
Donna Hatfull	Paraprofessional	3.8	375	1,425.00
Robert Ferguson	Paraprofessional	6.5	375	2,437.50
	<b>Subtotal</b>	<b>87.8</b>	<b>\$</b>	<b>75,780.00</b>

Sub total	\$	<b>75,780.00</b>
Administrative Expenses @ 5%	\$	3,789.00
Fee	\$	<u>79,569.00</u>
Fee + Disbursement	\$	79,569.00
Discount		(25,000.00)
Subtotal		<u>54,569.00</u>
HST @ 13%	\$	7,093.97
<b>Total Invoice</b>	<b>\$</b>	<b><u>61,662.97</u></b>

**Trees Corp\_E-67919298 (E-67928400)**  
**WIP Time Details**

Engagement Code	Person	Date	Hours	Description
E-67928400	Alex Morrison	27-Dec-23	1.0	Update call with Trees and TGF; Call with B. Thorton; review draft Factum from Tory's
E-67928400	Alex Morrison	28-Dec-23	1.0	Calls with Trees and TGF; emails from several Creditor Counsel; First Monitor Report; Calls with Tory's
E-67928400	Alex Morrison	29-Dec-23	1.5	Trees- First Monitor Report; Calls with Jeff re: security review; Tory's re: Security review; call with Trees Corp and TGF
E-67928400	Alex Morrison	2-Jan-24	3.0	Prepare for court hearing/emails with Tory's; court hearing - Comeback motion; TGF re: stalking horse break fees.
<b>Alex Morrison Total</b>			<b>6.5</b>	
E-67928400	Donna Hatfull	22-Dec-23	0.1	post document
E-67928400	Donna Hatfull	29-Dec-23	0.1	post document
E-67928400	Donna Hatfull	2-Jan-24	3.6	disbursement schedule, review disbursements, call re rent, post documents
<b>Donna Hatfull Total</b>			<b>3.8</b>	
E-67928400	Allen Yao	17-Dec-23	6.0	Prepare and revise cash flow forecast and notes, admin charge analysis, various discussions and correspondence with Jeff, review company materials, multiple internal discussions, planning matters
<b>Allen Yao</b>			<b>6.0</b>	
E-67928400	Karen Ka Lin Fung	17-Dec-23	1.1	Review Initial Order and ARIO
E-67928400	Karen Ka Lin Fung	18-Dec-23	7.9	Setting up website, Ad prep, call w/ Jeff re: CFF, Form 1 and 2; Monitor's Report
E-67928400	Karen Ka Lin Fung	19-Dec-23	8.2	CFF, Monitor's Report, review affidavit, drafting Ad,
E-67928400	Karen Ka Lin Fung	20-Dec-23	3.1	Draft Communication letters for Landlords and EE; disclaimer notice
E-67928400	Karen Ka Lin Fung	21-Dec-23	9.1	Finalizing, Ad, Forms 1 &2, Creditor's list, Monitor's report, Reviewing Motion materials, Disclaimers, CFF
E-67928400	Karen Ka Lin Fung	22-Dec-23	8.4	Court hearings, Daily CFF, update call, Cross Counsel calls, cash disbursement, Posting
E-67928400	Karen Ka Lin Fung	23-Dec-23	1.6	Review of Creditors list, load of Materials to website
E-67928400	Karen Ka Lin Fung	27-Dec-23	7.5	Drafting Monitor's Report, disbursement review, Review of Revised Order
E-67928400	Karen Ka Lin Fung	28-Dec-23	9.4	Disclaimers, Variance Analysis, revised CFF and Monitor's report, factum, Disbursement Review,
E-67928400	Karen Ka Lin Fung	29-Dec-23	5.2	Call re: Status Update ; D&O sizing; Update Court Report, Disbursement Review
E-67928400	Karen Ka Lin Fung	2-Jan-24	3.5	Court, Disbursement Review, critical vendors
<b>Karen Ka Lin Fung Total</b>			<b>65.0</b>	
E-67928400	Robert Ferguson	2-Jan-24	6.5	Cumulative time re Set up website, post documents tow website, set up hotline, setup URL. File documents with OSB. Draft creditor lists and revise. Mail and email notice to creditors.
<b>Robert Ferguson Total</b>			<b>6.5</b>	
<b>Grand Total</b>			<b>87.8</b>	

THIS IS EXHIBIT "B" REFERRED  
TO IN THE AFFIDAVIT OF  
ALLEN (LIANG) YAO  
SWORN BEFORE ME THIS 19<sup>TH</sup>  
DAY JANUARY 2024



---

**DONNA MARIE HATFULL, a  
Commissioner, etc., Province of Ontario,  
for Ernst & Young Inc.  
Expires August 25, 2025.**

DONNA MARIE HATFULL, a  
Commissioner, etc., Province of Ontario,  
for Ernst & Young Inc.  
Expires August 25, 2025.

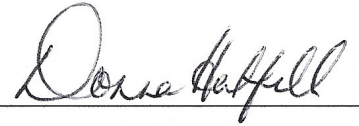


**Ernst & Young Inc.**  
**In the CCAA Proceedings of**  
**THE TREES CORPORATION, ONTARIO CANNABIS HOLDINGS CORP., MIRACULO INC., 2707461 ONTARIO LTD.,**  
**OCH ONTARIO CONSULTING CORP. AND 11819496 CANADA INC**

**Summary of Invoices**

<b>Invoice Date</b>	<b>Invoice #</b>	<b>Billing Dates</b>	<b>Trustee Fees</b>	<b>Total Expenses</b>	<b>Total</b>	<b>Discount</b>	<b>HST</b>	<b>Total</b>
12-Jan-24	CA12C500010144	For the period ending January 2, 2023	\$ 75,780.00	\$ 3,789.00	\$ 79,569.00	-\$ 25,000.00	\$ 7,093.97	\$ 61,662.97
		Estimated out-of-pocket expenses re newspaper ad		<u>4,561.51</u>	<u>\$ 4,561.51</u>		<u>\$ 593.00</u>	<u>\$ 5,154.51</u>
			<u>\$ 75,780.00</u>	<u>\$ 8,350.51</u>	<u>\$ 84,130.51</u>	<u>-\$ 25,000.00</u>	<u>\$ 7,686.97</u>	<u>\$ 66,817.48</u>

THIS IS EXHIBIT "C" REFERRED  
TO IN THE AFFIDAVIT OF  
ALLEN (LIANG) YAO  
SWORN BEFORE ME THIS 19<sup>TH</sup>  
DAY JANUARY 2024



---

**DONNA MARIE HATFULL, a  
Commissioner, etc., Province of Ontario,  
for Ernst & Young Inc.  
Expires August 25, 2025.**

Summary of Ernst & Young Fees by Individual  
 For Period December 17, 2023 to January 2, 2024

				A	B	A-B
		Average Hourly Rates (before discount)	Total Hours	Total Before Discount	Discount	Discounted Fees
Alex Morrison	Senior Vice President	\$ 945.00	6.5	\$ 6,142.50	\$ 2,026.43	\$ 4,116.07
Karen K Fung	Senior Vice President	\$ 945.00	65.0	\$ 61,425.00	\$ 20,264.25	\$ 41,160.75
Allen Yao	Senior Vice President / Vice President	\$ 725.00	6.0	\$ 4,350.00	\$ 1,435.08	\$ 2,914.92
Donna Hatfull	Para-professional	\$ 375.00	3.8	\$ 1,425.00	\$ 470.11	\$ 954.89
Robert Ferguson	Para-professional	\$ 375.00	6.5	\$ 2,437.50	\$ 804.14	\$ 1,633.36
	Total Hours		87.8	\$ 75,780.00	\$ 25,000.00	\$ 50,780.00

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TREES  
CORPORATION, ONTARIO CANNABIS HOLDINGS CORP., MIRACULO INC., 2707461  
ONTARIO LTD., OCH ONTARIO CONSULTING CORP., AND 11819496 CANADA INC.

Court File No. CV-23-00711935-00CL

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

**AFFIDAVIT OF ALLEN (LIANG) YAO**  
**(Sworn January 19, 2024)**

**TORYS LLP**

79 Wellington St. W., 30th Floor  
Box 270, TD South Tower  
Toronto, ON M5K 1N2

**David Bish** (LSO #: 41629A)

Tel: 416.865.7353

Email: [dbish@torys.com](mailto:dbish@torys.com)

**Mike Noel** (LSO#: 80130F)

Tel: 416.865.7378

Email: [mnoel@torys.com](mailto:mnoel@torys.com)

Lawyers for Ernst & Young Inc.

# TAB 4

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF TREES CORPORATION, ONTARIO  
CANNABIS HOLDINGS CORP., MIRACULO INC., 2707461  
ONTARIO LTD., OCH ONTARIO CONSULTING CORP.,  
and 11819496 CANADA INC.**

Applicants

**AFFIDAVIT OF MIKE NOEL  
(SWORN JANUARY 18, 2024)**

I, Mike Noel, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY that:

1. I am an associate at Torys LLP (“**Torys**”), lawyers for Ernst & Young Inc. (“**EY**”), in its capacity as the former court-appointed monitor (in such capacity, the “**Monitor**”) of Trees Corporation, Ontario Cannabis Holdings Corp., Miraculo Inc., 2707461 Ontario Ltd., OCH Ontario Consulting Corp., and 11819496 Canada Inc. (collectively, the “**Applicants**”). As such, I have knowledge of the matters to which I hereinafter depose.
2. This affidavit is sworn in support of the Applicants’ motion for, among other things, an order approving the fees and disbursements of Torys, as lawyers for EY.
3. I confirm that the account attached hereto as **Exhibit “A”** is a true copy of the account of Torys (the “**EY Account**”) from and after December 18, 2023, through to and including January

2, 2024, (the “**EY Fee Period**”) and affirm that the EY Account accurately reflects the services provided by Torys to the Monitor in this matter during the EY Fee Period and the fees and disbursements claimed by it. I also affirm that the time summaries attached to the EY Account relate to the EY Account and were generated by Torys.

4. A summary of Torys’ fees and disbursements (inclusive of HST) during the EY Fee Period is attached hereto as **Exhibit “B”**. Torys’ EY Account for which approval is being sought in respect of its services to the Monitor is in the total amount of \$70,062.19, inclusive of disbursements and taxes.

5. Attached hereto as **Exhibit “C”** is a summary of additional information with respect to all members of Torys who have worked on this matter during the EY Fee Period, their title, their year of call (if applicable) and their rates. I confirm that this schedule contains an accurate account of such information.

The legal costs and expenses incurred in respect of Torys’ representation of the Monitor in this matter as set out in the EY Account were properly incurred and are fair and reasonable considering the circumstances of these proceedings.

**AFFIRMED** by Mike Noel at the City of Toronto, in the Province of Ontario, before me on January 18, 2024, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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Commissioner for Taking Affidavits  
(or as may be)

**DAVID BISH (LSO#41629A)**



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**MIKE NOEL**



THIS IS **EXHIBIT “A”** REFERRED TO IN THE  
AFFIDAVIT OF MIKE NOEL,  
AFFIRMED REMOTELY BY MIKE NOEL  
BEFORE ME *BY VIDEO CONFERENCE*, THIS 18<sup>th</sup>  
DAY OF JANUARY, 2024.



---

David Bish  
Commissioner for Taking Affidavits



79 Wellington St. W., 30th Floor  
Box 270, TD South Tower  
Toronto, Ontario M5K 1N2 Canada  
P. 416.865.0040 | F. 416.865.7380  
www.torys.com  
GST / HST Registration R119420685

January 11, 2024

Invoice: 1629368  
Matter: 09353-2015

Ernst & Young Inc.  
100 Adelaide Street West  
PO Box 1  
Toronto, ON M5H 0B3

Attention: Alex Morrison  
Email: Alex.F.Morrison@parthenon.ey.com

**Re: CCAA Proceedings of Trees Corporation et al.**

For professional services rendered for the period ending January 2, 2024, as described on the attached schedule.

Fee		\$85,518.00
Less Discount		<u>(25,000.00)</u>
<b>Net Fees</b>		<b>\$60,518.00</b>
Disbursements Subject to Ontario - HST		
Copies	\$2.90	
OnCorp - Services (Taxable)	<u>1,165.30</u>	1,168.20
Disbursements Not Subject to Tax		
OnCorp - Services (Non-Taxable)	\$356.78	356.78
Ontario - HST		<u>8,019.21</u>
<b>Total Payable in Canadian Funds</b>		<b><u>\$70,062.19</u></b>

**Re: CCAA Proceedings of Trees Corporation et al.**

Matter: 09353-2015

Invoice: 1629368

**Time Summary**

<b>Date</b>	<b>Lawyer</b>	<b>Narrative</b>	<b>Hours</b>
18/12/23	David B. Bish	Emails with TGF team / EY team re: advancing filing preparations, including comments on draft Orders (Initial Order / ARIO) and draft affidavit, and review and comment on same;	3.2
19/12/23	David B. Bish	Continued emails with TGF and EY teams re: advancing filing preparations and materials, including draft affidavit, Proposed Monitor's draft Report, and newspaper advertisement; emails with EY team / M. Noel re: prior auditor acting as Monitor and support for same;	3.4
19/12/23	Mike Noel	Researching caselaw involving the requirements for a Monitor to act in such capacity where an affiliate was previously the debtor's auditor; emails with D. Bish re same;	1.3
20/12/23	David B. Bish	Continued emails with TGF and EY teams re: advancing filing preparations and materials, including draft affidavit / supporting documentation, revised form of Order, cash flow forecast, draft DIP Term Sheet, Proposed Monitor's draft Report, and newspaper advertisement, and review and comment on same; emails with M. Noel re: prior auditor acting as Monitor and support for same; emails with TGF / EY / Faskens re: request to initiate secured creditor security review;	3.8
21/12/23	Mike Noel	Reviewing and preparing security opinion in respect of the Trees Group's security documents; emails with D. Bish, K. Kashuba, K. McEwen and T. Henderson re same;	2.2
21/12/23	David B. Bish	Extensive emails and video conference with EY / M. Noel / TGF team re: preparation for initial CCAA application hearing and finalizing materials / delivering same to court and serving key stakeholders; advance secured creditor security review by Monitor; finalize EY proposed Monitor's report and consent to act;	3.8
21/12/23	Tyrel Henderson	Emails with M. Noel; reviewing file;	0.3
22/12/23	David B. Bish	Prepare for and attend virtually at initial CCAA application, and extensive calls, emails and video conference calls with TGF team / EY team / M. Noel / B. Skelley / M. Poliak / N. Levine et al. re:	5.0

**Re: CCAA Proceedings of Trees Corporation et al.**

Matter: 09353-2015

Invoice: 1629368

**Time Summary**

<b>Date</b>	<b>Lawyer</b>	<b>Narrative</b>	<b>Hours</b>
		initial CCAA application, opposition and negotiation / resolution of same, form of Initial CCAA Order and related matters; emails with EY team / M. Noel re: notices to creditors, disclaimers of leases, advertisement in paper and other administrative matters following granting of initial CCAA order;	
22/12/23	Jaidyn S. McEwen	Meeting internally to discuss the search results informing the security opinion, analyzing the PPSA search results for Trees Corporation, Ontario Cannabis Holdings Corp., Miraculo Inc., 2707461 Ontario Ltd., OCH Ontario Consulting Corp., and 11819496 Canada Inc., and preparing a chart listing the results to be included in draft opinion;	9.3
22/12/23	Mike Noel	Reviewing and preparing security opinion in respect of the Trees Group's security documents; emails with D. Bish, J. McEwen and T. Henderson re same; call with T. Henderson re same; coordinating corporate searches in furtherance of same;	3.8
22/12/23	Maria Malicdin	Obtaining corporate profile reports and conducting Bankruptcy, Insolvency, CCAA, PPSA, Bank Act, Litigation and Writs of Execution searches in Ontario, British Columbia and Alberta against Trees Corporation et al (x3) providing results to M. Noel;	1.7
22/12/23	Tyrel Henderson	Emails with M. Noel; reviewing file; call with M. Noel;	0.5
23/12/23	Jaidyn S. McEwen	Analyzing the corporate profile reports, execution searches, bankruptcy searches and Bank Act searches, drafting Schedule B to the Security Opinion based upon an analysis of these search results;	3.4
24/12/23	David B. Bish	Email from M. Poliak re: comments on draft Initial CCAA Order and review same;	0.4
26/12/23	David B. Bish	Emails with TGF / Fasken / EY / M. Noel re: preparation for comeback hearing, comments on draft Initial CCAA Order, and discussions with objecting parties to resolve objections / purchase of debt and security transactions;	0.8

**Re: CCAA Proceedings of Trees Corporation et al.**

Matter: 09353-2015

Invoice: 1629368

**Time Summary**

<b>Date</b>	<b>Lawyer</b>	<b>Narrative</b>	<b>Hours</b>
26/12/23	Mike Noel	Drafting factum in support of the Monitor's appointment under section 11.7(2) of the CCAA; researching caselaw re same;	5.1
27/12/23	Mike Noel	Drafting factum in support of the Monitor's appointment under section 11.7(2) of the CCAA; researching caselaw re same; emails with D. Bish, A. Morrison and K. Fung re same;	4.7
27/12/23	David B. Bish	Emails and video conference with TGF / Fasken / EY / M. Noel re: preparation for comeback hearing and discussions with objecting parties to resolve objections / purchase of debt and security transactions; emails with M. Noel re: security reviews; emails with M. Noel / EY re: draft factum (auditor issue) and review and revise same;	3.8
27/12/23	Tyrel Henderson	Reviewing security; drafting security review;	2.5
28/12/23	David B. Bish	Extensive emails with all parties re: revised form of Order, Monitor's factum and First Report, security opinion / open issues, draft motion record / affidavit / factum from TGF for comeback hearing, and discussions with secured creditor groups re: DIP financing and comeback hearing; review alternate DIP proposal from secured lenders and emails with TGF / EY / Faskens / secured lenders' counsel re: same;	3.4
28/12/23	Tyrel Henderson	Updating security opinion; emails with D. Bish; emails with M. Noel;	1.2
28/12/23	Mike Noel	Revising Monitor's factum to incorporate comments from A. Morrison and K. Fung; emails with TGF re same; reviewing security opinion provided by T. Henderson; call with TGF, EY, the debtor and D. Bish to discuss next steps;	4.3
29/12/23	Tyrel Henderson	Reviewing correspondence; discussion with K. Fougere; discussion with D. Bish; reviewing updated documents; updating Security Opinion;	1.5
29/12/23	David B. Bish	Extensive emails with all parties re: Monitor's factum and First Report, security opinion / open issues, draft motion record / affidavit / factum from TGF for comeback hearing, and discussions with secured creditor groups re: DIP financing / alternate DIP Proposal / comeback hearing;	3.2

**Re: CCAA Proceedings of Trees Corporation et al.**

Matter: 09353-2015

Invoice: 1629368

**Time Summary**

<b>Date</b>	<b>Lawyer</b>	<b>Narrative</b>	<b>Hours</b>
29/12/23	Mike Noel	finalize and serve Monitor's factum and First Report; Finalizing the Monitor's factum and first report for service today; serving and filing same; providing further comments on draft security opinion; coordinating fresh PPSA searches for same;	4.8
29/12/23	Jaidyn S. McEwen	Reviewing AB litigation results, reviewing all PPSA registrations with a December 29 currency date against the last December 22 searches, updating Schedule B of the security opinion with litigation results and updates to the PPSA registration charts per jurisdiction;	2.4
30/12/23	David B. Bish	Emails with D. Chochla / D. Richer / TGF team / EY re: prospective assignment of secured creditor debt and security and security review; briefly review draft assignment agreement;	0.6
30/12/23	Mike Noel	Filing the Monitor's materials and uploading same to Caselines;	0.2
30/12/23	Tyrel Henderson	Reviewing updated documents; updating Security Opinion;	0.8
31/12/23	David B. Bish	Emails with D. Chochla / D. Richer / TGF team / EY re: finalizing assignment of secured creditor debt and security and preparing for comeback hearing; review endorsement of Chief Justice Morawetz re: Initial CCAA Order and email with service list re: same;	0.7
01/01/24	David B. Bish	Emails with all parties re: settlement with Matt Hills group and documenting assignment of debt and security; emails with M. Poliak et al. re: position of secured creditor at comeback hearing; prepare submissions re: auditor as monitor issue;	2.2
02/01/24	David B. Bish	Prepare for and attend at virtual court hearing re: comeback hearing, and debrief call with A. Morrison / K. Fung; emails with TGF team / EY re: finalizing amended and restated initial CCAA order, and email with court re: same; review endorsement for comeback hearing and emails with TGF team / EY team re: next steps;	3.2

**Re: CCAA Proceedings of Trees Corporation et al.**

Matter: 09353-2015

Invoice: 1629368

**Lawyer Summary**

---

<b><u>Timekeeper</u></b>	<b><u>Hours</u></b>	<b><u>Rate</u></b>	<b><u>Amount</u></b>
Mike Noel	26.4	690.00	18,216.00
Jaidyn S. McEwen	15.1	415.00	6,266.50
David B. Bish	37.5	1,441.52	54,057.00
Maria Malicdin	1.7	205.00	348.50
Tyrel Henderson	6.8	975.00	6,630.00
<b>TOTAL HOURS &amp; FEES</b>	<b>87.5</b>		<b>\$85,518.00</b>



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www.torys.com  
GST / HST Registration R119420685

January 11, 2024

Ernst & Young Inc.  
100 Adelaide Street West  
PO Box 1  
Toronto, ON M5H 0B3

Attention: Alex Morrison  
Email: Alex.F.Morrison@parthenon.ey.com

Invoice Number:	1629368
Matter Number:	09353-2015
Invoice Total:	<b>\$70,062.19 CAD</b>

Please mail remittance to:

Torys LLP  
79 Wellington Street West, Suite 3000  
Box 270, TD Centre  
Toronto, Ontario M5K 1N2  
Canada

Remittance by Electronic Banking (please include invoice number):

TD Canada Trust	Account Name:	Torys LLP
55 King Street	Bank ID:	004
West	Branch Number:	10202
Toronto, Ontario	Account (CAD):	5364535
M5K 1A2	Account (USD):	7389354
Canada	Bank Swift Code:	TDOMCATTOR

Intermediary Bank (only needed for USD wiring from outside of Canada):

Bank of America New York, NY USA  
Bank Swift Code BOFAUS3N  
ABA 026 009 593

Payment is due within 30 days from the date of the invoice. Please retain this copy for your files. Interest will be charged on all accounts overdue one month or more.



THIS IS **EXHIBIT “B”** REFERRED TO IN THE  
AFFIDAVIT OF MIKE NOEL,  
AFFIRMED REMOTELY BY MIKE NOEL  
BEFORE ME *BY VIDEO CONFERENCE*, THIS 18<sup>th</sup>  
DAY OF JANUARY, 2024.



---

David Bish  
Commissioner for Taking Affidavits

TORYS LLP  
ACCOUNT SUMMARY

Invoice No.	Invoice Date	Hours	Fees Billed	Costs Billed	Tax	Invoice Total
1629368	11/01/2024	87.5	60,518.00	1,524.98	8,019.21	70,062.19
<b>Total (CDN)</b>			<b>60,518.00</b>	<b>1,524.98</b>	<b>8,019.21</b>	<b>70,062.19</b>

THIS IS **EXHIBIT “C”** REFERRED TO IN THE  
AFFIDAVIT OF MIKE NOEL,  
AFFIRMED REMOTELY BY MIKE NOEL  
BEFORE ME *BY VIDEO CONFERENCE*, THIS 18th  
DAY OF JANUARY, 2024.



---

David Bish  
Commissioner for Taking Affidavits

**TORYS LLP  
PERSONNEL SUMMARY**

<b>Staff</b>	<b>Title</b>	<b>Year of Call</b>	<b>Total Hours</b>	<b>Hourly Rate (\$CDN)</b>	<b>*Amount Billed (\$CDN)</b>
Bish, David	Partner	1999	37.5	1441.52	54,057.00
Henderson, Tyrel	Associate	2014	6.8	975	6,630.00
Malicdin, Maria	Administration		1.7	205	348.50
McEwen, Jaidyn	Articling Student		15.1	415	6,266.50
Noel, Mike	Associate	2020	26.4	690	18,216.00
<b>Total (CDN)</b>			<b>87.5</b>		<b>85,518.00</b>

\* Fees ONLY - Excludes Disbursements & Tax

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c. C-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TREES  
CORPORATION, ONTARIO CANNABIS HOLDINGS CORP., MIRACULO INC., 2707461  
ONTARIO LTD., OCH ONTARIO CONSULTING CORP., AND 11819496 CANADA INC.

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

**AFFIDAVIT OF MIKE NOEL**  
**(Sworn January 18, 2024)**

**TORYS LLP**

79 Wellington St. W., 30th Floor  
Box 270, TD South Tower  
Toronto, ON M5K 1N2

**David Bish** (LSO #: 41629A)  
Tel: 416.865.7353  
Email: [dbish@torys.com](mailto:dbish@torys.com)

**Mike Noel** (LSO#: 80130F)  
Tel: 416.865.7378  
Email: [mnoel@torys.com](mailto:mnoel@torys.com)

Lawyers for Ernst & Young Inc.

# TAB 5

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

THE HONOURABLE	)	MONDAY, THE 29TH
	)	
JUSTICE OSBORNE	)	DAY OF JANUARY, 2024

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF **TREES CORPORATION, ONTARIO  
CANNABIS HOLDINGS CORP., MIRACULO INC., 2707461  
ONTARIO LTD., OCH ONTARIO CONSULTING CORP.,  
AND 11819496 CANADA INC.** (collectively, the “**Applicants**”)

**SECOND AMENDED AND RESTATED INITIAL ORDER**

**THIS MOTION**, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) for an order amending and restating the Amended and Restated Initial Order granted January 2, 2024 (as amended and restated, the “**Initial Order**”) was heard this day by way of judicial video conference in Toronto, Ontario by Zoom videoconference.

ON READING the affidavit of Jeffrey Holmgren sworn December 21, 2023, and the Exhibits thereto (the “**Initial Holmgren Affidavit**”), the affidavit of Jeffrey Holmgren sworn December 29, 2023 (the “**Second Holmgren Affidavit**”), the affidavit of Jeffrey Holmgren sworn January 23, 2024 (together with the Initial Holmgren Affidavit and the Second Holmgren Affidavit, the “**Holmgren Affidavits**”), the Pre-Filing Report of Ernst & Young Inc. dated December 21, 2023 (the “**Pre-Filing Report**”), the First Report of Ernst & Young Inc. dated December 29, 2023, and the First Report of FTI Consulting Canada Inc., filed, and on being

advised that the secured creditors who are likely affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, counsel for FTI Consulting Canada Inc. and those other parties listed on the Participant Information Form, no one else appearing although duly served as appears from the Affidavits of Service, and on reading the consent of FTI Consulting Canada Inc. to act as the monitor (the “**Monitor**”);

## **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record of the Applicants dated December 29, 2023, is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used herein that are not otherwise defined shall have the meaning ascribed to them in the Holmgren Affidavits.

## **APPLICATION**

3. **THIS COURT ORDERS** that each of the Applicants is a company to which the CCAA applies.

## **PLAN OF ARRANGEMENT**

4. **THIS COURT ORDERS** that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

## **POSSESSION OF PROPERTY AND OPERATIONS**

5. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of the Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property. The Applicants are authorized and empowered to continue to retain and employ their employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or



employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the cash management system currently in place as described in the Initial Holmgren Affidavit or replace it with another substantially similar central cash management system (the "**Cash Management System**"), and that any present or future bank or financial institution providing the Cash Management System: (a) shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, (b) shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and (c) shall be, solely in its capacity as provider of the Cash Management System only, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System on or after the date of this Order.

7. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee benefits (including, without limitation, employee medical, dental, vision, insurance and similar benefit plans or arrangements), reasonable amounts owing under corporate credit cards issued to management and employees of the Applicants, vacation pay and reasonable employee and director expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing practices, compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants prior to or after the commencement of these proceedings, at their standard rates and charges; and

- (c) with the consent of the Monitor, any taxes, duties or other payments required for goods or services actually provided to the Applicants prior to the date of this Order by third parties up to the maximum amount of \$50,000 if, in the opinion of the Applicants, such third party is critical to the Business and ongoing operations of the Applicants.

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on their Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

9. **THIS COURT ORDERS** that the Applicants shall, in accordance with legal requirements, remit or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority that are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

10. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the relevant Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the relevant Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, in accordance with the terms of the applicable lease agreement. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

11. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

## **RESTRUCTURING**

12. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their business or operations, and to dispose of redundant or non-material assets not exceeding \$150,000 in any one transaction or \$1,000,000 in the aggregate, in each case with the consent of the Monitor;

- (b) terminate the employment of their employees or temporarily lay off their employees as the Applicants deem appropriate; and
- (c) pursue all restructuring options for the Applicants including, without limitation, all avenues of refinancing of their Business or Property, in whole or in part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

13. **THIS COURT ORDERS** that the relevant Applicant shall provide each of the relevant landlords with notice of the relevant Applicant’s intention to remove any fixtures from any leased premises at least seven (7) calendar days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the relevant Applicant’s entitlement to remove any such fixture under the provisions of the applicable lease agreement, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the relevant Applicant, or by further Order of the Court upon application by the relevant Applicant on at least two (2) calendar days notice to such landlord and any such secured creditors. If the relevant Applicant disclaims the lease governing such leased premises in accordance with section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the relevant Applicant’s claim to the fixtures in dispute.

14. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to section 32 of the CCAA, then: (a) during the notice period prior to the effective time of the disclaimer, the relevant landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the relevant Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the relevant Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

## **NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY**

15. **THIS COURT ORDERS** that until and including April 12, 2024, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in or out of any court or tribunal or other forum (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting their Business or their Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting their Business or their Property are hereby stayed and suspended pending further Order of this Court.

## **NO EXERCISE OF RIGHTS OR REMEDIES**

16. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicants or the Monitor, or affecting their Business or their Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall:

- (a) empower the Applicants to carry on any business that the Applicants are not lawfully entitled to carry on;
- (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA;
- (c) prevent the filing of any registration to preserve or perfect a security interest; or
- (d) prevent the registration of a claim for lien.

## **NO INTERFERENCE WITH RIGHTS**

17. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

## **CONTINUATION OF SERVICES**

18. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of the Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

## **NON-DEROGATION OF RIGHTS**

19. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

## **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

20. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such

obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

### **DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**

21. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

22. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$100,000, as security for the indemnity provided in paragraph 21 of this Order.

23. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and hereby granted a further charge (the "**Subsequent Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$383,000, as security for the indemnity provided in paragraph 21 of this Order. The Directors' Charge and the Subsequent Directors' Charge shall have the priorities set out in paragraphs 43 and 45 herein.

24. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 21 of this Order.

### **APPOINTMENT OF MONITOR**

25. **THIS COURT ORDERS** that FTI Consulting Canada Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the

Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

26. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to the Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicants, to the extent required by the Applicants, in its dissemination to the DIP Lender (defined below) and its counsel on a monthly basis of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the Applicants in the preparation of the Applicants' cash flow statements and reporting required by the DIP Lender pursuant to the DIP Term Sheet, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than on a monthly basis, or as otherwise agreed to by the DIP Lender;
- (e) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the



Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;

- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

27. **THIS COURT ORDERS** that the Monitor shall not occupy or take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of (or be deemed to take Possession of), or exercise (or be deemed to have exercised) any rights of control over any activities in respect of, the Property, or any assets, properties or undertakings of any of the Applicants, or the direct or indirect subsidiaries or affiliates of any of the Applicants, including but not limited to any activities for which a permit or license is issued or required pursuant to any provision of any federal, provincial or other law respecting, among other things, the manufacturing, possession, processing, retail sale and distributing of cannabis or cannabis products including, without limitation, under the *Cannabis Act*, S.C. 2018, c. 16, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, the *Excise Tax Act*, R.S.C. 1985, c. E. 15, *Excise Act*, 2001, S.C. 2002, c.22 the *British Columbia Cannabis Control and Licensing Act*, S.B.C. 2018, c. 29, the *British Columbia Cannabis Distribution Act*, S.B.C. 2018, c. 28, the *Ontario Cannabis Control Act*, 2017 S.O. 2017, c. 26, Sched. 1, *Ontario Cannabis Retail Corporation Act*, 2017 S.O. 2017, c. 26, the *Cannabis License Act*, 2018, S.O. 2018, c. 12, or other such applicable federal or provincial legislation, and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

28. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or take Possession of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release

or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

29. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

30. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of the Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements (including pre-filing fees and disbursements), in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a bi-weekly basis and, in addition, the Applicants are hereby authorized to pay to the Monitor and counsel to

the Applicants, retainers in the amounts of \$25,000 each, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

32. **THIS COURT ORDERS** that the Applicants are hereby authorized and directed to pay the accounts of Ernst & Young Inc. related to this proceeding for the period from December 17, 2023, to January 2, 2024, in the amount of \$59,130.51 plus HST of \$7,686.97, in the aggregate amount of \$66,817.48.

33. **THIS COURT ORDERS** that the Applicants are hereby authorized to pay the accounts of Torys LLP related to this proceeding in its capacity as counsel to Ernst & Young Inc. for the period from December 18, 2023, to January 2, 2024, in the amount of \$62,042.98 plus HST of \$8,019.21, in the aggregate amount of \$70,062.19.

34. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

35. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$100,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings.

36. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a further charge (the "**Subsequent Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$400,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge and the Subsequent Administration Charge shall have the priorities set out in paragraphs 43 and 45 hereof.

## **DIP FINANCING**

37. **THIS COURT ORDERS** that Trees Corporation, OCH Ontario Consulting Corp., 2707461 Ontario Ltd., 11819496 Canada Inc., Ontario Cannabis Holdings Corp. and Miraculo Inc. (collectively, the “**Borrowers**”) are hereby authorized and empowered to obtain and borrow under a credit facility from One Plant (Retail) Corp. (the “**DIP Lender**”) in order to finance the Borrowers’ working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$1,560,000 (the “**DIP Facility**”), unless permitted by further Order of this Court.

38. **THIS COURT ORDERS** that the DIP Facility shall be on the terms and subject to the conditions set forth in the Amended DIP Term Sheet between the Borrowers and the DIP Lender dated as of January 23, 2024 (the “**DIP Term Sheet**”), filed.

39. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the “**Definitive Documents**”), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Borrowers are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

40. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property, which DIP Lender’s Charge shall not secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraphs 43 and 45 hereof.

41. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the Definitive Documents;

- (b) upon the occurrence of an event of default under the DIP Term Sheet or the Definitive Documents, the DIP Lender, upon four business days' written notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Term Sheet, the Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Term Sheet, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

42. **THIS COURT ORDERS** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), with respect to any advances made under the DIP Term Sheet or the Definitive Documents.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

43. **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Subsequent Directors' Charge, the Administration Charge, the Subsequent Administration Charge and the DIP Lender's Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$100,000);

Second – DIP Lender's Charge (to the maximum amount of \$1,850,000);

Third – Directors' Charge (to the maximum amount of \$100,000);

Fourth – Subsequent Administration Charge (to the maximum amount of \$400,000); and

Fifth – Subsequent Directors' Charge (to the maximum amount of \$383,000).

44. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

45. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person provided that the Subsequent Directors' Charge and the Subsequent Administration Charge shall rank subsequent to the security interests of One Plant (Retail) Corp. (in its capacity as existing secured creditor of the Applicants and not as the DIP Lender), CJ Marketing Ltd. and Arthur Minh Tri Nguyen-Cao.

46. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Charges affected thereby (collectively, the "**Chargees**"), or further Order of this Court.

47. **THIS COURT ORDERS** that the Charges, the DIP Term Sheet, and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees, including the DIP Lender, shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease,

sublease, offer to lease or other agreement (collectively, an "**Agreement**") that binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the DIP Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

48. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

#### **SERVICE AND NOTICE**

47. **THIS COURT ORDERS** that the Monitor shall, to the extent not already completed by Ernst & Young Inc.: (i) without delay, publish in the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

48. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of

documents made in accordance with the Guide (which can be found on the Commercial List website at: <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* and paragraph 7 of the Guide, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide.

49. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

50. **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the "**Service List**"). The Monitor shall post the Service List, as may be updated from time to time, on the case website as part of the public materials in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

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



## **RELIEF FROM REPORTING OBLIGATIONS**

52. **THIS COURT ORDERS** that the decision by the Applicants to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents, and press releases (collectively, the “**Securities Filings**”) that may be required by any federal, provincial or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including, without limitation, the *Securities Act* (Alberta), RSA 2000, c S-4 and comparable statutes enacted by other provinces of Canada, and the rules, regulations and policies of Cboe Canada (collectively, the “**Securities Legislation**”), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of the Applicants failing to make any Securities Filings required by the Securities Legislation.

53. **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of the Applicants nor the Monitor shall have any personal liability for any failure by the Applicants to make any Securities Filings required by the Securities Legislation during the Stay Period, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of such failure by the Applicants. For greater certainty, nothing in this Order is intended to or shall encroach on the jurisdiction of any securities regulatory authorities (the “**Regulators**”) in the matter of regulating the conduct of market participants and to issue cease trade orders if and when required pursuant to applicable securities law. Further, nothing in this Order shall constitute or be construed as an admission by the Regulators that the court has jurisdiction over matters that are within the exclusive jurisdiction of the Regulators under the Securities Legislation.

## **SHAREHOLDERS’ MEETING**

54. **THIS COURT ORDERS** that the requirement for any future annual general meeting of the shareholders of Trees Corporation be postponed during these proceedings, and the time limit to call and hold such annual general meeting of shareholders is extended until after the conclusion of these proceedings, subject to further Order of this Court.

## **GENERAL**

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

56. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

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

58. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

59. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

60. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TREES CORPORATION, ONTARIO CANNABIS HOLDINGS CORP., MIRACULO INC., 2707461 ONTARIO LTD., OCH ONTARIO CONSULTING CORP., AND 11819496 CANADA INC.

Court File No.: CV-23-00711935-00CL

**ONTARIO**

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

Proceeding commenced at Toronto

**SECOND AMENDED AND RESTATED  
INITIAL ORDER**

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Lawyers for the Applicants

# TAB 6

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE ~~CHIEF~~ ) ~~TUESDAY~~MONDAY, THE ~~2ND~~29TH  
JUSTICE ~~MORAWETZ~~OSBORNE ) DAY OF JANUARY, 2024

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF **TREES CORPORATION, ONTARIO CANNABIS HOLDINGS CORP., MIRACULO INC., 2707461 ONTARIO LTD., OCH ONTARIO CONSULTING CORP., AND 11819496 CANADA INC.** (collectively, the “**Applicants**”)

**SECOND** AMENDED AND RESTATED INITIAL ORDER

**THIS MOTION**, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) for an order amending and restating the Amended and Restated Initial Order granted January 2, 2024 (as amended and restated, the “**Initial Order**”) was heard this day by way of judicial video conference in Toronto, Ontario by Zoom videoconference.

ON READING the affidavit of Jeffrey Holmgren sworn December 21, 2023, and the Exhibits thereto (the “**Initial Holmgren Affidavit**”), the affidavit of Jeffrey Holmgren sworn December 29, 2023 (the “**Second Holmgren Affidavit**” ~~and,~~ the affidavit of Jeffrey Holmgren sworn January 23, 2024 (together with the Initial Holmgren Affidavit and the Second Holmgren Affidavit, the “**Holmgren Affidavits**”)), the Pre-Filing Report of Ernst & Young Inc. dated December 21, 2023 (the “**Pre-Filing Report**”), the First Report of Ernst & Young Inc. dated December 29, 2023, and ~~on~~ the First Report of FTI Consulting Canada Inc., filed, and on being advised that the secured creditors who are likely affected by the charges created herein were

given notice, and on hearing the submissions of counsel for the Applicants, counsel for ~~Ernst & Young~~[FTI Consulting Canada](#) Inc. and those other parties listed on the Participant Information Form, no one else appearing although duly served as appears from the Affidavits of Service, and on reading the consent of FTI Consulting Canada Inc. to act as the monitor (the “**Monitor**”);

## **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record of the Applicants dated December 29, 2023, is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used herein that are not otherwise defined shall have the meaning ascribed to them in the Holmgren Affidavits.

## **APPLICATION**

3. **THIS COURT ORDERS** that each of the Applicants is a company to which the CCAA applies.

## **PLAN OF ARRANGEMENT**

4. **THIS COURT ORDERS** that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

## **POSSESSION OF PROPERTY AND OPERATIONS**

5. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of the Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ their employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or

employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the cash management system currently in place as described in the Initial Holmgren Affidavit or replace it with another substantially similar central cash management system (the "**Cash Management System**"), and that any present or future bank or financial institution providing the Cash Management System: (a) shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, (b) shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and (c) shall be, solely in its capacity as provider of the Cash Management System only, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System on or after the date of this Order.

7. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee benefits (including, without limitation, employee medical, dental, vision, insurance and similar benefit plans or arrangements), reasonable amounts owing under corporate credit cards issued to management and employees of the Applicants, vacation pay and reasonable employee and director expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing practices, compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants prior to or after the commencement of these proceedings, at their standard rates and charges; and

- (c) with the consent of the Monitor, any taxes, duties or other payments required for goods or services actually provided to the Applicants prior to the date of this Order by third parties up to the maximum amount of \$50,000 if, in the opinion of the Applicants, such third party is critical to the Business and ongoing operations of the Applicants.

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on their Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

9. **THIS COURT ORDERS** that the Applicants shall, in accordance with legal requirements, remit or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority that are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and



- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

10. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the relevant Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the relevant Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, in accordance with the terms of the applicable lease agreement. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

11. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

## **RESTRUCTURING**

12. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their business or operations, and to dispose of redundant or non-material assets not exceeding \$150,000 in any one transaction or \$1,000,000 in the aggregate, in each case with the consent of the Monitor;

- (b) terminate the employment of their employees or temporarily lay off their employees as the Applicants deem appropriate; and
- (c) pursue all restructuring options for the Applicants including, without limitation, all avenues of refinancing of their Business or Property, in whole or in part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

13. **THIS COURT ORDERS** that the relevant Applicant shall provide each of the relevant landlords with notice of the relevant Applicant’s intention to remove any fixtures from any leased premises at least seven (7) calendar days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the relevant Applicant’s entitlement to remove any such fixture under the provisions of the applicable lease agreement, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the relevant Applicant, or by further Order of the Court upon application by the relevant Applicant on at least two (2) calendar days notice to such landlord and any such secured creditors. If the relevant Applicant disclaims the lease governing such leased premises in accordance with section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the relevant Applicant’s claim to the fixtures in dispute.

14. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to section 32 of the CCAA, then: (a) during the notice period prior to the effective time of the disclaimer, the relevant landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the relevant Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the relevant Applicant in respect of such lease or leased

premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

#### **NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY**

15. **THIS COURT ORDERS** that until and including ~~February 29~~April 12, 2024, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in or out of any court or tribunal or other forum (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting their Business or their Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting their Business or their Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

16. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicants or the Monitor, or affecting their Business or their Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall:

- (a) empower the Applicants to carry on any business that the Applicants are not lawfully entitled to carry on;
- (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA;
- (c) prevent the filing of any registration to preserve or perfect a security interest; or
- (d) prevent the registration of a claim for lien.

## **NO INTERFERENCE WITH RIGHTS**

17. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

## **CONTINUATION OF SERVICES**

18. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of the Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

## **NON-DEROGATION OF RIGHTS**

19. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

## **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

20. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

## **DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**

21. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

22. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$100,000, as security for the indemnity provided in paragraph 21 of this Order.

23. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and hereby granted a further charge (the "**Subsequent Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$383,000, as security for the indemnity provided in paragraph 21 of this Order. The Directors' Charge and the Subsequent Directors' Charge shall have the priorities set out in paragraphs 41 and 43 herein.

24. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under

any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 21 of this Order.

#### **APPOINTMENT OF MONITOR**

25. **THIS COURT ORDERS** that FTI Consulting Canada Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

26. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to the Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicants, to the extent required by the Applicants, in its dissemination to the DIP Lender (defined below) and its counsel on a monthly basis of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the Applicants in the preparation of the Applicants' cash flow statements and reporting required by the DIP Lender pursuant to the DIP Term Sheet, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than on a monthly basis, or as otherwise agreed to by the DIP Lender;

- (e) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

27. **THIS COURT ORDERS** that the Monitor shall not occupy or take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of (or be deemed to take Possession of), or exercise (or be deemed to have exercised) any rights of control over any activities in respect of, the Property, or any assets, properties or undertakings of any of the Applicants, or the direct or indirect subsidiaries or affiliates of any of the Applicants, including but not limited to any activities for which a permit or license is issued or required pursuant to any provision of any federal, provincial or other law respecting, among other things, the manufacturing, possession, processing, retail sale and distributing of cannabis or cannabis products including, without limitation, under the *Cannabis Act*, S.C. 2018, c. 16, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, the *Excise Tax Act*, R.S.C. 1985, c. E. 15, *Excise Act*, 2001, S.C. 2002, c.22 the *British Columbia Cannabis Control and Licensing Act*, S.B.C. 2018, c. 29, the *British Columbia Cannabis Distribution Act*, S.B.C. 2018, c. 28, the *Ontario Cannabis Control Act*, 2017 S.O. 2017, c. 26, Sched. 1, *Ontario Cannabis Retail Corporation Act*, 2017 S.O. 2017, c. 26, the *Cannabis License Act*, 2018, S.O. 2018, c. 12, or other such applicable federal or provincial legislation, and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations

hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

28. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or take Possession of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

29. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

30. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of the Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save



and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements (including pre-filing fees and disbursements), in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a bi-weekly basis and, in addition, the Applicants are hereby authorized to pay to the Monitor and counsel to the Applicants, retainers in the amounts of \$25,000 each, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

32. **THIS COURT ORDERS** that the Applicants are hereby authorized and directed to pay the accounts of Ernst & Young Inc. related to this proceeding for the period from December 17, 2023, to January 2, 2024, in the amount of \$59,130.51 plus HST of \$7,686.97, in the aggregate amount of \$66,817.48.

33. **THIS COURT ORDERS** that the Applicants are hereby authorized to pay the accounts of Torys LLP related to this proceeding in its capacity as counsel to Ernst & Young Inc. for the period from December 18, 2023, to January 2, 2024, in the amount of \$62,042.98 plus HST of \$8,019.21, in the aggregate amount of \$70,062.19.

34. ~~32.~~ **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

35. ~~33.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$100,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings.

36. ~~34.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a further charge (the "**Subsequent Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$400,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge and the Subsequent Administration Charge shall have the priorities set out in paragraphs 41 and 43 hereof.

### **DIP FINANCING**

37. ~~35.~~ **THIS COURT ORDERS** that Trees Corporation, OCH Ontario Consulting Corp., 2707461 Ontario Ltd., 11819496 Canada Inc., Ontario Cannabis Holdings Corp. and Miraculo Inc. (collectively, the "**Borrowers**") are hereby authorized and empowered to obtain and borrow under a credit facility from One Plant (Retail) Corp. (the "**DIP Lender**") in order to finance the Borrowers' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed ~~\$800,000~~ 1,560,000 (the "**DIP Facility**"), unless permitted by further Order of this Court.

38. ~~36.~~ **THIS COURT ORDERS** that the DIP Facility shall be on the terms and subject to the conditions set forth in the Amended DIP Term Sheet between the Borrowers and the DIP Lender dated as of ~~December 21, 2023~~ January 23, 2024 (the "**DIP Term Sheet**"), filed, ~~except that there shall be no commitment fee payable by the Applicants to the DIP Lender, the interest rate of the DIP Facility shall be at the rate of 0.0% interest per annum, and section 9(c) of the DIP Term Sheet shall be rendered inoperative and deleted from the DIP Term Sheet.~~

39. ~~37.~~ **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Borrowers are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Term Sheet and the Definitive Documents as and

when the same become due and are to be performed, notwithstanding any other provision of this Order.

40. ~~38.~~ **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 41 and 43 hereof.

41. ~~39.~~ **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the DIP Term Sheet or the Definitive Documents, the DIP Lender, upon four business days' written notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Term Sheet, the Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Term Sheet, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

42. ~~40.~~ **THIS COURT ORDERS** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal

filed by the Applicants under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), with respect to any advances made under the DIP Term Sheet or the Definitive Documents.

### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

43. ~~41.~~ **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Subsequent Directors' Charge, the Administration Charge, the Subsequent Administration Charge and the DIP Lender's Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$100,000);

Second – DIP Lender's Charge (to the maximum amount of ~~\$1,100,000~~1,850,000);

Third – Directors' Charge (to the maximum amount of \$100,000);

Fourth – Subsequent Administration Charge (to the maximum amount of \$400,000); and

Fifth – Subsequent Directors' Charge (to the maximum amount of \$383,000).

44. ~~42.~~ **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

45. ~~43.~~ **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person provided that the Subsequent Directors' Charge and the Subsequent Administration Charge shall rank subsequent to the security interests of One Plant (Retail) Corp. (in its capacity as existing secured creditor of the Applicants and not as the DIP Lender), CJ Marketing Ltd. and Arthur Minh Tri Nguyen-Cao.

46. ~~44.~~ **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Charges affected thereby (collectively, the “**Chargees**”), or further Order of this Court.

47. ~~45.~~ **THIS COURT ORDERS** that the Charges, the DIP Term Sheet, and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees, including the DIP Lender, shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) that binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the DIP Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

48. ~~46.~~ **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

## **SERVICE AND NOTICE**

47. **THIS COURT ORDERS** that the Monitor shall, to the extent not already completed by Ernst & Young Inc.: (i) without delay, publish in the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

48. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the “**Guide**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at: <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* and paragraph 7 of the Guide, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide.

49. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or

distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

50. **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the “**Service List**”). The Monitor shall post the Service List, as may be updated from time to time, on the case website as part of the public materials in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

51. **THIS COURT ORDERS** that the Applicants and the Monitor and their respective counsel are at liberty to serve or distribute this Order, and other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants’ creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

### **RELIEF FROM REPORTING OBLIGATIONS**

52. **THIS COURT ORDERS** that the decision by the Applicants to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents, and press releases (collectively, the “**Securities Filings**”) that may be required by any federal, provincial or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including, without limitation, the *Securities Act* (Alberta), RSA 2000, c S-4 and comparable statutes enacted by other provinces of Canada, and the rules, regulations and policies of Cboe Canada (collectively, the “**Securities Legislation**”), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the

CCAA as a consequence of the Applicants failing to make any Securities Filings required by the Securities Legislation.

53. THIS COURT ORDERS that none of the directors, officers, employees, and other representatives of the Applicants nor the Monitor shall have any personal liability for any failure by the Applicants to make any Securities Filings required by the Securities Legislation during the Stay Period, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of such failure by the Applicants. For greater certainty, nothing in this Order is intended to or shall encroach on the jurisdiction of any securities regulatory authorities (the “Regulators”) in the matter of regulating the conduct of market participants and to issue cease trade orders if and when required pursuant to applicable securities law. Further, nothing in this Order shall constitute or be construed as an admission by the Regulators that the court has jurisdiction over matters that are within the exclusive jurisdiction of the Regulators under the Securities Legislation.

#### SHAREHOLDERS’ MEETING

54. THIS COURT ORDERS that the requirement for any future annual general meeting of the shareholders of Trees Corporation be postponed during these proceedings, and the time limit to call and hold such annual general meeting of shareholders is extended until after the conclusion of these proceedings, subject to further Order of this Court.

#### **GENERAL**

55. ~~52.~~ THIS COURT ORDERS that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

56. ~~53.~~ THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

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



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

58. ~~55.~~ **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

59. ~~56.~~ **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

60. ~~57.~~ **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.  
C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF TREES CORPORATION, ONTARIO CANNABIS HOLDINGS  
CORP., MIRACULO INC., 2707461 ONTARIO LTD., OCH ONTARIO CONSULTING  
CORP., AND 11819496 CANADA INC.

Court File No.: CV-23-00711935-00CL

**ONTARIO**

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

Proceeding commenced at Toronto

**SECOND AMENDED AND RESTATED  
INITIAL ORDER**

**Thornton Grout Finnigan LLP**

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Lawyers for the Applicants

<b>Summary report:</b>	
<b>Litera Compare for Word 11.3.0.46 Document comparison done on 2024-01-23 1:23:20 PM</b>	
<b>Style name:</b> Default Style	
<b>Intelligent Table Comparison:</b> Active	
<b>Original DMS:</b> iw://tgf-mobility-ca.imanage.work/CLIENT/5722410/4	
<b>Modified DMS:</b> iw://tgf-mobility-ca.imanage.work/CLIENT/5731067/6	
<b>Changes:</b>	
<u>Add</u>	54
<del>Delete</del>	34
<del>Move From</del>	0
<u>Move To</u>	0
<u>Table Insert</u>	0
<del>Table Delete</del>	0
<u>Table moves to</u>	0
<del>Table moves from</del>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	<b>88</b>

# TAB 7

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE	)	MONDAY, THE 29TH
	)	
JUSTICE OSBORNE	)	DAY OF JANUARY, 2024

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF TREES CORPORATION, ONTARIO  
CANNABIS HOLDINGS CORP., MIRACULO INC., 2707461  
ONTARIO LTD., OCH ONTARIO CONSULTING CORP., AND  
11819496 CANADA INC. (the "**Applicants**")

**ORDER  
(SISP Approval)**

**THIS MOTION**, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, (the "**CCAA**") for an order, among other things, approving the sale and investment solicitation process (the "**SISP**") attached at **Schedule "A"** hereto, including the Stalking Horse Agreement (defined below), was heard this day by Zoom video conference.

**ON READING** the Motion Record of the Applicants dated January 23, 2024 (the "**Motion Record**"), the First Report of FTI Consulting Canada Inc. (the "**Monitor**"), filed (the "**First Report**"), and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for the Stalking Horse Bidder (defined below) and those other parties listed on the Counsel Slip, no one else appearing although duly served as appears from the Affidavit of Service, filed,

## **SERVICE AND DEFINITIONS**

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

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them in the SISP or the Amended and Restated Initial Order dated January 2, 2024 (as may be further amended and restated from time to time, the “**ARIO**”).

## **APPROVAL OF THE SISP**

3. **THIS COURT ORDERS** that the SISP and the procedures contemplated therein be and are hereby approved, subject to such non-material amendments as may be agreed to by the Applicants, the Monitor and the DIP Lender. The Monitor may extend the timeline prescribed in the SISP with the approval of the Applicants and the DIP Lender.

4. **THIS COURT ORDERS** that the Monitor and the Applicants are authorized and directed to take such steps as they deem necessary or advisable to carry out and perform their respective obligations under the SISP, subject to prior approval of this Court being obtained before the completion of any transaction(s) under the SISP.

5. **THIS COURT ORDERS** that the Applicants and the Monitor are authorized to immediately commence the SISP to solicit interest in the opportunity for a sale of or investment in all or part of the Applicants’ assets (the “**Property**”) and business operations (the “**Business**”).

6. **THIS COURT ORDERS** that the Applicants and the Monitor and their respective affiliates, partners, employees, representatives and agents shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the

SISP, except to the extent such losses, claims, damages or liabilities result from the gross negligence or willful misconduct of the Applicants or the Monitor, as determined by the Court.

7. **THIS COURT ORDERS** that notwithstanding anything contained herein or in the SISP, the Monitor shall not take possession of the Property or be deemed to take possession of the Property, including, without limitation, pursuant to any provision of any legislation specified in paragraph 27 of the ARIO.

8. **THIS COURT ORDERS** that in overseeing the SISP, the Monitor shall have all of the benefits and protections granted to it under the ARIO and any other order of this Court in the within proceeding.

#### **REGULATORY COMPLIANCE**

9. **THIS COURT ORDERS** that the Monitor and the Applicants, and their respective counsel be and are hereby authorized but not obligated, to serve or distribute this Order, any other materials, orders, communication, correspondence or other information as may be necessary or desirable in connection with the SISP to any Person or interested party that the Monitor or the Applicants consider appropriate. For greater certainty, any such distribution, communication or correspondence shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

10. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, the Monitor and the Applicants are hereby authorized and permitted to disclose and transfer to each potential bidder (collectively, the “**Potential Bidders**”) and to their advisors, if requested by such Potential Bidders, personal information of identifiable individuals, including, without limitation, all human resources and payroll information in the Applicants’ records pertaining to its past and current employees, but only to the extent desirable or required to negotiate or attempt to complete a sale of the Property (“**Sale**”) or investment in the Business (“**Investment**”). Each Potential Bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of a Sale or an Investment, and if it

does not complete a Sale or an Investment, shall return all such information to the Monitor and the Applicants, or in the alternative destroy all such information. The Successful Bidder(s) shall maintain and protect the privacy of such information and, upon closing of the transaction contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is related to the Property or Business acquired pursuant to the Sale or invested in pursuant to the Investment in a manner which is in all material respects identical to the prior use of such information by the Applicants, and shall return all other personal information to the Monitor and the Applicants, or ensure that all other personal information is destroyed.

#### **APPROVAL OF STALKING HORSE BID**

11. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to enter into, *nunc pro tunc*, the share purchase agreement (the “**Stalking Horse Agreement**”) between Trees Corporation, as vendor, and One Plant (Retail) Corp., as purchaser (the “**Stalking Horse Bidder**”), dated as of January 23, 2024, with such minor amendments as may be acceptable to each of the parties thereto, with the prior approval of the Monitor, provided that nothing herein approves the transactions contemplated in the Stalking Horse Agreement and that the approval of the transaction contemplated in the Stalking Horse Agreement shall be considered by this Court on a subsequent motion made to this Court if the Stalking Horse Agreement is the Successful Bid pursuant to the SISP.

12. **THIS COURT ORDERS** that the Stalking Horse Agreement is hereby approved and accepted solely for the purposes of being the Stalking Horse Bid under the SISP and subject to further Order of this Court referred to in paragraph 11 above.

#### **BID PROTECTIONS**

13. **THIS COURT ORDERS** that, if the Stalking Horse Bidder is not the Successful Bidder, the Applicants are authorized to pay the Break Fee in the amount of \$60,000, in accordance with the terms of the Stalking Horse Agreement.



14. **THIS COURT ORDERS** that the Stalking Horse Agreement shall not be rendered invalid or unenforceable and the rights and remedies of the Stalking Horse Bidder thereunder shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made in connection therewith; (b) any motion(s) for bankruptcy order(s) issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the “**BIA**”) or any bankruptcy order(s) made pursuant to such motions; (c) the filing of any assignments in bankruptcy made or deemed to be made in respect of the Applicants for the general benefit of creditors pursuant to the BIA; (d) the provisions of any federal or provincial statutes, including any such provisions pertaining to fraudulent preferences, assignments, fraudulent conveyances, transfers at undervalue, other reviewable transactions, or oppressive or unfairly prejudicial conduct; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of security interests, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) that binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) the execution, delivery or performance of the Stalking Horse Agreement shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which they are a party;
- (b) the Stalking Horse Bidder shall not have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the Stalking Horse Agreement; and
- (c) the payments made by the Applicants pursuant to this Order or the Stalking Horse Agreement, if any, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

**GENERAL**

15. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

16. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

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

18. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

19. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard Time on the date of this Order without the need for entry or filing.

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**SCHEDULE A**  
**(Sale and Investment Solicitation Process)**

## SALE AND INVESTOR SOLICITATION PROCESS

On December 22, 2023, Trees Corporation (“**Trees**”), Ontario Cannabis Holdings Corp. (“**OCH**”), Miraculo Inc. (“**Miraculo**”), 2707461 Ontario Ltd. (“**270**”), OCH Ontario Consulting Corp. (“**Ontario Consulting**”), and 11819496 Canada Inc. (“**118**” and, collectively, the “**Companies**”) commenced proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) before the Ontario Superior Court of Justice (Commercial List) in the City of Toronto (the “**Court**”) pursuant to an order granted by the Court on the same day.

On January 2, 2024, the Companies obtained an Amended and Restated Initial Order (as may be further amended or restated from time to time, the “**ARIO**”) from the Court. The ARIO provides, among other things, an extension of the Stay Period (as defined therein) until February 29, 2024, which may be extended by the Court from time to time. Pursuant to the ARIO, FTI Consulting Canada Inc. was appointed as monitor in the CCAA Proceedings (in such capacity, the “**Monitor**”).

On January 29, 2024, the Court granted an order (the “**SISP Order**”) that, among other things: (a) approved this sale and investor solicitation process (the “**SISP**”), and (b) authorized the execution by the Companies of the stalking horse share purchase agreement between Trees and the Stalking Horse Bidder (as defined below) dated January 23, 2024 (the “**Stalking Horse Agreement**”) as the stalking horse bid for the purpose of conducting the SISP.

The purpose of the SISP is to identify one or more financiers for, purchasers of and/or investors in the Companies, the Business and/or Assets (each as defined below) to make an offer (each a “**Bid**”) that is superior to the offer contemplated by the Stalking Horse Agreement, and to complete the transactions contemplated by any such offer, or the Stalking Horse Agreement if no other offers are accepted. Set forth below are the procedures (the “**SISP Procedures**”) that shall govern the SISP and any transactions consummated as a result thereof.

### 1. **Defined Terms**

The following capitalized terms have the following meanings when used in this SISP:

“**Acknowledgment of the SISP**” means an acknowledgment of the SISP in the form attached as Schedule “A”;

“**Additional Confidential Information**” means commercially sensitive information with respect to the Companies, the Business and/or Assets, which may include copies of material customer and vendor agreements, details of the equity and capital structure of the Business, and meetings with management and key employees;

“**Aggregate Bid**” means a combination of Portion Bids that do not overlap for Assets sought to be purchased, and which, when totalled, equal or exceed the Minimum Bid Amount;

“**Assets**” means the assets, undertakings and property of the Companies;

“**Auction**” has the meaning given to it in Section 15;

“**Auction Procedure**” has the meaning given to it in Section 15;

“**Back-Up Bid Expiration Date**” has the meaning given to it in Section 19;

“**Back-Up Bid**” has the meaning given to it in Section 15;

“**Back-Up Bidder**” has the meaning given to it in Section 15;

“**Bid**” has the meaning given to it in the introduction;

“**Break Fee**” has the meaning given to it in Section 2;

“**Business**” means the business carried on by the Companies, which consists primarily of the operation of cannabis retail stores and the marketing and sale of cannabis products and accessories;

“**Business Day**” means any day, other than a Saturday, Sunday or statutory holiday in the Province of Ontario, on which commercial banks in Toronto, Ontario are open for business;

“**Companies**” has the meaning given to it in the introduction;

“**Confidentiality Agreement**” means the confidentiality agreement, upon terms satisfactory to the Companies, with the consent of the Monitor, entered into between the Companies and an Interested Party;

“**Court**” has the meaning given to it in the introduction;

“**Data Room**” means an electronic data room created and maintained by the Companies or the Monitor containing confidential information in respect of the Companies, the Business and the Assets, but which does not contain the Additional Confidential Information;

“**DIP Lender**” means One Plant (Retail) Corp.;

“**DIP Term Sheet**” means the debtor-in-possession financing term sheet dated December 21, 2023, as amended and restated on January 23, 2024, between the Companies, as borrowers, and the DIP Lender, as lender;

“**Form Purchase Agreement**” means the template share purchase agreement posted in the Data Room substantially in the form of the Stalking Horse Agreement;

“**Interested Party**” has the meaning given to it in Section 2;

“**Investment Proposal**” has the meaning given to it in Section 9;

“**Known Potential Bidders**” has the meaning give to it in Section 5(a);

“**Minimum Bid Amount**” means the Purchase Price under the Stalking Horse Agreement, including the Credit Bid Consideration, the Pre-Filing GST/HST Obligations, and the Cash Consideration, plus: (a) the Break Fee, and (b) CAD\$50,000. For greater certainty, as of the Phase II Bid Deadline, the Minimum Bid Amount is estimated to be CAD\$3,638,192.08.

“**Monitor**” has the meaning given to it in the introduction;

“**Notice**” has the meaning given to it in Section 5(b);

“**Outside Date**” means April 30, 2024, or such other date as the Companies, the Monitor, and the Successful Bidder(s) or the Back-Up Bidder, if applicable, may agree, acting reasonably;

“**Phase I Bid**” means an initial non-binding Bid submitted by an Interested Party pursuant to Section 9 hereof;

“**Phase I Bid Deadline**” has the meaning given to it in Section 9;

“**Phase I Bidder**” means a bidder submitting a Phase I Bid;

“**Phase I Deposit**” has the meaning given to it in Section 11(i);

“**Phase I Participant Requirements**” has the meaning given to it in Section 10 hereof;

“**Phase II Bid**” means a binding unconditional Bid submitted by a Qualified Phase I Bidder;

“**Phase II Bidder**” means a bidder submitting a Phase II Bid;

“**Phase II Bid Deadline**” has the meaning given to it in Section 9;

“**Portion Bid**” means a Bid for less than all, or substantially all of the Assets, that is otherwise a Qualified Phase I Bid or a Qualified Phase II Bid;

“**Portion Bidder**” means a Qualified Phase I Bidder and/or a Qualified Phase II Bidder that submits a Portion Bid;

“**Pre-Filing GST/HST Obligations**” has the meaning given to it in the Stalking Horse Agreement;

“**Purchase Price**” has the meaning given to it in Section 11(a)(i);

“**Qualified Phase I Bid**” means a Phase I Bid that satisfies the conditions set out in Section 11. For greater certainty, a Portion Bid may be a Qualified Phase I Bid if it forms part of an Aggregate Bid;

“**Qualified Phase I Bidder**” means a bidder submitting a Qualified Phase I Bid;

“**Qualified Phase II Bid**” means a Phase II Bid that satisfies the conditions set out in Section 14. For greater certainty, a Portion Bid may be a Qualified Phase II Bid if it forms part of an Aggregate Bid;

“**Qualified Phase II Bidder**” means a bidder submitting a Qualified Phase II Bid;

“**Qualified Investment Bid**” is an Investment Proposal that is determined to be a Qualified Phase II Bid by the Companies and the Monitor pursuant to Section 14;

“**Qualified Sale Bid**” is a Sale Proposal that is determined to be a Qualified Phase II Bid by the Companies and the Monitor pursuant to Section 14;

“**Sale Approval Hearing**” has the meaning given to it in Section 18;

“**Sale Proposal**” has the meaning given to it in Section 9;

“**SISP**” has the meaning given to it in the introduction;

“**SISP Procedures**” has the meaning given to it in the introduction;

“**Stalking Horse Agreement**” has the meaning given to it in the introduction;

“**Stalking Horse Bidder**” means the DIP Lender, or an affiliate thereof;

“**Successful Bid**” has the meaning given to it in Section 15;

“**Successful Bidder**” has the meaning given to it in Section 15; and

“**Teaser Letter**” has the meaning given to it in Section 5(c).

## 2. **The SISP Procedures**

The SISP shall consist of two phases. In the first phase, any interested party (an “**Interested Party**”) that meets the preliminary participant requirements set out herein, including executing a Confidentiality Agreement and an Acknowledgment of the SISP, shall be provided with access to the Data Room in order to prepare and submit a Phase I Bid by the Phase I Bid Deadline. Phase I Bidders that are determined by the Companies, with the consent of the Monitor, to be Qualified Phase I Bidders shall be invited to participate in the second phase wherein they will be given access to the Additional Confidential Information, if any, in order to complete diligence prior to submitting a Phase II Bid by the Phase II Bid Deadline.

The Companies, in consultation with the Monitor, shall supervise the SISP Procedures and each will generally consult with the other in respect of all matters arising out of this SISP. The Monitor shall direct and preside over the Auction, if applicable. In the event that there is disagreement as to the interpretation or application of this SISP, the Court will have the jurisdiction to hear and resolve such dispute.

Certain bid protections are provided for in the Stalking Horse Agreement (including a break fee (the “**Break Fee**”), subject to the conditions set forth therein. No other bidder may request or receive any form of bid protection as part of any bid made pursuant to the SISP.

**3. “As Is, Where Is”**

The sale of the Business or all or any part of the Assets or an investment in the Companies will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature or description by the Companies, the Monitor or any of their respective employees, officers, directors, agents or advisors, except to the extent set forth in the relevant definitive Sale Proposal or Investment Proposal agreement, as applicable, with a Successful Bidder.

By participating in this process, each Interested Party is deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Business, the Assets or the Companies prior to making its Bid, that it has relied solely on its own independent review, investigation, and/or inspection of any documents and/or regarding the Business, the Assets or the Companies in making its Bid, and that it did not rely on any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Business, the Assets or the Companies or the completeness of any information provided in connection therewith, except as expressly stated in the terms of any definitive transaction documents.

**4. Timeline**

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

<b>Milestone</b>	<b>Deadline</b>
Commencement of SISP	January 29, 2024
Distribution of the Notice, Teaser Letter Confidentiality Agreement and Acknowledgement of SISP	As soon as reasonably practicable following the date on which the SISP Order is granted
Phase I Bid Deadline (5:00 PM (Eastern Time))	February 29, 2024



Phase II Bid Deadline (5:00 PM (Eastern Time))	March 15, 2024
Selection of Successful Bid(s), Back-Up Bid(s), or Notification of Auction (if any)	March 19, 2024
Auction (if any)	No later than March 22, 2024
Sale Approval Hearing	As soon as practicable
Closing Date Deadline	A maximum of 4 weeks after the Sale Approval Hearing, but by no later than the Outside Date

**5. Solicitation of Interest**

As soon as is reasonably practicable:

- (a) the Companies and the Monitor will prepare a list of potential bidders, including (i) parties that have approached the Companies or the Monitor indicating an interest in the opportunity; and (ii) strategic parties whom the Companies or the Monitor believe may be interested in purchasing all or part of the Business and Assets, or investing in the Companies, pursuant to the SISP (collectively, “**Known Potential Bidders**”);
- (b) the Monitor, with the assistance of the Companies, will cause a notice of the SISP and such other relevant information that the Companies, with the consent of the Monitor, consider appropriate (the “**Notice**”) to be published in *The Globe and Mail* (National Edition) and *Insolvency Insider*, and any other newspaper, journal or industry publication as the Companies and the Monitor consider appropriate, if any; and
- (c) the Monitor, in consultation with the Companies, will prepare: (i) a process summary (the “**Teaser Letter**”) describing the opportunity, outlining the process under the SISP, and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and (ii) a Confidentiality Agreement, in each case in form and substance satisfactory to the Companies and the Monitor.

The Monitor, with the assistance of the Companies, will publish the Notice and send the Teaser Letter, Confidentiality Agreement, and Acknowledgement of the SISP to all Known Potential Bidders as soon as reasonably practicable following the date on which the SISP Order is granted and to any other party who requests a copy of the Teaser Letter, Confidentiality Agreement, and Acknowledgement of the SISP, or who is identified to the Companies or the Monitor as a potential bidder, as soon as reasonably practicable after such request or identification, as applicable.

**6. Role of Management of the Companies**

In the event that any party that is associated with the Board of Directors or management of the Companies intends to submit a Bid pursuant to the SISP, any such party must advise the Monitor of such intention in writing by February 5, 2024. Any such party(ies) shall be entitled to participate in the SISP as an Interested Party, provided that, and only to the extent that, such party(ies) shall: (i) be excluded from participating in the SISP in any manner or capacity that would be reasonably likely to create an unfair advantage for any party or otherwise jeopardize the integrity of the SISP, as determined by the Monitor in its sole discretion; and (ii) be subject to such restrictions as the Monitor, in its sole discretion, determines to be necessary to ensure compliance with (i).

## **7. Role of the Monitor**

The Monitor's responsibilities pursuant to the SISP include:

- (a) consulting with the Companies in connection with the bidding procedures included in this SISP and the closing of the transaction contemplated in the Successful Bid(s);
- (b) assisting the Companies with supervision of the SISP Procedures;
- (c) reporting to the Court in connection with the SISP Procedures, including the bidding procedures described in this SISP, and the closing of the transaction contemplated in the Successful Bid(s);
- (d) conducting an Auction, if necessary, in accordance with the Auction Procedures attached hereto as Schedule "C"; and
- (e) assisting the Companies to facilitate information requests, including assisting the Companies in preparing or modifying financial information to assist with the bidding procedures described in this SISP and the closing of the transaction contemplated in the Successful Bid(s) (including the Stalking Horse Agreement).

## **8. Access to Due Diligence Materials**

Only Interested Parties that satisfy the Phase I Participant Requirements will be eligible to receive access to the Data Room. If the Companies, with the consent of the Monitor, determine that a Phase I Bidder does not constitute a Qualified Phase I Bidder, then such Phase I Bidder shall not be eligible to receive the Additional Confidential Information, if any. For greater certainty, the Data Room shall not contain the Additional Confidential Information and the Companies or the Monitor shall provide the Additional Confidential Information to a Qualified Phase I Bidder by alternative means.

The Monitor, with the assistance of the Companies, will be responsible for the coordination of all reasonable requests for additional information and due diligence access from Interested Parties. Neither the Companies nor the Monitor shall be obligated to furnish any additional due diligence information after the Phase I Bid Deadline other than the Additional Confidential Information, if any, to Qualified Phase I Bidders before the Phase II Bid Deadline. Neither the Companies nor the Monitor shall be obligated to furnish any

due diligence information after the Phase II Bid Deadline, provided however that the Companies and the Monitor may, but are not obligated to, provide further information including, without limitation, financial information to the Successful Bidder (including the Stalking Horse Bidder). Neither the Companies nor the Monitor are responsible for, and will bear no liability with respect to, any information obtained by any party in connection with the sale of the Assets and the Business, or an investment in the Companies. If the Companies provide additional information and due diligence to an Interested Party that was not previously provided to the Stalking Horse Bidder, the Companies shall concurrently provide such additional information to the Stalking Horse Bidder or notify the Stalking Horse Bidder that such information is available in the Data Room.

**9. Bid Deadlines**

An Interested Party that wishes to make a Bid to: (a) acquire the Business or all, substantially all or any part of the Assets, including any offer to acquire some or all of the Companies' intellectual property, accounts receivable and furniture, fixtures and equipment (a "**Sale Proposal**"); or (b) make an investment in the Companies by way of private issuances, sale or placement of newly issued or treasury equity, equity-linked or debt securities, instruments or obligations of the Companies with one or more lenders and/or investors or security holders (an "**Investment Proposal**"), must deliver an executed copy of a Phase I Bid to the Monitor, at the email address specified in Schedule "B", so as to be received by it **not later than 5:00 p.m. (Eastern Time) on February 29, 2024**, or such other later date or time as may be agreed by the Companies and the Monitor (the "**Phase I Bid Deadline**").

All Phase II Bids must be submitted to the Monitor, at the email address specified in Schedule "B", so as to be received by it **not later than 5:00 p.m. (Eastern Time) on March 15, 2024**, or such other later date or time as may be agreed by the Companies and the Monitor (the "**Phase II Bid Deadline**").

**PHASE I – NON BINDING BIDS**

**10. Phase I Participant Requirements.**

To participate in Phase I of the SISP and to otherwise be considered for any purpose hereunder, each Interested Party must provide the Companies and the Monitor with an executed copy of each of the following prior to being provided with access to the Data Room: (i) a Confidentiality Agreement; and (ii) an Acknowledgement of the SISP (collectively, the "**Phase I Participant Requirements**").

**11. Qualified Phase I Bids**

Only Qualified Phase I Bidders shall be allowed to participate in Phase II of the SISP and be eligible to receive the Additional Confidential Information, if any.

In order for the Companies, with the consent of the Monitor, to determine whether an Interested Party is a Qualified Phase I Bidder, the Interested Party must provide, in form and substance satisfactory to the Companies and the Monitor, each of the following on or

before the Phase I Bid Deadline:

- (a) Non-Binding Letter of Intent Describing the Phase I Bid: A non-binding letter of intent describing the material terms of the Phase I Bid, which includes the following information:
  - (i) Sale Proposal: In the case of a Sale Proposal, the material terms and conditions of the proposed transaction, including identification of the Business or the Assets proposed to be acquired, the obligations to be assumed, the purchase price for the Business or Assets proposed to be acquired (the “**Purchase Price**”), and the structure and financing of the proposed transaction; and
  - (ii) Investment Proposal: In the case of an Investment Proposal, the material terms and conditions of the proposed transaction, including details regarding the proposed equity and debt structure of the Companies following completion of the proposed transaction, the direct or indirect investment target and the aggregate amount of equity and debt investment (including the sources of such capital, the underlying assumptions regarding the *pro forma* capital structure, as well as anticipated tranches of debt, debt service fees, interest and amortization) to be made in the Companies, and the debt, equity, or other securities, if any, proposed to be allocated to creditors of the Companies;
- (b) Purchase Price: Evidence that the Purchase Price (in the case of a Sale Proposal) or imputed value (in the case of an Investment Proposal) under the Phase I Bid or Aggregate Bid shall be an amount equal to or greater than the Minimum Bid Amount (a “**Superior Offer**”); provided that any Portion Bidder shall not be subject to the Minimum Bid Amount except to the extent that it forms part of an Aggregate Bid. For greater certainty, any Phase I Bid must provide for payment in full in cash on closing in an amount sufficient to satisfy all indebtedness, fees, and expenses owed by the Applicants to the DIP Lender in accordance with the DIP Term Sheet and all other indebtedness, fees, and expenses owed by the Applicants to the DIP Lender in connection with any first-ranking secured debt of the Applicants held by the DIP Lender or its nominees or Affiliates. Relevant information in this regard will be contained in the Data Room;
- (c) Proof of Financial Ability to Perform: Written evidence upon which the Companies and the Monitor may reasonably conclude that the Interested Party has obtained, or shall obtain on or before the Phase II Bid Deadline, the necessary sources of financing that it shall require to close the contemplated transaction on or before the Outside Date, including, without limitation: (i) the sources of such financing and contact names and phone numbers required to verify same; and (ii) any such other form of financial disclosure or credit-quality support information or enhancement requested by and reasonably acceptable to the Companies and the Monitor demonstrating that the Phase II Bidder has, or will have, the ability to close the contemplated transaction;

- (d) Outstanding Due Diligence: a description of any additional due diligence required to be conducted in order to submit a Qualified Phase II Bid and the impact any additional due diligence may have on the final Purchase Price or imputed value;
- (e) Identification: Full written disclosure of the identity of each person (including any person that controls such person) that will be directly or indirectly sponsoring or participating in the Phase I Bid, including whether any prior or current member of the Companies' board, management, any employee or consultant to the Companies or any creditor) or shareholder of the Companies is involved in any way with the Phase I Bid or assisted with the Phase I Bid, and the complete terms of any such participation as well as evidence of corporate authority to sponsor or participate in the Phase I Bid;
- (f) Acknowledgment: An acknowledgement and representation that the Interested Party: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents regarding the Companies, the Business and/or the Assets to be acquired, or the liabilities to be assumed in making its Phase I Bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties conditions or guaranties whatsoever, whether express or implied (by operation of law or otherwise) by the Companies, the Monitor or any of their respective employees, directors, officers, agents, advisors or other representatives, regarding the Companies, the Business, the Assets to be acquired, or the liabilities to be assumed, or the completeness of any information provided in connection therewith, except as expressly provided in any definitive transaction documents;
- (g) Authorization: Evidence, in form and substance reasonably satisfactory to the Companies and the Monitor, of authorization and approval from the Interested Party's board of directors (or comparable governing body) with respect to the submission, execution and delivery of the Phase I Bid, and identification of any anticipated shareholder, regulatory or other approvals outstanding, and the anticipated time frame and any anticipated impediments for obtaining such approvals;
- (h) No Break or Termination Fee: Evidence that the Phase I Bid does not include any request for or entitlement to any break or termination fee, expense reimbursement or similar type of payment, and confirmation that the Interested Party shall be responsible for all of its costs and expenses associated with conducting due diligence and submitting a Bid;
- (i) Deposit: A cash deposit (the "**Phase I Deposit**") in an amount equal to 10% of the Purchase Price (in the case of a Sale Proposal) or imputed value (in the case of an Investment Proposal) that shall be paid to the Monitor in trust, which Phase I Deposit shall be held and dealt with in accordance with this SISF;
- (j) Employees: If applicable, the proposed number of employees of the Companies who are expected to become employees of the Phase I Bidder if determined to be the Successful Bidder;

- (k) Other: Such other information as may reasonably be requested by the Companies or the Monitor; and
- (l) Phase I Bid Deadline: It is received by the Monitor, at the email address specified in Schedule "B" on or before the Phase I Bid Deadline.

The Companies, with the consent of the Monitor, may waive any one or more minor and non-material violations of the requirements specified for Qualified Phase I Bids and deem such non-compliant Bids to be Qualified Phase I Bids.

**12. Evaluation of Qualified Phase I Bids and Designation as Qualified Phase I Bidder**

The Companies and the Monitor shall evaluate Qualified Phase I Bids on various grounds including, but not limited to: the Purchase Price or imputed or projected value, the treatment of creditors and related implied recovery for creditors (in each case, as applicable), the assumed liabilities, the number of employees assumed, the certainty of closing the transactions contemplated by the Phase I Bid on or before the Outside Date and any delay or other risks (including closing risks) in connection with the Qualified Phase I Bids.

The Companies, with the consent of the Monitor, shall have the option, in their discretion, to aggregate Portion Bids into an Aggregate Bid.

The Companies shall be under no obligation to accept the highest or best offer or any offer (other than the offer contained in the Stalking Horse Agreement if no Superior Offer is accepted).

As soon as practicable after the Phase I Bid Deadline, the Companies, with the consent of the Monitor, will advise an Interested Party whether or not its Phase I Bid constitutes a Qualified Phase I Bid and that it is a Qualified Phase I Bidder and, if such Phase I Bidder is a Qualified Phase I Bidder, that it is invited to participate in Phase II of the SISP.

Notwithstanding the requirements set forth in Section 11, the Stalking Horse Agreement shall be deemed to be a Qualified Phase I Bid and the Stalking Horse Bidder shall be deemed to be a Qualified Phase I Bidder for all purposes of this SISP.

**13. No Qualified Phase I Bids**

If no Qualified Phase I Bid other than the Bid pursuant to the Stalking Horse Agreement is received by the Phase I Bid Deadline, the Stalking Horse Bidder shall be declared the Successful Bidder and the Stalking Horse Agreement shall be declared the Successful Bid.

**PHASE II – BINDING BIDS**

**14. Qualified Phase II Bid Requirements**

Only Qualified Phase I Bidders shall be entitled to submit a Phase II Bid. In order to be considered a Qualified Phase II Bid, as determined by the Companies and the Monitor: (i) a Phase II Bid must satisfy all of the requirements for a Qualified Phase I Bid contained in

Section 11, provided, however, that the Phase II Bid Deadline shall apply in lieu of the Phase I Bid Deadline, as set forth below, and; (ii) the Qualified Phase I Bidder must also submit the following, in form and substance satisfactory to the Companies and the Monitor, on or before the Phase II Bid Deadline:

- (a) Irrevocable Bid: A cover letter stating that the Phase II Bid is irrevocable until Court approval of the Successful Bid(s), provided that if such Phase II Bidder is selected as the Successful Bidder or the Back-Up Bidder, its Phase II Bid shall remain irrevocable until the Back-Up Bid Expiration Date (as defined below), which includes:
  - (i) Sale Proposal: In the case of a Sale Proposal, a duly authorized and executed definitive purchase agreement, together with all completed schedules thereto substantially in the form of the Form Purchase Agreement, together with a blackline comparing the purchase agreement submitted to the Form Purchase Agreement, which includes all or substantially all of the terms set out in the non-binding letter of intent submitted in Phase I; and
  - (ii) Investment Proposal: In the case of an Investment Proposal, a duly authorized and executed binding term sheet that includes all or substantially all of the terms set out in the non-binding investment proposal submitted in Phase I;
- (b) Unconditional Bid: Evidence that it is not conditioned on: (i) the outcome of unperformed due diligence including the review of any Additional Confidential Information; (ii) obtaining financing; and/or (iii) any other material closing conditions;
- (c) Proof of Financial Ability to Perform: Written evidence upon which the Companies and the Monitor may reasonably conclude that the Phase II Bidder has the necessary financial ability to fully fund and consummate the transaction contemplated by the Phase II Bid and satisfy its obligations under the definitive purchase agreement, including: (i) binding equity/debt commitment letters and/or guarantees (*i.e.*, bank guarantees) covering the full value of all cash consideration; (ii) evidence of the Phase II Bidder's internal resources; and/or (iii) any such other form of financial disclosure or credit-quality support information or enhancement requested by and reasonably acceptable to the Companies and the Monitor demonstrating that the Phase II Bidder has the ability to close the contemplated transaction;
- (d) Acknowledgment: An acknowledgement and representation that the Phase II Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents regarding the Companies, the Business and/or the Assets to be acquired, or liabilities to be assumed in making its Phase II Bid; (ii) did not rely upon any written or oral statements, representations, promises, warranties conditions or guaranties whatsoever, whether express or implied (by operation of law or otherwise) by the Companies, the Monitor or any of their respective employees, directors, officers, agents, advisors or other representatives, regarding the Companies, the Business, the Assets to be acquired, liabilities to be

assumed, or the completeness of any information provided in connection therewith, except as expressly provided in any definitive transaction documents; and (iii) promptly will commence any governmental or regulatory review of the proposed transaction by the applicable competition, antitrust or other applicable governmental authorities, including those regulating in the cannabis sector;

- (e) Authorization: Evidence, in form and substance reasonably satisfactory to the Companies and the Monitor, of authorization and approval from the Interested Party's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Phase II Bid, and confirmation that any other required approvals have been obtained;
- (f) Employees: If applicable, full details of the proposed number of employees of the Companies who will become employees of the Phase II Bidder if determined to be the Successful Bidder and the proposed terms and conditions of employment to be offered to those employees;
- (g) Other: Such other information as may reasonably be requested by the Companies or the Monitor; and
- (h) Phase II Bid Deadline: It is received by the Monitor, at the address specified in Schedule "B" hereto (including by email) on or before the Phase II Bid Deadline.

**15. Evaluation of Qualified Phase II Bids and Subsequent Actions**

The Companies and the Monitor shall evaluate Qualified Phase II Bids on various grounds including, but not limited to: the Purchase Price or imputed or projected value, the treatment of creditors and related implied recovery for creditors (in each case, as applicable), the assumed liabilities, the number of employees assumed, the certainty of closing the transactions contemplated by the Qualified Phase II Bid on or before the Outside Date and any delay or other risks (including closing risks) in connection with the Qualified Phase II Bids.

Notwithstanding the requirements set forth in Section 14, the Stalking Horse Agreement shall be deemed to be a Qualified Phase II Bid and the Stalking Horse Bidder shall be deemed to be a Qualified Phase II Bidder for all purposes of this SISF.

Following such evaluation, the Companies, with the consent of the Monitor, shall:

- (a) identify if any Qualified Phase II Bid is a Superior Offer; and
- (b) if one or more Qualified Phase II Bids are considered to be a Superior Offer, each Qualified Phase II Bidder presenting a Superior Offer shall proceed to an auction (the "**Auction**") with the Stalking Horse Bidder in accordance with the procedures set out in the attached Schedule "C" (the "**Auction Procedure**") to identify the "**Successful Bid**", and the Qualified Phase II Bidder making such Successful Bid will be the "**Successful Bidder**". The determination of any Successful Bid by the



Companies, with the consent of the Monitor, shall be subject to approval by the Court.

The Companies, with the consent of the Monitor, shall have the option to aggregate Portion Bids into an Aggregate Bid. Notwithstanding anything to the contrary herein, the Companies, with the consent of the Monitor, shall be permitted to include Qualified Investment Bids or Qualified Sale Bids in the Auction, including to the extent such Qualified Phase II Bids are Portion Bids, provided that such Qualified Investment Bids or Qualified Sale Bids constitute a Superior Offer.

Following the selection of the Successful Bid, the Companies shall take such steps as may be necessary to finalize definitive transaction documents for the Successful Bid(s) with the Successful Bidder(s) prior to Court approval of the Successful Bid.

The Companies may conditionally accept one or more (if for distinct and compatible transactions that are Portion Bids) Qualified Phase II Bids, which acceptance will be conditional upon the failure of the transaction(s) contemplated by the Successful Bid to close (the “**Back-up Bid**”, and Qualified Phase II Bidder making such Back-up Bid being the “**Back-Up Bidder**”).

For greater certainty, any accepted offer, whether at the Auction or otherwise, must constitute a Superior Offer.

As soon as reasonably practicable and by no later than three days after the Phase II Bid Deadline, the Companies shall advise the Qualified Phase II Bidders if Successful Bid(s) and Back-Up Bid(s) have been accepted, or conditionally accepted, as the case may be. If the Companies and the Monitor determine it is necessary to conduct an Auction pursuant to the SISP Procedures, the Monitor, as soon as reasonably practicable and by no later than March 19, 2024, will advise the Qualified Phase II Bidders of the date, time, location and the rules (if any) of the Auction in accordance with the Auction Procedure.

**16. No Qualified Phase II Bids**

If no Superior Offer is received by the Phase II Bid Deadline, the Auction will not be held, and the Stalking Horse Bidder will be declared to be the Successful Bidder and the Stalking Horse Agreement shall be declared the Successful Bid.

**17. Allocation of Purchase Price**

The Companies reserve the right to allocate the Purchase Price of a Successful Bid, acting reasonably and in consultation with the Monitor, at a later date for distribution purposes.

**APPROVAL MOTION**

**18. Approval Motion**

The Companies shall use reasonable efforts to bring a motion to the Court to approve the Successful Bid(s) and Back-Up Bid(s) as soon as practicable following the determination by the Companies and the Monitor of the Successful Bidder(s) and the execution of

definitive documents (the “**Sale Approval Hearing**”). The Companies will be deemed to have accepted the Successful Bid(s) only when it has been approved by the Court. All Qualified Phase II Bids (other than the Successful Bid(s) and the Back-Up Bid(s)) shall be deemed rejected by the Companies on and as of the date of approval of the Successful Bid(s) by the Court.

**19. Back-Up Bidder**

If a Successful Bidder fails to close the transaction contemplated by the Successful Bid(s) on or before the Outside Date for any reason, then the Companies will be deemed to have accepted the Back-Up Bid(s) and will proceed with the transaction pursuant to the terms thereof. The Back-Up Bid(s) shall remain open for acceptance until the closing of the Successful Bid(s), or such other later date as the Companies and the Back-Up Bidder may agree, acting reasonably (the “**Back-Up Bid Expiration Date**”).

**MISCELLANEOUS**

**20. Information From Interested Parties**

Each Interested Party shall comply with all reasonable requests for additional information by the Companies or the Monitor regarding such Interested Party and its contemplated transaction. Failure by an Interested Party to comply with requests for additional information will be a basis for the Companies to determine that the Interested Party is not a Qualified Phase I Bidder or a Qualified Phase II Bidder, as applicable.

**21. Deposits**

All deposits shall be held by the Monitor in a single interest-bearing account designated solely for such purpose. A deposit made by a Successful Bidder shall be dealt with in accordance with the definitive documents for the transactions contemplated by the Successful Bid. Deposits, and any interest earned thereon, paid by Phase I Bidders not selected as either a Qualified Phase I Bidder or a Qualified Phase II Bidder shall be returned to such Phase I Bidder or Phase II Bidder as soon as practicable, and in any event no later than seven (7) Business Days of being advised that it is not a Qualified Phase I Bidder or a Qualified Phase II Bidder, as the case may be. Deposits, and any interest thereon, paid by Qualified Phase II Bidders not selected as either a Successful Bidder or a Back-Up Bidder shall be returned to such Qualified Phase II Bidders as soon as practicable, and in any event no later than seven (7) Business Days following Court approval of the Successful Bid. In the case of Back-Up Bid(s), the deposit and any interest earned thereon shall be retained by the Monitor until the Back-Up Bid Expiration Date and returned to the Back-Up Bidder as soon as practicable, and in any event no later than seven (7) Business Days thereafter or, if a Back-Up Bid becomes a Successful Bid, shall be dealt with in accordance with the definitive documents for the Back-Up Bid.

**22. Modifications and Termination**

The Companies, with the consent of the Monitor, shall have the right to adopt such other rules for the SISF Procedures (including rules that may depart from those set forth herein)

that will better promote the sale of the Business or all or any part of the Assets or investment in the Companies under this SISP. The Companies, with the consent of the Monitor, shall apply to the Court if it wishes to materially modify or terminate the process set out in this SISP. For certainty, any amendments to the Phase I Bid Deadline or the Phase II Deadline or other dates set out in this SISP, including those relating to the Auction, shall not constitute a material modification, provided that any extensions to the Phase I Bid Deadline or the Phase II Deadline are not longer than seven calendar days.

**23. Other**

Neither the Companies nor the Monitor shall be liable for any claim for a brokerage commission, finder's fee or like payment in respect of the consummation of any of the transactions contemplated under the SISP arising out of any agreement or arrangement entered into by the parties that submitted the Successful Bid(s) and Back-Up Bid(s). Any such claim shall be the sole liability of the parties that submitted such Successful Bid(s) and Back-Up Bid(s).

Neither the Companies nor the Monitor shall have any liability whatsoever to any person or party, including without limitation, to any Known Potential Bidder, Phase I Bidder, Phase II Bidder, a Successful Bidder or Back-Up Bidder, or any creditor, or other stakeholder, for any act or omission related to this SISP. By submitting a Bid, each Interested Party shall be deemed to have agreed that it has no claim against the Companies or the Monitor for any reason, matter or thing whatsoever related to this SISP.

**SCHEDULE “A”**

**Acknowledgement of the SISP**

The undersigned hereby acknowledges receipt of the Sale and Investor Solicitation Process approved by the Order of the Honourable Justice Osborne of the Ontario Superior Court of Justice (Commercial List) dated January 29, 2024 (the “**SISP**”) and that compliance with the terms and provisions of the SISP is required in order to participate in the SISP and for any Bids to be considered by the Companies.

This \_\_\_\_ day of \_\_\_\_\_, 2024.

[NAME]

By:

\_\_\_\_\_  
[Signing Officer]

**SCHEDULE "B"**  
**ADDRESS PARTICULARS**

**FTI Consulting Canada Inc.**

TD South Tower  
77 Wellington Street West, Suite 2010  
Toronto, ON M5K 1G8

Attention: Jeffrey Rosenberg; Jodi Porepa  
Phone: (416) 649-8073; (416) 649-8059  
Email: jeffrey.rosenberg@fticonsulting.com; jodi.porepa@fticonsulting.com

**With a copy to:**

**Torys LLP**

79 Wellington Street West  
30<sup>th</sup> Floor (Deliveries)  
Box 270, TD South Tower  
Toronto, ON M5K 1N2

Attention: David Bish; Mike Noel  
Phone: (416) 865-7353; (416) 865-7378  
Email: dbish@torys.com; mnoel@torys.com

## SCHEDULE "C" AUCTION PROCEDURES

### Auction

1. If the Companies and the Monitor, decide to conduct an Auction pursuant to the SISP Procedures, the Monitor will notify the Qualified Phase II Bidders (including the Stalking Horse Bidder) who made a Qualified Phase II Bid that the Auction will be held at a location to be determined at 9:00 a.m. (Eastern Time) on a date that is determined by the Companies and the Monitor, provided that it is a date that is not later than March 22, 2024, or such other place, date and time as the Companies or the Monitor may advise. Capitalized terms used but not defined herein have the meaning given to them in the SISP Procedures.

The Auction shall be conducted in accordance with the following procedures:

- (a) Participation at the Auction. Only a Qualified Phase II Bidder is eligible to participate in the Auction. Each Qualified Phase II Bidder must inform the Companies and the Monitor whether it intends to participate in the Auction by no later than 12:00 p.m. (Eastern Time) on the Business Day prior to the Auction. Only the authorized representatives of each of the Qualified Phase II Bidders, the Monitor and the Companies, and their respective counsel and other advisors, and any other parties acceptable to the Companies and the Monitor, shall be permitted to attend the Auction.
- (b) Bidding at the Auction. Bidding at the Auction shall be conducted in rounds. The highest Qualified Phase II Bid at the beginning of the Auction shall constitute the "**Opening Bid**" for the first round and the highest Overbid (as defined below) at the end of each round shall constitute the "**Opening Bid**" for each following round. In each round, a Qualified Phase II Bidder may submit no more than one Overbid. Only a Qualified Phase II Bidder who bids in a round (including the Qualified Phase II Bidder that submitted the Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction. For greater certainty, an Aggregate Bid may be determined to be the Opening Bid for any round including the opening round.
- (c) Monitor Shall Conduct the Auction. The Monitor and its advisors shall direct and preside over the Auction. At the start of the Auction, the Monitor shall provide the terms of the Opening Bid to all participating Qualified Phase II Bidders at the Auction. The determination by the Monitor, in consultation with the Companies, of which Qualified Phase II Bid constitutes the Opening Bid for each round shall take into account any factors that the Monitor reasonably deems relevant to the value of the Qualified Phase II Bid, including, among other things, the following: (i) the amount and nature of the consideration, including the value of any non-cash consideration; (ii) the proposed assumption of any liabilities and the related implied impact on recoveries for creditors; (iii) the number of employees assumed by the Qualified Phase II Bidder; (iv) the Monitor's reasonable assessment of the certainty of the Qualified Phase II Bidder to close the proposed transaction on or before the Outside Date; (v) the likelihood, extent and impact of any potential delays in

closing; (vi) the impact of the contemplated transaction on any actual or potential litigation; (vii) the net economic effect of any changes from the Opening Bid of the previous round; (viii) the net after-tax consideration to be received by the Companies; and (ix) such other considerations as the Monitor deems relevant in its reasonable business judgment (collectively, the “**Bid Assessment Criteria**”). For greater certainty, the Monitor may ascribe monetary values to non-monetary terms in Overbids for the purposes of assessing and valuing such Overbids, including without limitation, the value to be ascribed to any liabilities or contracts to be assumed. All Bids made after the Opening Bid shall be Overbids, and shall be made and received on an open basis, and all material terms of the highest and best Overbid shall be fully disclosed to all other Qualified Phase II Bidders that are participating in the Auction. The Monitor shall maintain a record of the Opening Bid and all Overbids made and announced at the Auction, including the Successful Bid and the Back-Up Bid.

- (d) Terms of Overbids. An “**Overbid**” is any Bid made at the Auction subsequent to the Monitor’s announcement of the Opening Bid. To submit an Overbid, in any round of the Auction, a Qualified Phase II Bidder must comply with the following conditions:
- (i) *Minimum Overbid Increment:* Any Overbid shall be made in CAD\$50,000 increments (the “**Minimum Overbid Increment**”). The amount of the cash purchase price consideration or value of any Overbid shall not be less than the cash purchase price consideration or value of the Opening Bid, plus the Minimum Overbid Increment(s) at that time plus any additional Minimum Overbid Increments. In respect of the Stalking Horse Agreement and any Overbid by the Stalking Horse Bidder, the value shall include the amount of any indebtedness owing to it that is to be deemed repaid or otherwise released and any priority indebtedness to be assumed pursuant to and in accordance with the terms of the Stalking Horse Agreement.
  - (ii) *The Bid Requirements same as for Qualified Phase II Bids:* Except as modified herein, an Overbid must comply with the bid requirements contained herein, provided, however, that the Phase II Bid Deadline shall not apply. Any Overbid made by a Qualified Phase II Bidder must provide that it remains irrevocable and binding on the Qualified Phase II Bidder and open for acceptance until the closing of the Successful Bid(s).
  - (iii) *Announcing Overbids:* At the end of each round of bidding, the Monitor shall announce the identity of the Qualified Phase II Bidder and the material terms of the then highest and/or best Overbid, including the nature of the proposed transaction contemplated by the best Overbid, the assets proposed to be acquired and the obligations proposed to be assumed, the basis for calculating the total consideration offered in such Overbid, and the resulting benefit to the Companies based on, among other things, the Bid Assessment Criteria. For greater certainty, an Aggregate Bid may be determined to be the highest and/or best Overbid.

- (iv) *Consideration of Overbids:* The Monitor reserves the right, in consultation with the Companies, to make one or more adjournments in the Auction to, among other things: (A) facilitate discussions between the Companies and individual Qualified Phase II Bidders; (B) allow individual Qualified Phase II Bidders to consider how they wish to proceed; (C) consider and determine the current highest and/or best Overbid at any given time during the Auction; and (D) give Qualified Phase II Bidders the opportunity to provide the Monitor with such additional evidence as it, or the Companies, may require, that the Qualified Phase II Bidder has obtained all required internal corporate approvals, has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing Overbid amount. The Monitor and Companies may have clarifying discussions with a Qualified Phase II Bidder, and the Monitor may allow a Qualified Phase II Bidder to make technical clarifying changes to its Overbid following such discussions.
- (v) *Portion Bids:* Notwithstanding the forgoing, each Portion Bidder entitled to participate in the Auction shall be entitled to submit an Overbid with respect to the Assets on which it is bidding without being required to submit an Overbid with respect to all Assets or the applicable Opening Bid; provided that any Aggregate Bid that is an Overbid shall be subject to these Auction Procedures as any other Overbid, including that such Aggregate Bid that is an Overbid shall be subject to the Minimum Overbid Increment. Portion Bids can be aggregated with any other Qualified Phase II Bid, as determined by the Companies and the Monitor.
- (vi) *Failure to Bid:* If at the end of any round of bidding a Qualified Phase II Bidder (other than a Portion Bidder, or the Qualified Phase II Bidder that submitted the then highest and/or best Overbid or Opening Bid, as applicable) fails to submit an Overbid, then such Qualified Phase II Bidder shall not be entitled to continue to participate in the next round of the Auction.
- (e) Discussion with other Bidders. A Qualified Phase II Bidder shall not strategize or have discussions with other Qualified Phase II Bidders for the purpose of submitting an Overbid without the consent of the Monitor.
- (f) Additional Procedures. The Monitor may, in consultation with the Companies, adopt rules for the Auction at or prior to the Auction that will better promote the goals of the Auction, including rules pertaining to the structure of the Auction and the order of bidding, provided they are not inconsistent with any of the provisions of the SISP Procedures and provided further that no such rules may change the requirement that all material terms of the then highest and/or best Overbid at the end of each round of bidding will be fully disclosed to all other Qualified Phase II Bidders.



- (g) Closing the Auction. The Auction shall be closed after the Monitor, with the assistance of the Companies and their respective legal counsel, has (i) reviewed the final Overbid of each Qualified Phase II Bidder on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the proposed sale, and (ii) identified the Successful Bid and the Back-Up Bid and advised the Qualified Phase II Bidders participating in the Auction of such determination. One or more Portion Bids can, in the discretion of the Monitor, form part of a Successful Bid and Back-Up Bid so long as such Portion Bids do not overlap in respect of the Assets sought to be purchased and in such case, such Portion Bid(s) shall be included in the definition of Successful Bidder or Back-Up Bid, as applicable.
- (h) Finalizing Documentation. Promptly following a Bid of a Qualified Phase II Bidder being declared the Successful Bid or the Back-Up Bid, the applicable Qualified Phase II Bidder shall execute and deliver such revised and updated definitive transaction agreements as may be required to reflect and evidence the Successful Bid or Back-Up Bid.
- (i) Qualified Investment Bids. Notwithstanding any other provision of this SISF, if a Qualified Phase II Bidder submits a Qualified Investment Bid that the Companies or the Monitor consider would result in a greater value being received for the benefit of the Companies' creditors than the Qualified Sale Bids, then the Monitor may allow such Qualified Phase II Bidder to participate in the Auction, notwithstanding that such Qualified Investment Bid may not otherwise comply with the terms of these Auction Procedures. In such case, the Monitor may adopt appropriate rules to facilitate such Qualified Phase II Bidder's participation in the Auction.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.  
C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF TREES CORPORATION, ONTARIO CANNABIS HOLDINGS  
CORP., MIRACULO INC., 2707461 ONTARIO LTD., OCH ONTARIO CONSULTING  
CORP., AND 11819496 CANADA INC.

Court File No.: CV-23-00711935-00CL

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

**SISP APPROVAL ORDER**

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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TREES CORPORATION, ONTARIO CANNABIS HOLDINGS CORP., MIRACULO INC., 2707461 ONTARIO LTD., OCH ONTARIO CONSULTING CORP., AND 11819496 CANADA INC.

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**MOTION RECORD OF THE APPLICANTS  
(returnable on January 29, 2024)**

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