

COURT FILE NUMBER B-200191  
VANCOUVER REGISTRY  
ESTATE NO. 11-2636060

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL  
OF TRUE LEAF BRANDS INC., TRUE LEAF CANNABIS INC., TRUE LEAF  
INVESTMENTS CORP. AND TRUE LEAF PET INC.**

**SECOND REPORT OF THE PROPOSAL TRUSTEE**

**MAY 12, 2020**

## INTRODUCTION

1. This report (“**Second Report**”) has been prepared by FTI Consulting Canada Inc. (“**FTI**”) in its capacity as the Trustee (the “**Proposal Trustee**”) under Notices of Intention to File a Proposal (“**NOI**”) signed by True Leaf Brands Inc. (“**True Leaf**”), True Leaf Cannabis Inc. (“**TLC**”), True Leaf Investments Corp. (“**TLI**”) and True Leaf Pet Inc. (“**TLP**”) (collectively the “**Companies**”) as of April 1, 2020 and filed with the Superintendent of Bankruptcy on April 2, 2020 pursuant to Part III, Division I of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”).
2. TLC (formerly known as True Leaf Medicine Inc.) was incorporated under the Business Corporations Act of British Columbia (the “**BCABC**”) on July 4, 2013. TLC’s parent company, True Leaf (formerly known as True Leaf Medicine International Ltd.) was incorporated under the BCABC on June 9, 2014.
3. TLC was established to hold a federal cannabis license that was applied for in 2013.
4. In late 2015 True Leaf pivoted into the pet industry by launching a line of hemp supplements through its wholly owned TLP subsidiary.
5. TLC’s cannabis facility was completed in late 2019, however the Companies’ sales did not meet expectation and it began to experience liquidity issues.
6. As indicated in the First Report, True Leaf’s first payment on the Notes was due on March 23, 2020.
7. As a result of its lack of liquidity, True Leaf was unable to make the interest payment on its Notes and with the onset of the COVID-19 pandemic and its implications on global trade, True Leaf’s management and board decided to seek a stay of proceedings to allow it the time necessary to refinance and/or restructure its debts.

8. As a result, on April 1, 2020, the Companies signed NOI's which were filed by the Proposal Trustee with the Office of the Superintendent of Bankruptcy (the "**OSB**") and accepted on April 2, 2020.
9. On May 1, 2020, the Companies sought the following relief and were granted an order by this Honourable Court providing:
  - a) An extension of the Companies' stay of proceedings and time to file a proposal to June 16, 2020;
  - b) Approval of a DIP Loan for an amount not to exceed \$700,000 as provided by its senior secured lender (the "**DIP Lender**");
  - c) Approval of an administrative charge over all of the assets and undertakings of TLC in favour of the Proposal Trustee, its counsel and the Companies' counsel (the "**Administrative Charge**") in the amount of \$150,000; and
  - d) Approval of a first ranking charge against all of the Companies' assets and undertakings in favour of the DIP Lender, subject only to the priority of the Administrative Charge.
10. In support of the Companies' hearing on May 1, 2020, the Proposal Trustee filed its First Report which provided this Honourable Court with an update on the following:
  - a) The activities of the Companies since the filing of their NOI's;
  - b) The Companies' efforts to secure funding for its ongoing costs during this proceeding;
  - c) An analysis of the Companies' actual cash receipts and disbursements to April 24, 2020, compared to the forecast filed on April 9, 2020;
  - d) The Companies' cash flow projection for the period from April 25, 2020 to June 19, 2020;

- e) The rationale for the proposed Administrative Charge over the Companies' assets to secure the professional fees and disbursements in relation to these proceedings; and
  - f) The Companies' request for an extension of the stay of proceedings under the NOI from May 2, 2020 to June 16, 2020.
11. The reports of the Proposal Trustee and other information in respect of these proceedings are posted on the Proposal Trustee's website at <http://cfcanda.fticonsulting.com/TrueLeaf/>.

## **PURPOSE**

12. As indicated in the First Report, a condition of the DIP Loan was that the Companies were to seek the approval of this Honourable Court prior to May 14, 2020 for a sale process providing for the separate marketing and sale of the Companies' pet business and its land and building.
13. Accordingly, the purpose of the Second Report is to provide this Honourable Court with a summary of the sale process (the "**Sale Process**") that has been negotiated between the DIP Lender and the Companies.

## TERMS OF REFERENCE

14. In preparing this report, the Proposal Trustee has relied upon unaudited financial information, other information available to the Proposal Trustee and, where appropriate, the Companies' books and records and discussions with various parties (collectively, the "**Information**").
15. Except as described in this report:
  - a) The Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
  - b) The Proposal Trustee has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
16. Future oriented financial information reported or relied on in preparing this report is based on assumptions regarding future events; actual results may vary from forecast and such variations may be material.
17. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

## SUMMARY OF THE SALE PROCESS

18. As indicated in the First Report, True Leaf has two distinct assets as follows:
  - a) An 18,000 square foot facility on 40 acres of land in Lumby, BC and a federal cannabis license (the “**TLC Assets**”) held by its wholly owned subsidiary, TLC; and
  - b) Ownership of TLP, a pet food supplement business that distributes its products through 3,500 stores in North America and Europe.
19. On October 4, 2019, True Leaf engaged Colliers Macaulay Nicolls Inc. (“**Colliers**”) to market the TLC Assets.
20. Colliers’ marketing approach consisted of the following:
  - a) Preparation of an electronic and hardcopy version of a detailed Information Package which included location maps, legal information, improvement details, licensing details and zoning information. The brochure was provided to all interested parties;
  - b) Establishing a comprehensive data room that was made available to all interested parties upon receipt of a signed non-disclosure agreement (“**NDA**”). To date, 45 parties have signed NDA’s and were given access to the data room;
  - c) Placing the listing on its Unique Properties Group website (uniqueproperties.ca) as well as collierscanada.com. Since posting the listing, there have been over 3,800 direct visits to the Unique Properties Group webpage and 300 views of the listing on collierscanada.com;
  - d) In November 2019, conducted an email campaign to over 2,400 contacts in various Colliers databases;
  - e) Promoting the TLC Assets on the LinkedIn profiles of the Colliers’ listing brokers with a combined total of over 2,000 contacts;

- f) Preparing a press release on behalf of True Leaf advising of the sale opportunity; and
  - g) Hosting tours of the facility to interested parties.
21. The marketing process set a bid deadline date of November 29, 2019 which resulted in the receipt of 8 letters of interest (the “**LOI’s**”).
  22. Subsequent to the receipt of the LOI’s, Colliers and True Leaf’s management attempted to negotiate with several of the parties to convert the LOI’s into a binding sale agreement.
  23. Unfortunately, True Leaf was unable to finalize a binding sale agreement with any of the parties submitting an LOI. The Proposal Trustee understands that this was primarily due to the perception of the interested parties regarding the intentions of True Leaf’s management.
  24. As a result, a very comprehensive marketing process has already been undertaken and a subsequent sale process should be able to be completed within a compressed timeline.
  25. With respect to the sale of TLP (the “**TLP Assets**”), the Proposal Trustee understands that True Leaf’s management has been in discussions with several parties regarding a sale or recapitalization of the pet business, although no formal process had been initiated.
  26. Accordingly, the Sale Process as agreed upon by the Companies and the DIP Lender is as summarized below.
  27. As soon as practicable but by no later than May 15, 2020, the Proposal Trustee in consultation with the Companies and its counsel, and the DIP Lender and its counsel (the “**Consultation Parties**”) will prepare the following:

- a) A list of potential bidders (“**Known Potential Bidders**”) including parties that have already approached True Leaf’s management or the Proposal Trustee expressing an interest in True Leaf’s assets as well as local and international companies that would be considered to have a potential strategic or financial interest in True Leaf’s assets;
  - b) An advertisement to be published in the national edition of the Globe and Mail and any other publications or journals as the Proposal Trustee or the Consultation Parties consider appropriate;
  - c) A press release with Canada Newswire or an equivalent newswire setting out such relevant information that the Trustee, in consultation with the Consultation Parties, considers appropriate, designating dissemination in Canada;
  - d) A Teaser Letter describing the opportunity to purchase the TLC Assets and/or the TLP Assets outlining the process under the Sale Process and inviting recipients of the Teaser Letter to express interest pursuant to the Sale Process; and
  - e) An NDA in form and substance satisfactory to the Trustee.
28. On or before May 15, 2020, the Proposal Trustee will forward a copy of the Teaser Letter and the NDA to all Known Potential Bidders.
29. The Proposal Trustee, with the consent of the Consultation Parties, may engage a commercial real estate agency to market the TLC Assets.
30. The Proposal Trustee in conjunction with the Companies will provide any interested party with access to such due diligence materials as the Proposal Trustee considers appropriate using its reasonable business judgement.
31. The deadline for receipt of offers will be 5 p.m. Pacific Time on June 15, 2020 for the TLC Assets and 5 p.m. Pacific Time on June 19, 2020 for the TLP Assets.



32. Upon receipt of offers from interested parties, the Proposal Trustee will review the bids and determine which offers are Qualified Bids.
33. A Qualified Bid will be valued based upon several factors including, without limitation:
- a) The amount of such bid (including value provided by the assumption of liabilities);
  - b) The risks and timing associated with consummating such offer;
  - c) Any proposed revisions to the Proposed Asset Purchase Agreement (including any additional conditions to closing);
  - d) Any assets included or excluded from the Qualified Bid;
  - e) The likelihood of the bidders' ability to close a transaction, the conditions thereof and the timing thereof;
  - f) Any purchase-price adjustments;
  - g) Indemnification or similar provisions;
  - h) The net economic effect of any changes to the value to be received by the Companies;
  - i) Whether the bid is a bid for all or some of True Leaf's assets; and
  - j) Any other factors deemed relevant by the Proposal Trustee in consultation with the Consultation Parties.
34. Subsequent to the receipt of offers, the Proposal Trustee may, as it deems appropriate, in consultation with the Consultation Parties, enter into negotiations with one or more Qualified Bidders regarding the terms of the bidder's Proposed Asset Purchase Agreement for the purpose of maximizing value for the stakeholders.

35. The Proposal Trustee may, in its discretion, in consultation with the Consultation Parties, invite two or more Qualified Bids to participate in an open auction; provided that the highest existing Qualified Bid shall act as the floor bid for purposes of the auction and each Qualified Bidder participating in the auction has provided an equivalent deposit to the floor bid.
36. The offers selected at the conclusion of the Sale Process will be subject to approval by this Honourable Court.
37. The Sale Process is attached as Appendix A to this report.
38. As indicated previously, the Sale Process allows for the engagement of a commercial real estate agency. The Company in consultation with the Consultation Parties has engaged Colliers to assist with the sale of the TLC Assets.
39. A copy of the listing agreement between True Leaf, TLC and Colliers (the “**Listing Agreement**”) is attached as Appendix B.
40. Given Colliers history with the TLC Assets, the Proposal Trustee is of the view that Colliers continued involvement would provide efficiencies to the Sale Process and allow for the completion of the process within the timelines outlined above.
41. The Proposal Trustee has reviewed the Listing Agreement and considers its terms and conditions to be consistent with normal industry practices.
42. The Proposal Trustee has been involved in the discussions regarding the development of the Sale Process and believes that it strikes a balance between broadly canvassing the market (and the additional costs associated therewith) while also targeting those parties already familiar with the business and assets.
43. Given the marketing process previously performed with respect to the TLC Assets and the exposure of the TLP Assets to the market through prior discussions with True Leaf management and interested parties, the Proposal Trustee is also of the view that the timeline for offers is reasonable.

44. Accordingly, the Proposal Trustee supports the Companies in their request to this Honourable Court for the approval of the Sale Process and the approval of the Listing Agreement.

All of which is respectfully submitted this 12<sup>th</sup> day of May, 2020.

FTI Consulting Canada Inc.,  
in its capacity as Proposal Trustee under a NOI  
filed by True Leaf Brands Inc., True Leaf  
Cannabis Inc., True Investments Corp. and True  
Leaf Pet Inc.



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Name: Craig Munro  
Title: Managing Director,  
FTI Consulting Canada Inc.

# **APPENDIX A**

## Sale Process

### A. OVERVIEW

On April 2, 2020 True Leaf Brands Inc. (“**TLB**”) and its subsidiaries True Leaf Investment Corp. (“**TLI**”), True Leaf Pet Inc. (“**TLP**”), and True Leaf Cannabis Inc. (“**TLC**” and together with TLB, TLI and TLP, the “**Sellers**” and each a “**Seller**”) filed Notices of Intention to Make a Proposal pursuant to s. 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.<sup>1</sup> FTI Consulting, Inc. was appointed as the proposal trustee of the Sellers (in such capacity, the “**Trustee**”).

On May 13, 2020, the Supreme Court of British Columbia (the “**Court**”) issued an order (the “**Sale Process Approval Order**”) approving the process set forth herein by which the Sellers are authorized and directed to conduct a sale process (the “**Sale Process**”) of all the Sellers’ assets (the “**True Leaf Assets**”).

Having obtained the Sale Process Approval Order from the Court, the Sellers will now conduct the Sale Process to obtain the highest and/or otherwise best bids for all, substantially all or any part of the True Leaf Assets.

### B. THE SELLERS’ BUSINESS

The Sellers are in the business of providing hemp, cannabis, and plant-focused wellness products that help pets and people live longer, healthier, and happier lives. The Sellers conduct their business through two subsidiaries:

- a. **Pet Division:** TLP, a wholly owned subsidiary of TLB, develops, markets, and sells natural supplements and treats primarily to the specialty pet channel; and
- b. **Cannabis Division:** TLC, a wholly owned subsidiary of TLI (which is itself a wholly owned subsidiary of TLB), is a licensed producer preparing to cultivate, process, and sell medicinal cannabis under Canada’s *Cannabis Act* from an 18,000 square foot facility located on 40 acres in Lumby, British Columbia, Canada.

Consistent with the two business divisions described above, the True Leaf Assets can be divided into two groups: the assets owned by TLP (the “**TLP Assets**”) and the assets owned by TLC (the “**TLC Assets**”). The Sales Process described herein contemplates a bifurcated sales process as between the TLP Assets and the TLC Assets.

### C. ASSETS TO BE SOLD

The Sellers are offering for sale all of the TLP Assets and the TLC Assets. All of each Seller’s respective right, title and interest in and to the True Leaf Assets shall be, to the fullest extent permitted by law, sold free and clear of all liens, claims, interests, charges, restrictions and

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<sup>1</sup> True Leaf Brands Inc.: Court File No. B200191, Estate No. 11-2636060; True Leaf Pet Inc.: Court File No. B-200195, Estate No. 11-2636224; True Leaf Cannabis Inc.: Court File No. B-200194, Estate No. 11-2636226; True Leaf Investments Corp.: Court File No. B-200196, Estate No. 11-2636236.

encumbrances of any kind or nature thereon (collectively, the “**Liens**”), except for permitted encumbrances and assumed liabilities as may be specified in the approved purchase agreement of the Successful Bidders (as defined below), and with any such Liens to attach solely to the net proceeds of the sale of the applicable True Leaf Asset.

#### **D. SOLICITATION OF INTEREST**

The Trustee, in consultation with the Sellers, is responsible for the marketing and sale of the True Leaf Assets pursuant to the Sale Process. As soon as reasonably practical, but in any event by no later than May 15, 2020:

- a. The Trustee, in consultation with the Consultation Parties (as defined below), will prepare a list of potential bidders (the “**Known Potential Bidders**”), including (i) parties that have approached the Sellers or the Trustee indicating an interest in the True Leaf Assets, and (ii) local and international strategic and financial parties who may be interested in purchasing all or part of the True Leaf Assets;
- b. The Trustee will arrange for a notice of the Sale Process (and such other relevant information which the Trustee, in consultation with the Consultation Parties, considers appropriate) (the “**Notice**”) to be published in The Globe and Mail (National Edition) and such other newspapers or industry journals as the Trustee or the Consultation Parties consider appropriate, if any;
- c. The Sellers, in consultation with the Trustee, will issue a press release with Canada Newswire or an equivalent newswire setting out the information contained in the Notice and such other relevant information that the Trustee, in consultation with the Consultation Parties, considers appropriate, designating dissemination in Canada; and
- d. The Trustee will prepare: (i) a process summary (the “**Teaser Letter**”) describing the opportunity to purchase all or part of the True Leaf Assets, outlining the process under the Sale Process and inviting recipients of the Teaser Letter to express interest pursuant to the Sale Process; and (ii) a non-disclosure agreement (the “**NDA**”) in form and substance satisfactory to the Trustee.

The Trustee will send the Teaser Letter and NDA to each Known Potential Bidder by no later than May 15, 2020, and to any other party who requests a copy of the Teaser Letter and NDA or who is identified by the Trustee or the Consultation Parties as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

#### **E. THE BID PROCEDURES**

Each person who wishes to participate in the Sale Process (a “**Potential Bidder**”) must adhere to the bidding procedures described herein (the “**Bid Procedures**”).

## **1. Role of the Trustee**

The Trustee, with the consent of the Consultation Parties, shall have the right to adopt such other rules for the Bid Procedures (including rules that may depart from those set forth herein) that in its reasonable business judgement will better promote the goals of the Bid Procedures.

## **2. The Trustee May Seek Assistance**

The Trustee may, with the consent of the Consultation Parties, engage an independent third party to assist with the implementation of these Bid Procedures. This includes, but is not limited to, engaging a commercial real estate agency such as Colliers International to market the real property owned by TLC.

## **3. Due Diligence**

The Trustee, in coordination with the Sellers, will provide any Potential Bidder such due diligence access or additional information as the Trustee deems appropriate in its reasonable business judgement, provided, however, that neither the Trustee nor any Seller will provide such due diligence access or additional information related to the TLP Assets to a Potential Bidder unless the Potential Bidder has provided an executed NDA to the Trustee. For greater certainty, an executed NDA is not required with respect to any due diligence access or additional information related to the TLC Assets.

With respect to the TLP Assets, the due diligence period shall end on the TLP Bid Deadline (as defined below), and none of the Trustee, the Sellers, nor any of their representatives shall be obligated to furnish any due diligence information to any Potential Bidder after the TLP Bid Deadline.

With respect to the TLC Assets, the due diligence period shall end on the TLC Bid Deadline (as defined below), and none of the Trustee, the Sellers, nor any of their representatives shall be obligated to furnish any due diligence information to any Potential Bidder after the TLC Bid Deadline.

## **4. Provisions Governing Bids**

Subject to the reasonable business judgement of the Trustee or an order of the Court, in order to be considered by the Trustee, a submitted bid must comply with each of the following (each, a “**Qualified Bid**”, and each party submitting the bid, a “**Qualified Bidder**”):

- a. It discloses in detail which of the TLP Assets or the TLC Assets is covered by the bid;
- b. It fully discloses the identity of each entity that is bidding for or will be purchasing some or all of the True Leaf Assets, including any equity holders in the case of a Potential Bidder which is an entity specially formed for the purpose of effectuating the contemplated transaction, or otherwise participating in connection with such bid (including any co-bidder or team bidder). A bid must also fully disclose any

- connections or agreements with the Sellers, and/or any officer, director or equity holder of the Sellers or any other Potential Bidder;
- c. It provides a description of any anticipated regulatory or governmental approvals necessary to consummate the bid;
  - d. It includes a commitment to close the transaction within 10 days of approval by the Court of the Successful Bid;
  - e. It includes a written commitment that the bid is irrevocable unless and until the applicable Seller accepts a higher or otherwise better bid. If the bidder is a special purpose vehicle, such writing shall guarantee performance of the bidder by its parent entities, or provide such other guarantee of performance acceptable to the Trustee;
  - f. It shall be accompanied by a deposit into the trust account of the Trustee of an amount of cash equal to 10% of the purchase price (the “**Good Faith Deposit**”);
  - g. It includes confirmation that all necessary internal and shareholder approvals have been obtained prior to the bid;
  - h. It includes an executed copy of a proposed asset purchase agreement and a blackline of the proposed asset purchase agreement reflecting amendments and modifications to the draft asset purchase agreement provided by the Trustee (the “**Proposed Asset Purchase Agreement**”);
  - i. It includes written evidence of (i) sufficient cash on hand to fund the purchase price or (ii) sources of immediately available funds that are not conditioned on third-party approvals or commitments, in each case, that will allow the Trustee, in consultation with the Consultation Parties, to make a reasonable determination as to the bidder’s financial and other capabilities to consummate the transaction contemplated by the Proposed Asset Purchase Agreement;
  - j. It includes an acknowledgement and representation that the bidder: (i) has had an opportunity to conduct any and all required due diligence prior to making its offer; (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the True Leaf Assets in making its bid; (iii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the True Leaf Assets or the completeness of any information provided in connection therewith, except as expressly stated in the draft asset purchase agreement provided by the Trustee; and (iv) is not entitled to any expense reimbursement, break-up fee, termination fee, or similar type of payment in connection with its bid;
  - k. It contains such other information reasonably requested by the Trustee; and
  - l. With respect to the TLC Assets, it is received by the applicable Notice Parties (as defined below) on or prior to 5:00 p.m. (Pacific Daylight Time) on June 15, 2020 (the “**TLC Bid Deadline**”), and with respect to the TLP Assets it is received by the



applicable Notice Parties (as defined below) on or prior to 5:00 p.m. (Pacific Daylight Time) on June 19, 2020 (the “**TLP Bid Deadline**”, and together with the TLC Bid Deadline, the “**Bid Deadlines**”), provided that the Bid Deadlines may be extended by the Trustee with the consent of the Consultation Parties or by order of the Court.

## 5. Notice Parties

Any Potential Bidder must submit its bid by e-mail, so as to be received on or before the TLP Bid Deadline or the TLC Bid Deadline, as applicable, to each of the following parties (the “**Notice Parties**”):

- m. the Trustee: FTI Consulting, Inc. 701 West Georgia Street, Suite 1450, PO Box 10089, Vancouver, BC V7Y 1B6 (Attn: Craig Munro, [craig.munro@fticonsulting.com](mailto:craig.munro@fticonsulting.com));
- n. counsel to the Sellers: Clark Wilson LLP, 900 – 885 West Georgia Street, Vancouver, BC V6C 3H1 (Attn: Chris Ramsay, [cramsay@cwilson.com](mailto:cramsay@cwilson.com));
- o. Lind Asset Management XV, LLC (“**Lind**”): [trueleaf@thelindpartners.com](mailto:trueleaf@thelindpartners.com); and
- p. Counsel to Lind: Stikeman Elliott LLP, 1700 – 666 Burrard Street, Vancouver, BC V6C 2X8 Canada (Attn: Victor Gerchikov, [vgerchikov@stikeman.com](mailto:vgerchikov@stikeman.com)).

## 6. Evaluation of Bids

The Trustee shall review the bids and determine which bids are Qualified Bids.

A Qualified Bid will be valued based upon several factors including, without limitation: (a) the amount of such bid (including value provided by the assumption of liabilities); (b) the risks and timing associated with consummating such bid; (c) any proposed revisions to the Proposed Asset Purchase Agreement (including any additional conditions to closing); (d) any assets included or excluded from the Qualified Bid; (e) the likelihood of the bidders’ ability to close a transaction, the conditions thereof and the timing thereof; (f) any purchase-price adjustments; (g) indemnification or similar provisions; (h) the net economic effect of any changes to the value to be received by the applicable Seller’s estate from the transaction contemplated by the bid; (h) whether the bid is a bid for all or some of the True Leaf Assets; and (i) any other factors deemed relevant by the Trustee in consultation with the Consultation Parties. The Trustee reserves the right to determine the value of any Qualified Bids.

## 7. Negotiations with Qualified Bidders

Following the TLP Bid Deadline or the TLC Bid Deadline, as applicable, the Trustee may, as it deems appropriate, in consultation with the Consultation Parties, enter into negotiations with one or more Qualified Bidders regarding the terms of the bidder’s Proposed Asset Purchase Agreement for the purpose of maximizing value for the applicable Seller’s estate. The Trustee may, in its discretion, in consultation with the Consultation Parties, regardless of whether it has entered into negotiations with one or more Qualified Bids, invite two or more Qualified Bids to participate in an open auction; provided that the highest existing Qualified Bid shall act as the

floor bid for purposes of the auction and each Qualified Bidder participating in the auction has provided an equivalent deposit to the floor bid.

## **8. Selection of Successful Bid**

The Trustee, in consultation with the Consultation Parties, will review and evaluate each applicable Qualified Bid (including any Qualified Bid that was amended as a result of negotiation or an auction) and determine which Qualified Bid is the highest or otherwise best offer for the TLP Assets and the TLC Assets (such bids, the “**Successful Bids**” and the bidders making such bid, the “**Successful Bidders**”). In determining the Successful Bids, provided that the aggregate cash consideration for the True Leaf Assets is greater than the aggregate amounts owing to Lind, including pursuant to the DIP Loan appended to the First Report of the Trustee to the Court dated April 30, 2020, the Trustee is not required to select the offers with the highest purchase price and may, exercising its reasonable business judgement and taking into consideration any factors that it deems relevant including those described above in paragraph [6], select another offer on the basis that it is the best offer even though it is not the highest purchase price. Without limiting the foregoing, the Trustee may give such weight to the non-monetary considerations as it determines, exercising its reasonable business judgement, is appropriate and reasonable. The determination of the Successful Bids by the Trustee shall be final, subject only to approval by the Court.

The applicable Sellers will sell the applicable True Leaf Assets to the applicable Successful Bidders pursuant to the terms of the applicable Successful Bids upon the approval of such Successful Bids by the Court.

## **9. Consultation Parties**

The “**Consultation Parties**” are (a) the Sellers and their counsel; and (b) Lind and its counsel. Notwithstanding anything herein to the contrary, the Trustee shall not be required to consult with any Consultation Party during the Bid Procedures to the extent such Consultation Party is bidding for all or any part of the True Leaf Assets or is a financing source for a bidder.

## **10. Good Faith Deposit**

Except as otherwise provided in this paragraph with respect to any Successful Bid, the Good Faith Deposits of all Qualified Bidders that submitted a Good Faith Deposit under the Bid Procedures shall be returned upon or within three business days after the announcement of the Successful Bids. The Good Faith Deposit of a Successful Bidder shall be held until the closing of the sale of the applicable True Leaf Assets and applied in accordance with the Successful Bid.

If a Successful Bidder fails to consummate an approved sale because of a breach or failure to perform on the part of such Successful Bidder, the applicable Sellers will not have any obligation to return the applicable Good Faith Deposit deposited by such Successful Bidder, which may be retained by the applicable Sellers as liquidated damages, in addition to any and all rights, remedies and/or causes of action that may be available to the applicable Sellers at law or in equity, and, the applicable Sellers shall be free to consummate the proposed transaction at the next highest price bid by a Qualified Bidder, without the need for an additional hearings or orders of the Court.

## **11. Sale is “As Is/Where Is”**

Any Successful Bid or any order by the Court approving any sale of the True Leaf Assets sold pursuant to these Bid Procedures shall be conveyed at the closing of the applicable purchase and sale in their then-present condition, “AS IS, WITH ALL FAULTS, AND WITHOUT ANY WARRANTY WHATSOEVER, EXPRESS OR IMPLIED.”

## **12. Termination of Sale Process**

The Trustee may terminate the Sale Process at any point prior to the Sale Hearing (as defined below) provided that (a) all amounts owing to Lind, including pursuant to the DIP Loan appended to the First Report of the Trustee to the Court dated April 30, 2020, have been paid in full, or (b) Lind consents, in its sole discretion, to such termination in writing.

### **F. SALE HEARING**

The Sellers will seek entry of an order from the Court at a hearing (the “**Sale Hearing**”) forthwith after selection of the Successful Bids to approve and authorize the sale transactions to the Successful Bidders (including without limitation the assumption and assignment to the Successful Bidders of any executory contracts to be assigned to them in accordance with the Proposed Asset Purchase Agreements, as applicable, at the Sale Hearing or such other hearing scheduled before the applicable Court) on terms and conditions determined in accordance with the Bid Procedures.

### **G. CONSENT TO JURISDICTION**

The Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of these Bid Procedures. All Qualified Bidders shall be deemed to have consented to the jurisdiction of the Court.

### **H. MISCELLANEOUS**

Except as expressly provided under these Bid Procedures, the Bid Procedures are solely for the benefit of the Sellers, and nothing contained in the orders approving the Bid Procedures shall create any rights in any other person or bidder (including without limitation rights as third-party beneficiaries or otherwise) other than the rights expressly granted to a Successful Bidder under the orders approving the Bid Procedures.

# **APPENDIX B**

**EXCLUSIVE SALE LISTING AGREEMENT**

5/11/2020 | 2:46 PM PDT

THIS AGREEMENT made as of the \_\_\_\_\_ day of May 2020,

AMONG:

**TRUE LEAF CANNABIS INC.,**  
32 – 100 Kalamalka Lake Road  
Vernon, BC V1T 7M2

AND

and **TRUE LEAF BRANDS INC.**  
32 – 100 Kalamalka Lake Road  
Vernon, BC V1T 7M2

(Collectively, the “**Seller**”)

AND:

**COLLIERS MACAULAY NICOLLS INC.**, an Ontario corporation extra-provincially registered in British Columbia and Alberta with an office at 19th Floor – 200 Granville Street, Vancouver, British Columbia, V6C 2R6

(the “**Brokerage**”)

AND:

**BIANCA GILBERT**  
**ALAN JOHNSON**

(the “**Designated Agent**” or the “**Designated Agents**”, as applicable)

WHEREAS:

- A. The Seller is the owner of the property municipally known as **1837 Shuswap Avenue, Lumby, British Columbia** and legally described as:

Parcel Identifier: **008-974-241, LOT 3 DISTRICT LOT 18 OSOYOOS DIVISION YALE, DISTRICT PLAN 14627, EXCEPT PLANS 25260, 30965, AND 31773** (the “**Property**”); and

- B. The Seller wishes to retain the services of the Brokerage and the Designated Agent(s) for the purposes of marketing and selling the Property,

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which each party hereby acknowledges, the Seller, the Designated Agent(s) and the Brokerage each hereby covenant and agree as follows:

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**1. APPOINTMENT OF THE DESIGNATED AGENT(S)**

- (a) The Seller and the Brokerage hereby appoint the Designated Agent(s) as the Seller's sole and exclusive agent(s) to exclusively market and offer the Property for sale in the manner provided herein and to provide the Services described in this Agreement.
- (b) For the purposes of this Agreement, a sale of the Property includes a sale or exchange of: (i) the fee simple interest in the Property; (ii) the shares of the Seller; (iii) the beneficial interest in the Property and the shares of a nominee company which holds title to the Property in trust for the Seller; (iv) a leasehold interest in the Property; (v) a business and the goodwill and assets of it; (vi) an interest, partnership or share in a business or in the goodwill and assets of it, including, without limitation, the participation in any joint venture or limited partnership; or (vii) any right in relation to the Property, including, without limitation, by way of agreement for sale, option to purchase or lease.

**2. TERM**

The term of this Agreement and the appointment of the Designated Agent(s) will commence on the date as signed above and will end on September 30, 2020, unless renewed or extended in writing by the parties (the "Term").

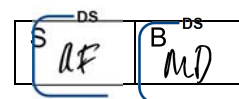
**3. RESPONSIBILITIES OF THE BROKERAGE**

The Brokerage will:

- (a) not disclose any confidential information of the Seller with any other person unless such disclosure is authorized by the Seller or required by law;
- (b) treat the interests of the Seller and all buyers and other sellers also represented by the Brokerage in an even handed, objective and impartial manner; and
- (c) supervise the activities of the Designated Agent(s) to ensure the Designated Agent(s)'s compliance with the provisions of this Agreement and the duties set out in Rule 3-3 of the rules (the "Rules") established by the Real Estate Council of British Columbia pursuant to the *Real Estate Services Act* (British Columbia). Rule 3-3 is reproduced at Schedule A to this Agreement.

**4. REPRESENTATIONS AND RESPONSIBILITIES OF THE SELLER**

- (a) The Seller represents to the Designated Agent(s) and the Brokerage that it has the authority to sell the Property and to enter into this Agreement, the Property is not currently the subject of any other sale listing agreement and to the best knowledge of the Seller, all information disclosed to the Designated Agent(s) and/or Brokerage, as applicable, is accurate and complete.
- (b) The Seller will:



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- (i) prior to the Designated Agent(s)'s commencement of the marketing of the Property, provide the Designated Agent(s) with all relevant and material information in the Seller's possession or control which could reasonably be expected to have an impact on the value of the Property or on the ability of the Designated Agent(s) and the Brokerage to complete their respective obligations hereunder;
  - (ii) prior to the Designated Agent(s)'s commencement of the marketing of the Property, and to the best knowledge of the Seller, disclose to the Designated Agent(s) all third party claims and interests to the Property;
  - (iii) prior to the Designated Agent(s)'s commencement of the marketing of the Property, and to the best knowledge of the Seller, disclose to the Designated Agent(s) all material latent defects affecting the Property;
  - (iv) immediately advise the Designated Agent(s) of any material changes in the physical and/or financial condition or status of the Property or the information provided to the Designated Agent(s) by the Seller;
  - (v) immediately advise the Designated Agent(s) of, and refer to the Designated Agent(s), all inquiries for the purchase and sale of the Property, and deliver to the Designated Agent(s) all offers to purchase which may be received during the Term or arising by reason of this Agreement; and
  - (vi) conduct all negotiations for the sale of the Property through the Designated Agent(s).
- (c) The Seller hereby:
- (i) authorizes the Designated Agent(s) and the Brokerage to obtain information concerning the Property from any person, corporation or governmental authority, including any mortgagee and British Columbia Assessment Authority, and to share this information with any other person including members of any real estate board;
  - (ii) authorizes the Designated Agent(s) and the Brokerage to advertise the Property and to show the Property to prospective buyers during reasonable hours;
  - (iii) agrees to restrict the advertising of the Property to the Designated Agent(s) and the Brokerage;
  - (iv) authorizes the Designated Agent(s) and the Brokerage to make agency disclosures required of the Designated Agent(s) or the Brokerage, as applicable.
- (d) The Seller hereby acknowledges having received, read and understood the Real Estate Council of British Columbia form entitled "*Disclosure of Representation in Trading Services*".

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## 5. BROKERAGE AND DESIGNATED AGENT(S) SERVICES

The Brokerage, through the Designated Agent(s), will provide the following functions and services to the Seller (collectively, the “**Services**”):

- (a) use reasonable commercial efforts in the marketing and offering for sale of the Property, in securing offers for the purchase thereof and in facilitating the completion of the transaction the Seller may enter into hereunder, all in accordance with the provisions of this Agreement;
- (b) provide current market data to the Seller;
- (c) feature the Property on the Brokerage's website, *www.collierscanada.com*, and on other internet real estate listing and promotional services;
- (d) plan, administer and implement a direct solicitation program to cover a broad cross-section of potential buyers on a local, national and international basis;
- (e) prepare appropriate advertising and promotional items to support and facilitate the sale of the Property;
- (f) cooperate with any brokers, agents or consultants engaged by or representing buyers (collectively, the “**Buyer Agents**” and each a “**Buyer Agent**”). The Designated Agent(s) will require such engagements or representations to be evidenced by a letter from the buyer to the Designated Agent(s) or the Brokerage confirming the appointment of the Buyer Agent as the representative of record of the buyer for the purpose of acquiring the Property. In the event that a Commission is payable to the Brokerage, the Brokerage may or may not share its Commission with Buyer Agents who introduce and register prospective buyers of the Property to the Brokerage or the Seller. The Commission, if any, will be paid by the Seller to the Brokerage and the Seller will not be obligated to pay any Buyer Agents;
- (g) travel to head offices of potential buyers as required to secure sale commitments;
- (h) work together with and assist the Seller in the negotiation and finalization of any offers to purchase the Property (the “**Offers**”), present such Offers to the Seller along with recommendations for acceptance, rejection or counter-offer and assist with the documentation and execution of the final purchase and sale agreement (the “**Purchase Agreement**”);
- (i) ensure that all Offers are in writing and are submitted promptly to the Seller through the Designated Agent(s), including Offers received from other Buyer Agents. The Designated Agent(s) and the Brokerage acknowledges that they have no authority to accept any Offers on behalf of the Seller;
- (j) endeavour to prolong all Offers for an adequate period of time in order to facilitate review by the Seller;

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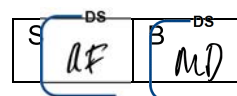
- (k) liaise between potential buyers and the Seller as required by the Seller;
- (l) provide personalized attention to the potential buyer to create the best possible continuing relationship with the Seller; and
- (m) devote as much time to the provision of Services as reasonably necessary to achieve the sale of the Property.

**6. DESIGNATED AGENCY**

- (a) The Seller will only have an agency relationship with the Designated Agent(s) and the Designated Agent(s) will act as the agent(s) of only the Seller with respect to the Property.
- (b) The Designated Agent(s) will not disclose to other licensees, including licensees of the Brokerage who represent buyers or other sellers, any confidential information of the Seller obtained through the Designated Agent(s)'s agency relationship with the Seller unless authorized by the Seller or required by law.
- (c) The Seller acknowledges and agrees that the duties set out in Rule 3-3 of the Rules apply only to the Designated Agent(s) and do not apply to any other licensees of the Brokerage and, subject to Sections 3(a), 3(b) and 3(c) [*under Responsibilities of Brokerage*], do not apply to the Brokerage.
- (d) The Seller acknowledges and agrees that it is not a conflict or a breach of duty to the Seller for the Brokerage to appoint other licensees of the Brokerage to have agency relationships with prospective buyers who become interested in the Property.

**7. COMMISSION**

- (a) The Seller will pay to the Brokerage a commission (the "**Commission**"), plus any goods and services tax and any other applicable tax in respect of the Commission, in accordance with this Section 7. A Commission will become payable if:
  - (i) a legally enforceable contract of sale between the Seller and a buyer is entered into during the Term, but before any earlier termination of this Agreement, and a sale of part or all of the Property is completed pursuant to such contract of sale; or
  - (ii) a legally enforceable contract of sale is entered into within 180 days after the expiration of the Term or earlier termination of this Agreement, and a sale of the Property is completed pursuant to such contract of sale, provided such contract is between the Seller and a buyer who:
    - (A) was introduced to the Property or to the Seller by the Brokerage, the Designated Agent or a Buyer Agent;



- (B) received information directly submitted by the Designated Agent or the Brokerage during the Term regarding the availability of the Property or with whom the Designated Agent or the Brokerage negotiated or discussed potential terms of such sale; or
- (C) submitted a written offer to purchase the Property during the Term  
(collectively, the “**Introduced Party**”),

and further provided that the Introduced Party is a person identified in writing by the Designated Agent or the Brokerage to the Seller within 15 days after the expiry of the Term or earlier termination of this Agreement.

- (b) The Commission will be calculated as 3% of the total Gross Sale Proceeds (as defined in Section 7(c) below).
- (c) For the purposes of this Section 7, the “**Gross Sale Proceeds**” will be the agreed upon total consideration paid to the Seller pursuant to a sale of part or all of the Property, including but not limited to the purchase price, the assumption of debt either expressly or by way of purchase of the shares or units in the Seller, consideration in kind and any deferred or future payments (and including the total consideration paid for the purchase of shares or units in the Seller or a nominee company which holds title to the Property in trust for the Seller). For greater certainty, the Gross Sale Proceeds will not include any goods and services tax or other taxes that might be payable in respect thereof.
- (d) The Commission will become payable by the Seller to the Brokerage on the date the sale of part or all of the Property is completed.
- (e) Any Commission payable by the Seller hereunder will be paid and forwarded to the address of the Brokerage set out on the first page of this Agreement within 48 hours of the Commission becoming payable.

**8. DEPOSITS**

- (a) The Seller hereby authorizes the Brokerage to accept deposit monies for the purchase and sale of the Property from any buyer and to retain such deposit monies in a trust account, to be dealt with in accordance with the applicable Purchase Agreement. If the Brokerage has earned a Commission pursuant to Section 7 [Commission], the Seller hereby irrevocably assigns to the Brokerage the amount of the Commission, authorizes the Brokerage to retain from the deposit monies the amount of the Commission, and further directs, or agrees to execute such documents as may be required by the Brokerage, irrevocably directing a lawyer or notary public acting for the Seller or a buyer to pay the Commission to the Brokerage, or the net amount remaining after the deposit monies have been credited against the Commission.

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## 9. COLLECTION, USE AND DISCLOSURE OF PERSONAL INFORMATION

The Seller hereby consents to the collection, use and disclosure by the Designated Agent(s), the Brokerage and by the managing broker(s), associate broker(s) and representative(s) of the Brokerage and any real estate board, of personal information about the Seller:

- (a) for all purposes consistent with the listing, marketing and selling of the Property;
- (b) for placement in the database of the multiple listing service of any real estate board that the Brokerage selects and has access to;
- (c) for the purpose of any real estate board marketing the Property in any medium including but not limited to posting the personal information on publicly accessible websites and distributing the personal information to any persons;
- (d) for compilation, retention and publication by any real estate board of any statistics;
- (e) for enforcing codes of professional conduct and ethics for members of any real estate board (by cooperating with real estate boards, the British Columbia Real Estate Association, the Real Estate Council of British Columbia, the Canadian Real Estate Association and other regulatory bodies);
- (f) to comply with legal requirements and to act pursuant to legal authorizations; and
- (g) for all other purposes authorized in this Agreement.

## 10. ENVIRONMENTAL MATTERS

- (a) The Seller acknowledges that the Designated Agent(s) and the Brokerage have not, and will not express any opinion or provide any advice on any environmental issue arising from or in relation to the Property unless otherwise authorized by the Seller in writing or unless otherwise required by law.
- (b) The Seller agrees to indemnify and save harmless the Designated Agent(s) and the Brokerage against any and all damages, losses, costs, charges, claims, actions, liabilities and penalties whatsoever, including legal fees and disbursements incurred on a solicitor and own client basis, which the Designated Agent(s) and/or Brokerage may sustain, incur or be liable for, or which may be made against the Designated Agent(s) and/or the Brokerage by virtue of the Designated Agent(s)'s agency relationship with the Seller and arising from or by reason of the environmental condition of the Property, except that the Seller will not be responsible for indemnifying the Designated Agent(s) and/or the Brokerage under this Section 10(b) to the extent due to a breach by the Designated Agent(s) and/or the Brokerage of Section 10(a). The foregoing indemnity will survive the expiry or earlier termination of this Agreement.

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## 11. TERMINATION

Without prejudice to the acquired rights of the Seller, the Designated Agent(s) or the Brokerage, including, without limitation, the rights and obligations under Section 7 [Commission] and Section 8 [Deposits], this Agreement will terminate upon the earlier of:

- (a) the expiration of the Term set out in Section 1;
- (b) mutual agreement by the Seller and the Brokerage set out in writing; or
- (c) upon a completed sale of all of the Property prior to the expiration of the Term.

Immediately upon the termination of this Agreement, the Designated Agent(s) and the Brokerage will:

- (d) remove the Property as an active listing of the multiple listing service of any real estate board that the Brokerage has selected;
- (e) cease all marketing activities on behalf of the Seller;
- (f) remove all signs from the Property; and
- (g) if requested by the Seller, return all documents and other materials provided to the Designated Agent(s) and/or the Brokerage by the Seller.

## 12. GOVERNING LAW

This Agreement is governed exclusively by, and is to be enforced, construed and interpreted exclusively in accordance with, the laws of British Columbia and the laws of Canada applicable in British Columbia, which are deemed to be the proper law of the Agreement. Each of the parties irrevocably submits to the exclusive jurisdiction of the courts of British Columbia in any suit, action, or other proceeding in any way related to or arising out of this Agreement by any party to this Agreement against any other party to this Agreement.

## 13. TIME OF ESSENCE

Time will be of the essence of this Agreement.

## 14. CURRENCY

All transactions referred to in this Agreement will be made in the lawful money of Canada in immediately available funds.

## 15. ENTIRE AGREEMENT

This Agreement sets forth all of the warranties, representations, covenants, promises, agreements, conditions and understandings between the parties and there are no warranties, representations, covenants, promises, agreements, conditions or understandings, either oral or written, express or implied between them other than as set forth in this Agreement.

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**16. EXECUTION IN COUNTERPARTS AND ELECTRONIC DELIVERY**

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same document. Counterparts may be executed either in original or electronic form and the parties may adopt any signatures received electronically as original signatures of the parties.

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

*By the Seller:*

**TRUE LEAF CANNABIS INC.**

DocuSigned by:  
Per: Allen Fujimoto  
Authorized Signatory: Allen Fujimoto  
Title: CRO

**TRUE LEAF BRANDS INC.**

DocuSigned by:  
Per: Allen Fujimoto  
Authorized Signatory: Allen Fujimoto  
Title: CRO

*By the Brokerage:*

**COLLIERS MACAULAY NICOLLS INC.**

DocuSigned by:  
Per: Maury Dubuque  
Print Name of Authorized Signatory: Maury Dubuque  
Title: Managing Broker

*By the Designated Agents:*

DocuSigned by:  
Alan Johnson  
**ALAN JOHNSON**

DocuSigned by:  
Bianca Gilbert  
**BIANCA GILBERT**

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**SCHEDULE A**  
**RULE 3-3**

**3-3 Duties to clients**

Subject to sections 3-3.1 and 3-3.2, if a client engages a brokerage to provide real estate services to or on behalf of the client, the brokerage and its related licensees must do all of the following:

- (a) act in the best interests of the client;
- (b) act in accordance with the lawful instructions of the client;
- (c) act only within the scope of the authority given by the client;
- (d) advise the client to seek independent professional advice on matters outside of the expertise of the licensee;
- (e) maintain the confidentiality of information respecting the client;
- (f) without limiting the requirements of Division 2 [Disclosures] of Part 5 [Relationships with Principals and Parties], disclose to the client all known material information respecting the real estate services, and the real estate and the trade in real estate to which the services relate;
- (g) communicate all offers to the client in a timely, objective and unbiased manner;
- (h) use reasonable efforts to discover relevant facts respecting any real estate that the client is considering acquiring;
- (i) take reasonable steps to avoid any conflict of interest;
- (j) without limiting the requirements of Division 2 [Disclosures] of Part 5 [Relationships with Principals and Parties], if a conflict of interest does exist, promptly and fully disclose the conflict to the client.

**3-3.1 Modification of duties**

- (1) By agreement between the brokerage and the client, one or more of the duties under section 3-3 may be modified or made inapplicable.
- (2) An agreement under subsection (1) must either be
  - (a) in a written service agreement, or
  - (b) if there is no written service agreement, preceded by written disclosure made pursuant to section 5-10 (1) [disclosure of representation in trading services] of these rules.
- (3) The written document referred to in subsection (2) (a) or (b) must clearly indicate the duties of the brokerage and its related licensees
  - (a) that have been modified and how they have been modified, and

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- (b) that have been made inapplicable.
- (4) Despite an agreement referred to in subsection (1), the brokerage must
  - (a) supervise its related licensees to ensure they fulfill their duties under section 3-3, and
  - (b) not disclose any confidential information concerning a client to any other person unless
    - (i) authorized by that client, or
    - (ii) required by law.

**3-3.2 Designated agency**

- (1) Repealed.
- (2) By agreement between the brokerage and the client, the brokerage may designate one or more licensees to provide real estate services to or on behalf of a client as a designated agent, and in such a case, the duties referred to in section 3-3
  - (a) do not apply to any of the related licensees of the brokerage other than the designated agent or agents, and
  - (b) subject to subsection (5), do not apply to the brokerage unless the brokerage and client have agreed they will continue to apply.
- (3) An agreement under subsection (2) must either be
  - (a) in a written service agreement, or
  - (b) if there is no written service agreement, preceded by written disclosure made pursuant to section 5-10 (1) [disclosure of representation in trading services] of these rules.
- (4) The written document referred to in subsection (3) (a) or (b) must clearly indicate that none of the related licensees of the brokerage other than the designated agent or agents owes duties to the client under section 3-3.
- (5) Despite an agreement referred to in subsection (2), the brokerage must
  - (a) supervise the designated agent or agents to ensure they fulfill their duties under section 3-3,
  - (b) not disclose any confidential information concerning a client to any other person unless
    - (i) authorized by that client, or
    - (ii) required by law, and
  - (c) treat the interests of all clients in an even handed, objective and impartial manner.

