



Court File No.: CV-24-00715773-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) TUESDAY, THE 15th
)
JUSTICE OSBORNE) DAY OF OCTOBER, 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 BZAM LTD., BZAM HOLDINGS INC.,
BZAM MANAGEMENT INC., BZAM CANNABIS CORP.,
FOLIUM LIFE SCIENCE INC., 102172093 SASKATCHEWAN
LTD., THE GREEN ORGANIC DUTCHMAN LTD., MEDICAN
ORGANIC INC., HIGH ROAD HOLDING CORP. AND FINAL
BELL CORP. (collectively the "**Applicants**", and each an
"**Applicant**")

ANCILLARY ORDER

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an order, among other things, (i) extending the stay of proceedings, (ii) approving the Sixth Report of FTI Consulting Canada Inc., in its capacity as Court-appointed monitor (in such capacity, the "**Monitor**") dated October 11, 2024 (the "**Sixth Report**") and the Monitor's conduct and activities therein, (iii) approving a reduction of the maximum principal amount available under the DIP Loan as set out in the Third Amendment to the DIP Facility Agreement dated October 11, 2024 (the "**Third Amendment**"), and (iv) authorizing and directing the Applicants to make certain payments and distributions, was heard this day by judicial videoconference via Zoom.

ON READING the affidavit of Matthew Milich dated October 8, 2024, and the Exhibits thereto (the "**Milich Affidavit**") and the Sixth Report, and on hearing the submissions of counsel for the Applicants and the additional parties listed in Schedule "A" hereto, counsel for the Monitor, counsel for the DIP Lender and counsel for the Stalking Horse Purchaser, and such

other counsel that were present, no one else appearing although duly served as appears from the affidavit of service of Jamie Ernst, filed,

SERVICE AND DEFINITIONS

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

2. **THIS COURT ORDERS** that all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Milich Affidavit or the Amended and Restated Initial Order dated March 8, 2024 (the "**ARIO**"), as applicable.

EXTENSION OF THE STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period as defined in paragraph 15 of the ARIO is hereby extended until and including December 2, 2024.

APPROVAL OF THE MONITOR'S ACTIVITIES AND THE SIXTH REPORT

4. **THIS COURT ORDERS** that the Sixth Report is hereby approved, and the activities and conduct of the Monitor as described therein are hereby ratified and approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

DISTRIBUTION

5. **THIS COURT ORDERS** that the Applicants are hereby authorized and directed to distribute the Cash Consideration to Cortland, as the DIP Lender, as partial payment of the indebtedness owing by the Applicants to the DIP Lender, which shall be applied by Cortland to reduce such indebtedness in accordance with the terms of the DIP Loan (the "**Cash Distribution**"). Such Cash Distribution shall be free and clear of and from any and all security interests (whether contractual, statutory or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of

the foregoing: (i) the Charges and the Edmonton Property Charge; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system in any province or territory in Canada or the Civil Code of Quebec; and (iii) any claims, entitlements or interests of Final Bell Holdings International Ltd. ("**Final Bell**"), including Final Bell's claims for equitable damages and/or a constructive trust.

6. **THIS COURT ORDERS** that the Applicants shall be entitled to deduct and withhold from the Cash Distribution to the DIP Lender such amounts as may be required to be deducted or withheld under any applicable law and to remit such amounts to the appropriate governmental authority or other person entitled thereto as may be required by such law. To the extent that amounts are so withheld or deducted and remitted to the appropriate governmental authority or other person, such withheld or deducted amounts shall be treated for all purposes as having been paid pursuant to this Order to such person as the remainder of the distribution in respect of which such withholding or deduction was made.

7. **THIS COURT ORDERS** that the Monitor is hereby authorized and empowered to cause the Applicants to make the distributions contemplated hereby and take any further steps that it deems necessary or desirable to complete the distributions described in this Order.

8. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings or the termination of these proceedings;
- (b) any application for a bankruptcy or receivership order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985 c. B-3, as amended (the "**BIA**") in respect of any of the Applicants or their Property and any bankruptcy or receivership order issued pursuant to any such application; or
- (c) any assignment in bankruptcy made in respect of any of the Applicants,

the Cash Distribution made pursuant to this Order is final and irreversible and shall be binding upon any trustee in bankruptcy or receiver that may be appointed in respect of any of the Applicants or their Property, and shall not be void or voidable by creditors of such Applicant, nor shall any such distributions constitute or be deemed to be fraudulent preferences, assignments,

fraudulent conveyances, transfers-at-undervalue or other reviewable transactions under the BIA or any other applicable federal or provincial law, nor shall they constitute conduct which is oppressive, unfairly prejudicial to or which unfairly disregards the interests of any person, and shall, upon the receipt thereof, be free of all claims, liens, security interests, trusts, constructive trusts, Encumbrances, the Charges, or other encumbrances granted by or relating to any of the Applicants or their Property.

9. **THIS COURT ORDERS** that the Cash Distribution shall not constitute a "distribution" by the Applicants and that the Applicants shall not constitute a "legal representative" or "representative" for the purposes of section 159 of the *Income Tax Act* (Canada), section 270 of the *Excise Tax Act* (Canada), section 23 of the *Canada Pension Plan Act* (Canada), section 86 of the *Employment Insurance Act* (Canada), and section 97.39 of the *Customs Act* (Canada), or any other similar federal, provincial or territorial tax legislation (collectively, the "**Tax Statutes**"), and the Applicants, in making the Cash Distribution, are merely a disbursing agent under this Order, and are not exercising any discretion in respect of the Cash Distribution under this Order and no person is "distributing", nor shall be considered to "distribute" nor have "distributed", such funds for the purpose of the Tax Statutes. Further, the Applicants shall not incur any liability under the Tax Statutes in respect of making the Cash Distribution, and are hereby forever released and discharged from any claims against them pursuant to the Tax Statutes or otherwise at law, arising in respect of the Cash Distribution and any claims of this nature are hereby forever barred.

DIP AMENDMENT

10. **THIS COURT ORDERS** that the execution by the Applicants of the Third Amendment, a copy of which is attached to the Sixth Report (the "**DIP Amendment**") is hereby authorized and approved. For greater certainty, this includes the reduction of the maximum principal amount available under the DIP Loan and the DIP Lender's Charge from CA \$41.0 million to CA \$37.0 million.

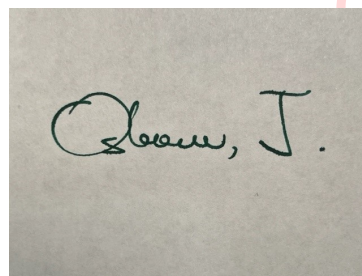
11. **THIS COURT ORDERS** that:

- (a) paragraphs 33 to 44 of the ARIO shall apply to the DIP Agreement as amended by the DIP Amendment and all references to the DIP Agreement contained in the ARIO shall be deemed to be references to the DIP Agreement as amended by the DIP Amendment;
- (b) the DIP Lender's Charge shall secure all amounts owing by the Applicants to the DIP Lender under the DIP Agreement and Definitive Documents as amended by the DIP Amendment; and
- (c) for greater certainty, paragraphs 33, 36 and 39 of the ARIO are hereby amended to replace the references to "\$41,000,000" with "\$37,000,000".

GENERAL

12. **THIS COURT ORDERS** that this Order is effective as of 12:01 AM from the date that it is made and is enforceable without the need for entry and filing.

13. **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.

A rectangular box containing a handwritten signature in black ink that reads "Osborne, J.".

Digitally signed
by Osborne J.

Date:

2024.10.22

21:12:51 -04'00'

SCHEDULE "A"
NON - APPLICANT STAY PARTIES

1. The Green Organic Beverage Corp.
2. TGOD Europe B.V.
3. 9430-6347 Québec Inc.
4. The Green Organic Dutchman Germany GmbH

ORS ARRANGEMENT

Court File No./N° du dossier du greffe : CV-24-00715773-00CL

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

Proceeding commenced at Toronto

ANCILLARY ORDER

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