



Clerk's stamp:

COURT FILE NUMBER

BK-25-2868952 / BK-25-2868957 / BK-25-2868949

COURT

COURT OF KING'S BENCH OF ALBERTA IN
BANKRUPTCY AND INSOLVENCY

C70891
jg

**IN THE MATTER OF THE BANKRUPTCY OF
SUGARBUD CRAFT GROWER CORP., TRICHOME
HOLDINGS CORP. and 1800905 ALBERTA LTD.**

JUDICIAL CENTRE

CALGARY

DOCUMENT

AFFIDAVIT

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF PARTY
FILING THIS DOCUMENT

Dentons Canada LLP
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
Attn: Afshan Naveed
Ph. (403) 268-7015 Fx. (403) 268-3100
File No.: 571709-75

AFFIDAVIT OF VERIFICATION OF AJIBOLA (AJ) OMO-LOTO

Sworn on July 13, 2023

I, AJIBOLA (AJ) OMO-LOTO, of the City of Calgary, in the Province of Alberta, SWEAR AND SAY THAT:

1. I am a Manager, Special Loans & Collections with Connect First Credit Union Ltd. (the "**Connect First**") and as such I have personal knowledge of the matters I depose to herein, except where stated to be based on information or belief in which case I have stated the source of such information and belief and verily believe the same to be true. I am authorized to swear this affidavit on behalf of Connect First.
2. The facts as described in the application for a bankruptcy order against Sugarbud Craft Grower Corp. ("**Sugarbud**"), Trichome Holdings Corp. ("**Trichome**") and 1800905 Alberta Ltd. ("**1800**", and together with Sugarbud and Trichome, the "**Debtors**") are within my personal knowledge and are true.
3. A search of the Alberta Corporate Registry in respect of the Debtors is attached as **Exhibits "1", "2" and "3"**, respectively.
4. Connect First advanced funds to the Debtors (the "**Loan**") pursuant to various loan agreements (the "**Loan Documents**"). Copies of the Loan Documents are attached hereto as:
 - (a) a commitment letter dated December 24, 2021, providing for seven (7) credit facilities, **Exhibit "4"**;
 - (b) an authorized overdraft agreement dated December 29, 2020, providing for an authorized overdraft facility, **Exhibit "5"**;

- (c) a loan agreement dated in 2021 providing for a credit facility, Exhibit "6";
 - (d) a loan agreement providing for a credit facility, Exhibit "7"; and
 - (e) a promissory note dated May 27, 2020 Exhibit "8".
5. Each of Trichome and 1800, guaranteed all present and future indebtedness of Sugarbud to Connect First up to the limited amount of \$8,500,000.00 pursuant to their respective guarantees dated January 13, 2022 (the "**Guarantees**"). Copies of the Guarantees are attached as Exhibits "9" and "10".
 6. On or about September 22, 2022, Connect First issued demands (the "**Demands**") and notices to enforce security pursuant to section 244 of the *Bankruptcy and Insolvency Act, RSC 1985, c B-3*, (as amended, the "**BIA**") ("**NOIs**") in respect of the outstanding indebtedness of the Debtors. Copies of the demands and NOIs are attached as Exhibit "11".
 7. Following issuance of the Demands, the Debtors commenced proceedings (the "**NOI Proceedings**") under Part III of the *Bankruptcy and Insolvency Act RSC 1985, c B-3*, as amended (the "**BIA**") which were consolidated into Estate No. 25-2868952 and an Initial Order under the NOI Proceedings was issued on September 29, 2022 by the Honourable Justice D.B. Nixon. A copy of the Initial Order under the NOI Proceedings is attached as Exhibit "12".
 8. Pursuant to Initial Order and an Amended and Restated Initial Order of the Honourable Justice J.J. Gill on October 18, 2022, the NOI Proceedings were thereafter taken up and continued under the *Companies Creditors Arrangement Act, RSC 1985, c C-36* in Alberta Court of Kings Bench Action No. 2201-11655 (the "**CCAA Proceedings**"). A copy of the Initial Order and an Amended and Restated Initial Order under the CCAA Proceedings is attached as Exhibit "13".
 9. Connect First provided interim financing to the Respondents during the NOI Proceedings and CCAA Proceedings, pursuant to an Interim Financing Term Sheet, as amended from time to time ("**IFTS**"). A copy of the IFST is attached as **Exhibit "14"**.
 10. A sales process (the "**SISP**") was undertaken in the CCAA Proceedings.
 11. The SISP concluded without any acceptable offer from a third party and Connect First purchased certain of the Debtors assets pursuant to an Approval and Vesting Order, granted by the Honourable Justice C.J. Feasby on May 9, 2023 (the "**AVO**"). A copy of the AVO is attached as Exhibit "15".
 12. Connect First held various security against the Debtors (the "**Security**"), as more particularly set out in the Demands. The Monitor in the CCAA Proceedings reviewed the security of Connect First. The Security included a mortgage, as amended by certain mortgage amending agreements (the "**Mortgage**"). The Mortgage has been discharged pursuant to the AVO.
 13. Following the granting of the AVO and at the conclusion of the CCAA proceedings, the amount owing by the Debtors to Connect First is \$7,744,758.29.
 14. Following a review of the Creditor List from the CCAA Proceedings, it appears the Debtors are justly and truly indebted to a number of secured and unsecured creditors as outlined in the Creditor List. A copy of the Creditor List of the Debtors is attached as Exhibit "16".

15. I am advised by my counsel, and verily believe, that all of the officers and directors of the Debtors have resigned following the termination of the CCAA Proceedings.
16. I am advised by my counsel, and verily believe, that in order to wrap up amounts owing to secured and unsecured creditors, including amounts owing to Canada Revenue Agency for Good and Services Tax under the *Income Tax Act*, RSC 1985, c 1 and *Excise Tax Act*, RSC 1985, c E-15, the Debtors need to be petitioned into Bankruptcy.
17. Alvarez & Marsal Canada Inc. ("**A&M**") of the City of Calgary, in the Province of Alberta, is a person qualified to act as Trustee of the property of the Debtors and has agreed to act as such. As A&M was the Monitor in the CCAA Proceedings, it is best placed to act as the Trustee in Bankruptcy of the Debtors.
18. I make this Affidavit in support of the Connect First's Application for a bankruptcy order in respect of the Debtors.

SWORN BEFORE ME at Calgary, Alberta this
13th day of July, 2023.

A commissioner for Oaths in and for the Province
of Alberta

PRINT NAME AND EXPIRY

Afshan Naveed
Barrister & Solicitor

(Signature)

AJIBOLA (AJ) OMO-LOTO

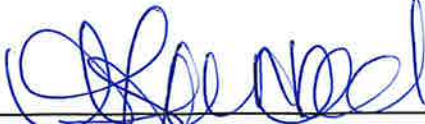
(Print Name)

THIS IS EXHIBIT "1"

REFERRED TO IN THE AFFIDAVIT OF

AJIBOLA (AJ) OMO-LOTO

Sworn before me this 13th day of July, 2023



**A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF ALBERTA**

**Afshan Naveed
Barrister & Solicitor**

Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2023/06/26
Time of Search: 11:16 AM
Search provided by: ELDOR-WAL REGISTRATIONS (1987) LTD
Service Request Number: 40005272
Customer Reference Number:

Corporate Access Number: 2012323099
Business Number: 856152962
Legal Entity Name: SUGARBUD CRAFT GROWERS CORP.

Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
NEW RANGE RESOURCES LTD.	2010/06/09
RELENTLESS RESOURCES LTD.	2018/06/11

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Method of Registration: Amalgamation
Registration Date: 2006/03/30 YYYY/MM/DD

Registered Office:

Street: 2100, 222 - 3RD AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P0B4

Records Address:

Street: 2100, 222 - 3RD AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P0B4

Email Address: CAL_CORPFILING@MLTAIKINS.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
NYBERG	CHRIS		MLT AIKINS LLP	2100, 222 - 3RD AVENUE SW	CALGARY	ALBERTA	T2P0B4	CAL_CORPFILING@MLTAIKINS.COM

Alternative Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
MIELKE	MARK	B.	MLT AIKINS LLP	2100, 222 - 3RD AVENUE SW	CALGARY	ALBERTA	T2P0B4	CAL_CORPFILING@MLTAIKINS.COM

Transfer Agents:

Legal Entity Name: ODYSSEY TRUST COMPANY
Corporate Access Number: 3020718460
Street: STOCK EXCHANGE TOWER, 1230, 300 - 5TH AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P3C4

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE ATTACHED APPENDIX A
Share Transfers Restrictions: NONE
Min Number Of Directors: 1
Max Number Of Directors: 9
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE ATTACHED APPENDIX B

Holding Shares In:

Legal Entity Name
SUGARBUD RETAIL CORP.
TRICHOME HOLDINGS CORP.

Other Information:**Amalgamation Predecessors:**

Corporate Access Number	Legal Entity Name
2011015183	OPEN RANGE CAPITAL CORP.
2012053761	OPEN RANGE RESOURCES LTD.
206083404	SIGA RESOURCES LIMITED

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2022	2022/06/03

Outstanding Returns:

Annual returns are outstanding for the 2023 file year(s).

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2006/03/30	Amalgamate Alberta Corporation
2014/04/24	Service Provider Correct Legal Entity
2018/06/11	Name Change Alberta Corporation
2020/02/19	Update BN
2022/02/16	Name/Structure Change Alberta Corporation
2022/06/03	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2023/02/21	Change Agent for Service
2023/02/21	Change Address
2023/05/19	Change Director / Shareholder

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Articles/Plan of Arrangement/Court Order	10000105100866479	2006/03/30
Court Order	10000405100866487	2006/03/30
Share Structure	ELECTRONIC	2006/03/30
Other Rules or Provisions	ELECTRONIC	2006/03/30
Consolidation, Split, Exchange	ELECTRONIC	2010/06/09
Consolidation, Split, Exchange	ELECTRONIC	2022/02/16

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



THIS IS EXHIBIT "2"
REFERRED TO IN THE AFFIDAVIT OF
AJIBOLA (AJ) OMO-LOTO

Sworn before me this 13th day of July, 2023



**A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF ALBERTA**

**Afshan Naveed
Barrister & Solicitor**

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/06/26
Time of Search: 11:16 AM
Search provided by: ELDOR-WAL REGISTRATIONS (1987) LTD
Service Request Number: 40005277
Customer Reference Number:

Corporate Access Number: 2021854514
Business Number: 701609521
Legal Entity Name: TRICHOME HOLDINGS CORP.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Method of Registration: Amalgamation
Registration Date: 2019/04/09 YYYY/MM/DD

Registered Office:

Street: 2100, 222 - 3RD AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P0B4

Records Address:

Street: 2100, 222 - 3RD AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P0B4

Email Address: CAL_CORPFILING@MLTAIKINS.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
NYBERG	CHRIS		MLT AIKINS LLP	2100, 222 - 3RD AVENUE SW	CALGARY	ALBERTA	T2P0B4	CAL_CORPFILING@MLTAIKINS.COM

Alternative Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email

MIELKE	MARK	B.	MLT AIKINS LLP	2100, 222 - 3RD AVENUE SW	CALGARY	ALBERTA	T2P0B4	CAL_CORPFILING@MLTAIKINS.COM
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Voting Shareholders:

Legal Entity Name: SUGARBUD CRAFT GROWERS CORP.

Corporate Access Number: 2012323099

Street: 620, 634 - 6TH AVENUE S.W.

City: CALGARY

Province: ALBERTA

Postal Code: T2P0S4

Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE RE AUTHORIZED SHARES

Share Transfers Restrictions: SEE SCHEDULE RE SHARE TRANSFER RESTRICTIONS

Min Number Of Directors: 1

Max Number Of Directors: 9

Business Restricted To: NONE

Business Restricted From: NONE

Other Provisions: SEE SCHEDULE RE OTHER PROVISIONS

Holding Shares In:

Legal Entity Name
1800905 ALBERTA LTD.

Other Information:

Amalgamation Predecessors:

Corporate Access Number	Legal Entity Name
2020273633	2027363 ALBERTA LTD.
2021511155	TRICHOME HOLDINGS CORP.

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2022	2022/08/22

Outstanding Returns:

Annual returns are outstanding for the 2023 file year(s).

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2019/04/09	Amalgamate Alberta Corporation
2020/02/23	Update BN
2022/08/22	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2023/02/21	Change Agent for Service
2023/02/21	Change Address
2023/05/19	Change Director / Shareholder

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2019/04/09
Restrictions on Share Transfers	ELECTRONIC	2019/04/09
Other Rules or Provisions	ELECTRONIC	2019/04/09
Statutory Declaration	10000407124660664	2019/04/09

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.

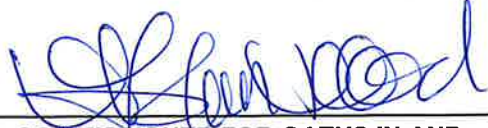


THIS IS EXHIBIT "3"

REFERRED TO IN THE AFFIDAVIT OF

AJIBOLA (AJ) OMO-LOTO

Sworn before me this 13th day of July, 2023



**A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF ALBERTA**

**Afshan Naveed
Barrister & Solicitor**

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/06/26
Time of Search: 11:16 AM
Search provided by: ELDOR-WAL REGISTRATIONS (1987) LTD
Service Request Number: 40005280
Customer Reference Number:

Corporate Access Number: 2018009056
Business Number: 825009392
Legal Entity Name: 1800905 ALBERTA LTD.

Legal Entity Status: Active
Alberta Corporation Type: Numbered Alberta Corporation
Registration Date: 2014/02/06 YYYY/MM/DD

Registered Office:

Street: 2100, 222 - 3RD AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P0B4

Records Address:

Street: 2100, 222 - 3RD AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P0B4

Email Address: CAL_CORPFILING@MLTAIKINS.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
NYBERG	CHRIS		MLT AIKINS LLP	2100, 222 - 3RD AVENUE SW	CALGARY	ALBERTA	T2P0B4	CAL_CORPFILING@MLTAIKINS.COM

Alternative Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
MIELKE	MARK	B.	MLT AIKINS LLP	2100, 222 - 3RD	CALGARY	ALBERTA	T2P0B4	CAL_CORPFILING@MLTAIKINS.COM

				AVENUE SW				
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Voting Shareholders:

Legal Entity Name: TRICHOME HOLDINGS CORP.
Corporate Access Number: 2021854514
Street: 320, 700 - 4 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P3J4
Percent Of Voting Shares: 100

Details From Current Articles:**The information in this legal entity table supersedes equivalent electronic attachments**

Share Structure: SEE SCHEDULE "A"
Share Transfers Restrictions: NO SHARES IN THE CAPITAL OF THE CORPORATION SHALL BE TRANSFERRED WITHOUT THE EXPRESS CONSENT OF A MAJORITY OF THE BOARD OF DIRECTORS TO BE SIGNIFIED BY A RESOLUTION OF THE BOARD OF DIRECTORS.
Min Number Of Directors: 1
Max Number Of Directors: 9
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE SCHEDULE "B"

Other Information:**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2023	2023/02/16

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2014/02/06	Incorporate Alberta Corporation
2020/02/21	Update BN
2023/02/16	Change Agent for Service
2023/02/16	Change Address
2023/02/16	Enter Annual Returns for Alberta and Extra-Provincial Corp.

2023/05/19	Change Director / Shareholder
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Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2014/02/06
Other Rules or Provisions	ELECTRONIC	2014/02/06

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.

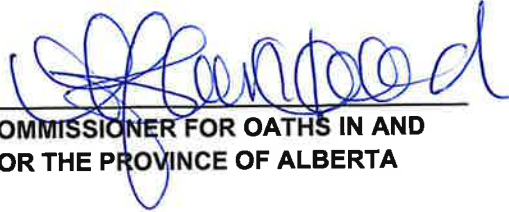


THIS IS EXHIBIT "4"

REFERRED TO IN THE AFFIDAVIT OF

AJIBOLA (AJ) OMO-LOTO

Sworn before me this 13th day of July, 2023



**A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF ALBERTA**

**Afshan Naveed
Barrister & Solicitor**



2720, 700 – 9th Ave SW
Calgary, AB T2P 3V4

Writer's Direct Line: (403-736-4172
E-Mail: sneogi@connectfirstcu.com

December 24, 2021

Sugarbud Craft Growers Corp.
620, 634 – 6th Avenue SW
Calgary, AB T2P 0S4

Attention: Chris Moulson and John Kondrosky

Dear Members:

RE: COMMITMENT LETTER

Connect First Credit Union Ltd. (hereinafter called the "Credit Union") is pleased to advise that the following Credit Facilities have been approved on the terms and conditions set forth below. If you agree with these terms and conditions please sign the duplicate copy of this letter under the heading "Acceptance" and return same to the writer's attention.

Borrower: Sugarbud Craft Growers Corp.

Guarantor(s): 1800905 Alberta Ltd
Trichome Holdings Corp.

Credit Facilities	New/Existing	Loan No.	Authorized Amount/Current Principal Balance Outstanding
Authorized Overdraft	Existing	120012993921	\$500,000.00
Letter of Credit	Existing	955302993921	\$70,000.00
Commercial Mortgage Loan	Existing/Amended	955002993921	\$4,895,372.39
Commercial Mortgage Loan	Existing	723111719784	\$461,996.80
Commercial Mortgage Loan	Existing	723111816390	\$387,601.32
Commercial Mortgage Loan	Existing	723111822489	\$493,486.62
Commercial Demand Mortgage Loan	New	TBD	\$900,000.00

Credit Facility 1: Authorized Overdraft – EXISTING

Account Number: 120012993921

Amount: Up to a maximum of \$500,000.00

Purpose: To finance day to day operating requirements

Interest Rate:

The committed rate is the Credit Union's Prime Lending Rate plus 1.50% per annum, calculated daily, payable monthly in arrears. The Credit Union's Prime Lending Rate means the annual rate of interest announced from time to time by the Credit Union. As of the date hereof the Credit Union's Prime Lending Rate is 2.45% per annum.

Conditions of Margining:

Advances will be contained within the lesser of:

- a) the authorized limit, or
- b) a maximum of 75% of the Credit Union's valuation of assigned, good quality Accounts Receivable of the Borrower after deducting the entire account on accounts past due 90 days or more, accounts in dispute, inter-company accounts, contra accounts, holdbacks, foreign accounts, source deductions (including Workers Compensation Board Premiums, GST, Employee Payroll deductions, etc.) and any other accounts deemed unacceptable by the Credit Union.

Repayment:

Payable on demand but until demand, interest only is payable monthly in arrears on the last day of each month.

Monthly Facility Fees:

\$250.00 per month, payable in advance on the first of each month.

This fee will be charged for each month the Credit Facility is available, even if the Borrower does not use or maintain a balance in the Credit Facility.

Credit Facility 2: Letter of Credit – EXISTING

Account Number: 955302993921

Amount: \$70,000.00

Purpose: Letter of Credit issued to the Credit Union in reference to the Business Credit Card Guarantee to Collabria

Interest Rate:

The committed rate is the Credit Union's Prime Lending Rate plus 1.00% per annum, calculated daily, payable monthly in arrears. The Credit Union's Prime Lending Rate means the annual rate of interest announced from time to time by the Credit Union. As of the date hereof the Credit Union's Prime Lending Rate is 2.45% per annum.

Payment Amount: On demand, but until demand, interest only payments (if the Letter of Credit is called)

Credit Facility 3: Commercial Mortgage Loan – EXISTING/AMENDED

Account Number: 955002993921

Amount of Loan: \$4,895,372.39
(Principal balance outstanding as of December 24, 2021)

Purpose: Amendment to repayment structure of Credit Facility. Original purpose of Credit Facility was to payout the Credit Union Mortgage and Working Capital

Rate of Interest:

The Committed Rate is a fixed rate of 4.15% per annum, calculated daily, payable monthly in arrears

Term:

41 months remaining

Amortization:

111 months remaining

Repayment (Amended):

Monthly interest only payments from January 5, 2022 to June 5, 2022 inclusive; thereafter, monthly blended Principal and Interest payments of \$53,222.89. All payments are due on the 5th day of each month.

Prepayment:

The Borrower when not in default under this Credit Facility, shall have the following privileges:

- a) In any calendar year, the Borrower shall have the privilege of prepaying additional amounts of principal under the Credit Facility without notice or bonus provided that the aggregate amount thereof in such calendar year does not exceed 20% of the Original Principal amount of this Credit Facility (the "Annual Prepayment"). The Annual Prepayment is not cumulative.
- b) The Borrower shall have the privilege, once in any calendar year, of increasing the amount of the monthly payment by not more than 20% of the amount of the monthly payment then payable under the Credit Facility (the "Increase Privilege"). The Increase Privilege is not cumulative.

In the event the Borrower has exercised the "Increase Privilege" contained in this Credit Facility, then the Borrower shall, once in any calendar year, have the privilege of decreasing the amount of the then monthly payment payable under the Credit Facility to an amount which is not less than the amount of monthly payment payable at the beginning of the current term. For purposes hereof "current term" means the term of the Credit Facility in the event there has been no extension or renewal of such term, and if such term has been extended or renewed then it means the extended or renewed term commencing on the first day of the extended or renewed term.

- c) The Borrower shall have the privilege of prepaying the entire balance outstanding under this Credit Facility (the "Full Payout Privilege") upon payment of a bonus equal to the greater of (i) an additional three (3) months' interest on the outstanding Principal Amount of the Credit Facility at the interest rate then payable under the Credit Facility, and (ii) an amount in compensation for loss of interest, if any, where the interest rate then payable under this Credit Facility is greater than the Credit Union's current interest rate for reinvestment for the remainder of the term of this Credit Facility. The current interest rate for reinvestment is the Credit Union's stated rate in effect on the date the Full Payout Privilege payment is made for new loans of a similar kind offered for a term not greater than (i) the remainder of the current term of the Credit Facility, and (ii) the next shorter term offered, provided that where the remainder of the term of the Credit Facility is less than the next shorter term offered, the Credit Union's stated rate for the next shorter term shall apply. The bonus payable hereunder shall be calculated by the Credit Union and, in the absence of an obvious error, shall be conclusive.
- d) For better certainty, the bonus payable in respect of the Full Payout Privilege shall be calculated on the aggregate principal amount of the Full Payout Privilege payment irrespective as to whether or not the Borrower has or has not made or is entitled or not entitled to make an Annual Prepayment in respect of the calendar year in which the Full Payout Privilege payment is made.

Credit Facility 4: Commercial Mortgage Loan – EXISTING

Account Number: 723111719784

Amount of Loan: \$461,996.80
(Principal balance outstanding as of December 24, 2021)

Purpose: Repatriation of equipment expense for working capital

Rate of Interest:

The Committed Rate is a fixed rate of 4.15% per annum, calculated daily, payable monthly in arrears

Term:

55 months remaining

Amortization:

55 months remaining

Repayment:

Monthly blended Principal and Interest payment of \$9,242.15 due on the 5th day of each month.

Prepayment:

The Borrower when not in default under this Credit Facility, shall have the following privileges:

- a) In any calendar year, the Borrower shall have the privilege of prepaying additional amounts of principal under the Credit Facility without notice or bonus provided that the aggregate amount thereof in such calendar year does not exceed 20% of the Original Principal amount of this Credit Facility (the "Annual Prepayment"). The Annual Prepayment is not cumulative.
- b) The Borrower shall have the privilege, once in any calendar year, of increasing the amount of the monthly payment by not more than 20% of the amount of the monthly payment then payable under the Credit Facility (the "Increase Privilege"). The Increase Privilege is not cumulative.

In the event the Borrower has exercised the "Increase Privilege" contained in this Credit Facility, then the Borrower shall, once in any calendar year, have the privilege of decreasing the amount of the then monthly payment payable under the Credit Facility to an amount which is not less than the amount of monthly payment payable at the beginning of the current term. For purposes hereof "current term" means the term of the Credit Facility in the event there has been no extension or renewal of such term, and if such term has been extended or renewed then it means the extended or renewed term commencing on the first day of the extended or renewed term.

- c) The Borrower shall have the privilege of prepaying the entire balance outstanding under this Credit Facility (the "Full Payout Privilege") upon payment of a bonus equal to the greater of (i) an additional three (3) months' interest on the outstanding Principal Amount of the Credit Facility at the interest rate then payable under the Credit Facility, and (ii) an amount in compensation for loss of interest, if any, where the interest rate then payable under this Credit Facility is greater than the Credit Union's current interest rate for reinvestment for the remainder of the term of this Credit Facility. The current interest rate for reinvestment is the Credit Union's stated rate in effect on the date the Full Payout Privilege payment is made for new loans of a similar kind offered for a term not greater than (i) the remainder of the current term of the Credit Facility, and (ii) the next shorter term offered, provided that where the remainder of the term of the Credit Facility is less than the next shorter term offered, the Credit Union's stated rate for the next shorter term shall apply. The bonus payable hereunder shall be calculated by the Credit Union and, in the absence of an obvious error, shall be conclusive.
- d) For better certainty, the bonus payable in respect of the Full Payout Privilege shall be calculated on the aggregate principal amount of the Full Payout Privilege payment irrespective as to whether or not the Borrower has or has not made or is entitled or not entitled to make an Annual Prepayment in respect of the calendar year in which the Full Payout Privilege payment is made.

Credit Facility 5: Commercial Mortgage Loan – EXISTING

Account Number: 723111816390

Amount of Loan: \$387,601.32
(Principal Balance Outstanding as of December 24, 2021)

Purpose: Repatriation of equipment expense for working capital

Rate of Interest:

The Committed Rate is a fixed rate of 4.15% per annum, calculated daily, payable monthly in arrears

Term:

58 months remaining

Amortization:

58 months remaining

Repayment:

Monthly blended Principal and Interest payment of \$7,393.72 due on the 5th day of each month.

Prepayment:

The Borrower when not in default under this Credit Facility, shall have the following privileges:

- a) In any calendar year, the Borrower shall have the privilege of prepaying additional amounts of principal under the Credit Facility without notice or bonus provided that the aggregate amount thereof in such calendar year does not exceed 20% of the Original Principal amount of this Credit Facility (the "Annual Prepayment"). The Annual Prepayment is not cumulative.
- b) The Borrower shall have the privilege, once in any calendar year, of increasing the amount of the monthly payment by not more than 20% of the amount of the monthly payment then payable under the Credit Facility (the "Increase Privilege"). The Increase Privilege is not cumulative.

In the event the Borrower has exercised the "Increase Privilege" contained in this Credit Facility, then the Borrower shall, once in any calendar year, have the privilege of decreasing the amount of the then monthly payment payable under the Credit Facility to an amount which is not less than the amount of monthly payment payable at the beginning of the current term. For purposes hereof "current term" means the term of the Credit Facility in the event there has been no extension or renewal of such term, and if such term has been extended or renewed then it means the extended or renewed term commencing on the first day of the extended or renewed term.

- c) The Borrower shall have the privilege of prepaying the entire balance outstanding under this Credit Facility (the "Full Payout Privilege") subject to the payment of a bonus equal to the greater of (i) three (3) months' interest on the outstanding Principal Amount of the Credit Facility at the interest rate then payable under the Credit Facility, or (ii) an amount in compensation for loss of interest, if any, where the interest rate then payable under this Credit Facility is greater than the Credit Union's current interest rate for reinvestment for the remainder of the term of this Credit Facility. The current interest rate for reinvestment is the applicable Government of Canada Bond rate or Treasury Bill yield.

Applicable Government of Canada Bond or Treasury Bill is that with a term not greater than (i) the remainder of the current term of the Credit Facility, and (ii) the next shorter term offered, provided that where the remainder of the term of the Credit Facility is less than the next shorter term offered, the Credit Union's current interest rate for reinvestment for the next shorter term shall apply. The bonus payable hereunder shall be calculated by the Credit Union and, in the absence of an obvious error, shall be conclusive.

Outstanding Balance shall be the outstanding Principal Loan amount on the date of the prepayment provided the borrower had not exercised its 20/20 prepayment privilege in the 30 days preceding the pay-out date. Where the borrower has exercised its 20/20 prepayment privilege within 30 days prior to the prepayment date, the borrower would be required to pay a bonus as defined above on the partial prepayment.

Credit Facility 6: Commercial Mortgage Loan – EXISTING

Account Number: 723111822489

Amount of Loan: \$493,486.62
(Principal Balance Outstanding as of December 24, 2021)

Purpose: Working Capital

Rate of Interest:

The Committed Rate is a fixed rate of 4.15% per annum, calculated daily, payable monthly in arrears

Term:

59 months remaining

Amortization:

59 months remaining

Repayment:

Monthly blended Principal and Interest payment of \$9,242.15 due on the 5th day of each month.

Prepayment:

The Borrower when not in default under this Credit Facility, shall have the following privileges:

- a) In any calendar year, the Borrower shall have the privilege of prepaying additional amounts of principal under the Credit Facility without notice or bonus provided that the aggregate amount thereof in such calendar year does not exceed 20% of the Original Principal amount of this Credit Facility (the "Annual Prepayment"). The Annual Prepayment is not cumulative.
- b) The Borrower shall have the privilege, once in any calendar year, of increasing the amount of the monthly payment by not more than 20% of the amount of the monthly payment then payable under the Credit Facility (the "Increase Privilege"). The Increase Privilege is not cumulative.

In the event the Borrower has exercised the "Increase Privilege" contained in this Credit Facility, then the Borrower shall, once in any calendar year, have the privilege of decreasing the amount of the then monthly payment payable under the Credit Facility to an amount which is not less than the amount of monthly payment payable at the beginning of the current term. For purposes hereof "current term" means the term of the Credit Facility in the event there has been no extension or renewal of such term, and if such term has been extended or renewed then it means the extended or renewed term commencing on the first day of the extended or renewed term.

- c) The Borrower shall have the privilege of prepaying the entire balance outstanding under this Credit Facility (the "Full Payout Privilege") subject to the payment of a bonus equal to the greater of (i)

three (3) months' interest on the outstanding Principal Amount of the Credit Facility at the interest rate then payable under the Credit Facility, or (ii) an amount in compensation for loss of interest, if any, where the interest rate then payable under this Credit Facility is greater than the Credit Union's current interest rate for reinvestment for the remainder of the term of this Credit Facility. The current interest rate for reinvestment is the applicable Government of Canada Bond rate or Treasury Bill yield.

Applicable Government of Canada Bond or Treasury Bill is that with a term not greater than (i) the remainder of the current term of the Credit Facility, and (ii) the next shorter term offered, provided that where the remainder of the term of the Credit Facility is less than the next shorter term offered, the Credit Union's current interest rate for reinvestment for the next shorter term shall apply. The bonus payable hereunder shall be calculated by the Credit Union and, in the absence of an obvious error, shall be conclusive.

Outstanding Balance shall be the outstanding Principal Loan amount on the date of the prepayment provided the borrower had not exercised its 20/20 prepayment privilege in the 30 days preceding the pay-out date. Where the borrower has exercised its 20/20 prepayment privilege within 30 days prior to the prepayment date, the borrower would be required to pay a bonus as defined above on the partial prepayment.

Credit Facility 7: Commercial Demand Mortgage Loan – NEW

Account Number: TBD

Amount of Loan: \$900,000.00 available as follows:
Tranche 1: \$675,000.00, subject to pre-disbursement conditions on page 13
Tranche 2: \$225,000.00, subject to pre-disbursement conditions on page 13

Purpose: Working Capital

Rate of Interest:

The committed rate is the Credit Union's Prime Lending Rate plus 2.00% per annum, calculated daily, payable monthly in arrears. The Credit Union's Prime Lending Rate means the annual rate of interest announced from time to time by the Credit Union. As of the date hereof the Credit Union's Prime Lending Rate is 2.45% per annum.

Term:

60 months from January 5, 2023

Amortization:

60 months from January 5, 2023

Repayment:

Monthly interest only payments for the first 12 months to and including December 5, 2022; thereafter, commencing January 5, 2023, monthly blended Principal and Interest payment of \$16,758.26. All payments are due on the 5th day of each month.

Prepayment:

The Borrower when not in default under this Credit Facility, shall have the following privileges:

- a) In any calendar year, the Borrower shall have the privilege of prepaying additional amounts of principal under the Credit Facility without notice or bonus provided that the aggregate amount thereof in such calendar year does not exceed 20% of the Original Principal amount of this Credit Facility (the "Annual Prepayment"). The Annual Prepayment is not cumulative.
- b) The Borrower shall have the privilege, once in any calendar year, of increasing the amount of the monthly payment by not more than 20% of the amount of the monthly payment then payable under the Credit Facility (the "Increase Privilege"). The Increase Privilege is not cumulative.

In the event the Borrower has exercised the "Increase Privilege" contained in this Credit Facility, then the Borrower shall, once in any calendar year, have the privilege of decreasing the amount of the then monthly payment payable under the Credit Facility to an amount which is not less than the amount of monthly payment payable at the beginning of the current term. For purposes hereof "current term" means the term of the Credit Facility in the event there has been no extension or renewal of such term, and if such term has been extended or renewed then it means the extended or renewed term commencing on the first day of the extended or renewed term.

- c) The Borrower shall have the privilege of prepaying the entire balance outstanding under this Credit Facility (the "Full Payout Privilege") subject to the payment of a bonus equal to the greater of (i) three (3) months' interest on the outstanding Principal Amount of the Credit Facility at the interest rate then payable under the Credit Facility, or (ii) an amount in compensation for loss of interest, if any, where the interest rate then payable under this Credit Facility is greater than the Credit Union's current interest rate for reinvestment for the remainder of the term of this Credit Facility. The current interest rate for reinvestment is the applicable Government of Canada Bond rate or Treasury Bill yield.

Applicable Government of Canada Bond or Treasury Bill is that with a term not greater than (i) the remainder of the current term of the Credit Facility, and (ii) the next shorter term offered, provided that where the remainder of the term of the Credit Facility is less than the next shorter term offered, the Credit Union's current interest rate for reinvestment for the next shorter term shall apply. The bonus payable hereunder shall be calculated by the Credit Union and, in the absence of an obvious error, shall be conclusive.

Outstanding Balance shall be the outstanding Principal Loan amount on the date of the prepayment provided the borrower had not exercised its 20/20 prepayment privilege in the 30 days preceding the pay-out date. Where the borrower has exercised its 20/20 prepayment privilege within 30 days prior to the prepayment date, the borrower would be required to pay a bonus as defined above on the partial prepayment.

Next Review Date: The next annual review date for all Credit Facilities has been established as May 31, 2022 but may be changed at the discretion of the Credit Union.

Non-refundable Application Fee:

\$4,500.00 will be deducted from advance of Tranche 1 of Credit Facility 7

Late Financial Reporting Fee:

\$150.00 per occurrence

Annual Review Fee:

\$2,000.00 due and payable at annual review date

Renewal Fee:

Based on 0.25% of the principal balance outstanding at renewal

Prepaid Legal Fees:

Estimated legal fees of \$8,500.00 plus GST plus estimated disbursements of \$600.00 plus GST are payable upon acceptance of the Commitment Letter. (Total \$9,555.00)

Financial Covenants:

a) Debt Service Coverage Ratio

The Borrower's Debt Service Coverage Ratio shall be not less than 1.40:1, to be tested Quarterly based on a Trailing 4 Quarters using consolidated financial statements beginning with the four quarters ending December 31, 2022.

Covenants:

DSC before Corporate Distributions $\geq 1.40:1$

$\text{EBITDA} \div \text{Debt Service Obligations}$

DSC after Corporate Distributions $\geq 1:1$

$[\text{EBITDA} - \text{Corporate Distributions}] \div \text{Debt Service Obligations}$

Definitions:

EBITDA means profit from operations on a consolidated basis for the fiscal year under review. It is calculated by deducting General and Administrative Expenses from Gross Profit before Fair Value Adjustments. For greater certainty, it excludes income taxes, depreciation, amortization, finance costs (interest expense), stock based compensation, fair value adjustments and extraordinary gains and losses.

Debt Service means the sum of principal & interest payments for the corresponding fiscal year paid by the Borrower on a consolidated basis on all funded indebtedness not specifically subordinated to the Credit Union.

Corporate Distributions means, payment of cash dividends and unfinanced Capital Expenditures

Corporate Distributions are permitted provided the Borrower remains in compliance with the covenants, i. e., after giving effect to the Corporate Distributions, $DSC \geq 1.0x$ and debt to equity $< 1.0:1.0$

b) Debt to Equity Ratio

The Borrower shall at all times maintain on a consolidated basis a Debt-to-Equity Ratio of not greater than 1.25 as at December 31, 2021; and 1.00 as of December 31, 2022 onwards, to be tested annually.

Debt to Equity Ratio is defined as the Borrower's total liabilities, as defined by International Financial Reporting Standards ("IFRS"), including the redemption value of any Preferred Shares not formally postponed to the Credit Union, excluding shareholder loans formally postponed and assigned to the Credit Union, divided by the Borrower's total equity, as defined by IFRS, plus shareholder loans formally postponed and assigned to the Credit Union. At the discretion of the Credit Union adjustments to total equity may be made for items such as intangibles and appraisal surplus.

Note: Mezzanine financing is not to be considered equity

Financial Reporting Requirements:

Annually:

Within 120 days of Borrowers Year-End (Dec 31), the Borrower will provide the following:

- a. Audited Year-End Financial Statements of SugarBud Craft Growers Corp., Trichome Holdings Corp. & 1800905 Alberta Ltd. (consolidated)
- b. Status of any and all Health Canada Licenses

Quarterly:

Within 60 days of Borrowers Quarter-End (March 31, June 30 & September 30), the Borrower will provide the following:

- a. Interim Consolidated Financial Statements of SugarBud Craft Growers Corp., Trichome Holdings Corp. & 1800905 Alberta Ltd. (Management Prepared)

Monthly:

- a. Aged list of Accounts Receivables as at month end, by the 25th day of the following month.
- b. Aged list of Accounts Payables as at month end, by the 25th day of the following month. Priority Payables to be clearly identified.
- c. In-house financial statements as at month end, by the 25th day of the following month with details of monthly results, YTD results and YTD vs. plan.
- d. Signed monthly cover sheet (by signing officer for Borrower) regarding reports submitted.

Other Reporting Requirement:

Any and all Health Canada notices, reports, and/or communications as it pertains to this borrower and its operations must be provided to the credit union within 30 days of receipt

Authorization is provided to the Credit Union to contact the accounting firm of the Borrower and Guarantor(s) to obtain copies of all financial statements and to answer questions relating to same.

Pre-disbursement Conditions:

The Credit Union's obligation to advance the Credit Facility 7 is conditional upon receipt by the Credit Union of the following, all in form and substance satisfactory to it.

Tranche 1:

- a) Completion and, where applicable, registration of all security - refer to Security to be Obtained on page 19.

Tranche 2:

- a) Completion and, where applicable, registration of all security – refer to Security to be Obtained on pages 19-20;
- b) Satisfactory Land Titles Searches completed on the day of drawdown showing no undisclosed liens;
- c) Confirmation of property taxes paid;
- d) Confirmation of renewal of property and liability insurance.

Other Conditions:

- a) The legal fees and disbursements incurred by the Credit Union's solicitors for the preparation and registration of the security and supporting documents are for the account of the Borrower;
- b) In addition to these fees the Borrower will be responsible for payment directly to its solicitors of their legal fees and disbursements relating to the execution and registration of these documents;
- c) Reasonable out-of-pocket expenses to be paid by Borrower (e.g. legal fees, appraisal fees, interim inspection fees and Land Title Searches);
- d) Implementation and continuation of the credit facility is subject to periodic review, at least annually, by the Credit Union, and is also subject to no material adverse changes in the financial position of the Borrower or Guarantors;
- e) Should the Borrower wish to sell any assets, the net proceeds of such sale (subject to any exceptions agreed to in the commitment letter) shall be applied towards the repayment of the loan except otherwise agreed to by the Credit Union;
- f) The written consent of the Credit Union will be required in respect of any amalgamation of the Borrower and another entity, such consent not to be unreasonably withheld.
- g) No distributions shall be paid to the shareholders of the Borrower if such distribution would not permit the Borrower to comply with all financial covenants other than as provided in paragraph h below;
- h) Deferred salaries payable to Chris Moulson and John Kondrosky may be paid in full from the proceeds of equity financing;
- i) Provided common and/or preferred shares of the Borrower have been issued for aggregate cash consideration of at least \$2,000,000.00, reasonable regular salaries may be paid to Chris Moulson and John Kondrosky;
- j) No payments of any sort are to be made to any director until common and/or preferred shares of the Borrower have been issued for aggregate cash consideration of at least \$2,000,000;
- k) Borrower will not further encumber the property as described "5822 52 Street, Stavely, AB", other than typical permitted encumbrances to be agreed upon in the commitment letter, including existing or future capital equipment financing, without prior written consent by the Credit Union, such consent to not be unreasonably withheld where such interest is subordinate to that of the Credit Union.

Conditions of Credit:

- a) The Borrower to be and remain the sole legal and beneficial owner of the Licence;
- b) The Borrower shall not take any action, or fail to perform the necessary action, to impede, jeopardize or otherwise place any risk on their ability to renew or maintain: (i) the Licences; or (ii) any material licenses, permits or approvals required to operate the Borrower's business, all of which would reasonably be expected to have a material adverse effect;

- c) The Borrower shall not dispose of or abandon any right, title or interest in the Licences; and
- d) The Borrower shall apply for and obtain each future Licences on or before such time as it shall be required by applicable law;
- e) The Borrower shall with due diligence and in a reasonable manner, enforce the rights granted to it under and in connection with the Licences. The Borrower shall consistently apply yield improvement initiatives to the product produced in its cannabis facility. The Borrower shall further ensure that the appropriate yield improvement initiatives, as well as all other applicable growing techniques and growing capacity, are in place to maximize the Borrower's production and that may positively influence growing capacity of cannabis.

Events of Default:

Without prejudice to the right of the Credit Union to demand repayment of the loan at any time, if one of the following events of default occurs, the Credit Union may, at its option, declare the unpaid principal amount of the advanced and accrued interest thereon, to be immediately due and payable and the Borrower shall forthwith pay all such amounts owing; the Security shall become enforceable by the Credit Union, and the obligation for any further credit advances shall cease (subject to a cure period of 14 days), when:

- a) The Borrower fails to make any payment of interest or principal when due.
- b) There is a breach by the borrower of any terms or conditions contained in the Term Sheet;
- c) There is a change in applicable laws which fundamentally changes the nature of the Borrower's business and would reasonably be expected to have a material adverse effect;
- d) There is any action, or failure to take the necessary action, which impedes, jeopardizes or otherwise places any risk to maintain the Borrower's License or other material licenses, permits or approvals required to operate the Borrower's business and would reasonably be expected to have a material adverse effect; or
- e) Revocation of any material License, permit or approval from any governmental authority with respect to the Borrower's business which would reasonably be expected to have a material adverse effect.

Registration of Mortgage Amount:

Although the Credit Union may register its mortgage for a sum greater than the amount of the Credit Facilities set out in this Commitment Letter, the Credit Union has no obligation to advance funds greater than the amount of the Credit Facilities set out in this Commitment Letter.

Syndication:

The Borrower and the Guarantor(s), if any, hereby acknowledge that the Credit Union is entitled to syndicate any portion of the proposed Credit Facilities to third parties without notice. The Borrower and Guarantor(s), if any, further acknowledge that should the Credit Union decide to syndicate any portion of the Credit Facilities that they will be required to provide information respecting the Borrower and the Guarantor(s), if any, to any potential syndication partner, providing that any such potential syndication partner agrees to maintain such information in confidence. In the event of any syndication of the Credit Facilities, the Credit Union shall be the sole administrator of the Credit Facilities, and will hold all Security exclusively in its own name. Notwithstanding the foregoing, any syndication partner will be entitled to all information in the possession of the Credit Union from time to time with respect to the Credit Facilities.

Renewal of Loan Beyond Maturity Date:

In the event that the Borrower fails to repay the outstanding principal and interest balance of the loan(s) on the maturity date, or fails to accept a renewal offer tendered by the Credit Union within the reasonable time period permitted by the Credit Union's offer to renew (where such failure to repay or renew, as aforesaid, is not attributable to the Credit Union), and provided that there are no arrears in principal and interest under the loan, then the Credit Union may, at its sole option, extend the term of a loan for such period from the expiry date to be determined by the Credit Union in its sole discretion. In such case, the loan from the date of this extension (and not for any period before) shall bear interest both before and after this new maturity at an interest rate being the greater of the contractual rate of interest or a rate equivalent to the Credit Union's Prime Rate plus Five (5%) percent per annum, as it may vary and be determined as provided below. This interest rate shall be determined by the Credit Union on the first Banking Day of the month in which the term of the loan expires and thereafter on the first Banking Day of each month until full repayment of the loan in principal, interest, costs and accessories. Unpaid interest accrued on the principal also bears interest at the same rate.

This interest shall be calculated daily and payable monthly. In the event that the renewal or repayment of the Credit Union's monies owing has not been finalized within the extension period, then there shall be no further extensions and the Credit Union will be at liberty to exercise any remedies available to it under the loan and the Security.

For the purposes of this clause, the Credit Union's Prime Rate is defined as the annual rate of interest announced from time to time by the Credit Union as being a reference rate then in effect for determining interest rates on Canadian dollar commercial loans.

For the purposes of this clause, "Banking Day" is defined as a day on which the head office of the Credit Union is open for business and which is not a Saturday, Sunday or civic or statutory holiday.

When the term is extended as mentioned above, the balance of the loan of principal and interest, as well as unpaid costs and accessories (money owed) may be paid in full on the expiry date or at any time during the extension period, without notice or bonus. However, if not paid before, they shall be paid at expiry of the extension period.

A processing fee representing the greater of \$1,000.00 or one tenth (1/10th) of one percent (1%) of the outstanding principal balance at the expiry date shall be automatically added to the principal balance if this extension period is utilized.

Security and Other Documents:

Security currently held and will continue to be held for all Credit Facilities:

- a) All corporate documents
- b) A General Security Agreement comprising a first charge security interest over all present and after acquired personal property of Borrower, registered at Personal Property Registry
- c) Following security is in support of new Guarantee and Postponement of Claim in the amount of \$8,500,000.00 being granted by 1800905 Alberta Ltd.:
 - A First Charge Demand Collateral Mortgage in the amount of \$5,030,000.00 over the property, registered in the name of 1800905 Alberta Ltd., which is municipally described as:

5822 52 Street, Stavely, AB
and legally described as:
Plan 0812160, Block 4, Lot 3

(hereinafter referred to as "Property")
 - Mortgage Amending Agreement in the amount of \$5,750,000.00 over the Property
 - Mortgage Amending Agreement in the amount of \$7,500,000.00 over the Property
 - A General Security Agreement comprising a first charge security interest over all present and after acquired personal property of 1800905 Alberta Ltd., registered at Personal Property Registry
- d) Following security is in support of new Guarantee and Postponement of Claim in the amount of \$8,500,000.00 being granted by Trichome Holdings Corp.:
 - A General Security Agreement comprising a first charge security interest over all present and after acquired personal property, registered at Personal Property Registry
- e) Postponement, Subordination and Standstill Agreement on the Debentures
- f) Assignment of Receivables Agreement, registered at Personal Property Registry for 25 years.
- g) The Credit Union's Master form Title Insurance Policy obtained from First Canadian Title Insurance
- h) Amendment to the Credit Union's Master form Title Insurance Policy obtained from First Canadian Title Insurance reflecting loan amount of \$7,500,000.00

- i) Evidence of Commercial General Liability insurance in a minimum amount of \$5,000,000.00 showing the Credit Union as additional insured, and assignment of adequate All Risk Insurance over subject Property showing the Credit Union as first loss payee via Standard Mortgage Endorsement Clause as follows:

Building	Replacement cost
Business Interruption/Rental Loss	Actual loss sustained
Equipment/Vehicles/Inventory	Replacement cost

- j) Environmental Indemnity Agreement in an unlimited amount from the Borrower and Guarantor(s)
- k) Postponement and Subordination Agreement from Computershare Trust Company of Canada on their second mortgage registration
- l) Direction and Authority to Pay
- m) An Opinion of Counsel to the Borrower and the Corporate Guarantor(s)
- n) A Satisfactory Opinion of Counsel to the Credit Union

Security currently held and will continue to be held for Credit Facility 1:

- a) Overdraft Agreement in the amount of \$500,000.00

Security currently held and will continue to be held for Credit Facility 2:

- a) Borrowing Resolution in the amount of \$70,000.00
- b) Promissory Note in the amount of \$70,000.00
- c) Letter of Credit in the amount of \$70,000.00

Security currently held and will continue to be held for Credit Facility 3:

- a) Promissory Note in the amount of \$5,220,000.00

Security currently held and will continue to be held for Credit Facility 4:

- a) Loan Agreement in the amount of \$500,000.00

Security currently held and will continue to be held for Credit Facility 5:

- a) Loan Agreement in the amount of \$400,000.00

Security currently held and will continue to be held for Credit Facility 6:

- a) Borrowing Resolution in the amount of \$500,000.00

b) Loan Agreement in the amount of \$500,000.00

The Borrower agrees to provide to the Credit Union in form and substance satisfactory to it, all security and supporting agreements requested by the Credit Union including the following documentation (the "Security") which will be held by the Credit Union as security for the Credit Facilities and all other direct and indirect liabilities of the Borrower and the Guarantor(s) (or any of them) to the Credit Union from time to time.

Security to be Obtained for Credit Facility 7 and prior to disbursement of Tranche 1 (to be prepared by the Credit Union):

- a) Borrowing Resolution in the amount of \$900,000.00
- b) Demand Loan Agreement in the amount of \$900,000.00
- c) Such other supporting documentation as the Credit Union in the course of finalization, may determine as necessary for the protection of the advances.

Security to be Obtained for all Credit Facilities and prior to disbursement of Tranche 2 of Credit Facility 7 (to be prepared by Solicitors):

- a) All corporate documents, including:
 - Resolution of Directors re Banking and Security,
 - Certified Copy of Resolution of the Directors,
 - Incumbency Certificate,
 - Officer's Certificate with constating documents attached or Notarized copies of all Certificates, Articles and By-laws, and
 - Certificate of Non-restriction
- b) Guarantee and Postponement of Claim in the amount of \$8,500,000.00, granted by 1800905 Alberta Ltd. *(including supporting corporate documents), supported by:*
 - Mortgage Amending Agreement in the amount of \$8,500,000.00 over the Property
 - First Assignment of All Rents and Leases over the Property

**This Guarantee is also in support of existing security – see security item (c) on page 17*
- c) Postponement of Mortgage registered at Land Titles Office as # 201 118 654 by Computershare Trust Company of Canada
- d) Postponement of Caveat re: Agreement Charging Land registered at Land Titles Office as # 191 169 775 by Fortis Alberta Inc.
- e) Amendment to the Credit Union's Master form Title Insurance Policy obtained from First Canadian Title Insurance reflecting loan amount of \$8,500,000.00

- f) Guarantee and Postponement of Claim in the amount of \$8,500,000.00 granted by Trichome Holdings Corp. *(including supporting corporate documents)*

**This Guarantee is also in support of existing security – see security item (d) on page 17*

- g) Direction and Authority to Pay
- h) An Opinion of Counsel to the Borrower and the Corporate Guarantor(s) in such form as the Credit Union shall require
- i) A Satisfactory Opinion of Counsel to the Credit Union in a form satisfactory to it
- j) Such other supporting documentation as the Credit Union and its solicitor, in the course of finalization, may determine as necessary for the protection of the advances

Security to be Released:

- a) Guarantee and Postponement of Claim in the amount of \$7,500,000.00 granted by 1800905 Alberta Ltd.
- b) Guarantee and Postponement of Claim in the amount of \$5,750,000.00 granted by Trichome Holdings Corp.
- c) First Assignment of All Rents and Leases from the Property

The above documentation will be prepared by the Credit Union's solicitors. The Credit Union's solicitors in this transaction are:

Leon Brener Law
100 – 522 11th Avenue SW
Calgary AB T2R 0C8
Attention: Lawrence Leon

Please advise of the name, address and contact information of your solicitor:

Your acceptance of this letter will constitute authority for the Credit Union to instruct its solicitors to prepare the necessary documentation

Commitment Expiry Date:

In the event initial advance of Credit Facility 7 is not disbursed by May 31, 2022, this commitment expires.

Additional Terms and Conditions:

The attached Schedule "A" outlines additional terms and conditions that form part of this Commitment Letter.

The terms of this Commitment Letter are open for acceptance by the Borrower and the Guarantor(s) executing the duplicate copy of this letter where indicated below and returning it together with the prepaid legal fees of \$9,555.00 to our office at #2720, 700 – 9th Avenue, S.W., Calgary, Alberta, T2P 3V4, on or before 3:00 p.m. on December 31, 2021, after which date and time, this offer shall lapse if it is not accepted.

This Commitment Letter and any amendments, renewals or replacements thereof may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed in original, faxed or electronic PDF format and the parties adopt any signatures received by a receiving fax machine or electronic transmission as original signatures of the parties.

We wish to thank you for allowing the Credit Union the opportunity of being of assistance to you.

Yours truly,

CONNECT FIRST CREDIT UNION LTD.

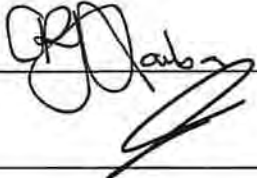
Sourav Neogi, Relationship Manager
Commercial Markets
Corporate and Commercial

Encs.


ACCEPTANCE

We hereby **accept and agree** to the Credit Facilities on the terms and conditions outlined by the Commitment Letter dated December 24, 2021 on this 30th day of DECEMBER, 2021.

Sugarbud Craft Growers Corp. – Borrower

Per:  _____ (Affix Corporate Seal)
Per: _____

1800905 Alberta Ltd – Guarantor

Per:  _____ (Affix Corporate Seal)
Per: _____

Trichome Holdings Corp – Guarantor

Per:  _____ (Affix Corporate Seal)
Per: _____

SCHEDULE "A"
ADDITIONAL TERMS AND CONDITIONS

Representations and Warranties:

Each of the Borrower and the Guarantor(s), to the extent applicable, represents and warrants to the Credit Union that:

- a. It is a corporation validly incorporated and subsisting under the laws of the jurisdictions where it has been incorporated, and that it is duly registered or qualified to carry on business in all jurisdictions where the character of the properties owned by it or the nature of its business transacted make such registration or qualification necessary;
- b. The execution and delivery of this Commitment Letter and of the Security has or will have been duly authorized by all necessary actions and does not:
 - i) violate any law or any provisions of its charter,
 - ii) result in a breach of, a default under, or the creation of any encumbrance on its properties or assets under any agreement or instrument to which it or any of its properties and assets may be bound or affected, and
 - iii) require any regulatory approval which has not been obtained;
- c. No event has occurred which is or which, with the giving notice, lapse of time or other condition, would constitute an event having material adverse effect on its financial condition under or in respect of any agreement, undertaking, or instrument to which it is a party or to which it or any of its properties or assets may be subject.

Events of Default:

It is an event of default ("Event of Default") if any one or more of the following events has occurred and is continuing:

- a. The non-payment, when due, of principal, interest or any other amount due under this Commitment Letter;
- b. The breach by the Borrower or any Guarantor(s) under any provision of this Commitment Letter or any other agreement with the Credit Union;
- c. The default by the Borrower or any Guarantor(s) under any obligation to repay borrowed money other than amounts due under this Commitment Letter, or in the performance or observance of any agreement or condition in respect of such borrowed money as a result of which the maturity of such obligation is accelerated or may be accelerated;
- d. If any representation or warranty made herein shall be false or inaccurate in any adverse respect;

- e. If in the opinion of the Credit Union, acting reasonably, there is:
- i) A material adverse change in, or a material adverse effect upon, the financial condition, operations, assets, business, properties or prospects of the Borrower or any Guarantor(s)
 - ii) A material impairment of the ability of the Borrower or any Guarantor(s) to perform any of their obligations under any of the Security, or
 - iii) A material adverse effect upon any substantial portion of the assets or the property subject to the Security in favor of the Credit Union or upon the legality, validity, binding effect, rank or enforceability of any Security.
- f. If an order is made or an effective resolution is passed for the winding-up of the Borrower or any Guarantor(s) or if a petition is filed for the winding-up of the Borrower or any Guarantor(s);
- g. If the Borrower or any Guarantor(s) becomes insolvent, or makes an assignment or bulk sale of its assets, or if a petition in bankruptcy is filed or presented against the Borrower or any Guarantor(s);
- h. If any proceeding with respect to the Borrower or any Guarantor(s) is commenced under the *Companies' Creditors Arrangements Act*;
- i. If any execution, sequestration, writ of enforcement or any other process of any court becomes enforceable against the Borrower or any Guarantor(s), or if a distress or analogous process is levied upon the property of the Borrower or any Guarantor(s) or any part thereof, provided that such execution, sequestration, writ of enforcement or other process is not in good faith being contested by any Borrower or any Guarantor(s), or
- j. If the Borrower or any Guarantor(s) ceases or threatens to cease to carry on its business or if the Borrower or any Guarantor(s) commits or threatens to commit any act of bankruptcy.

Remedies in the Event of Default on Credit Facilities:

If an Event of Default occurs, the Credit Union has the right in addition to its other rights at law or in equity to require immediate payment in full of all Credit Facilities.

Right of Termination:

The Credit Union shall have the right to terminate this Commitment Letter and be relieved of all obligations in connection therewith in the event any of the following events should occur:

- a. The Borrower or any Guarantor(s) fails or is unable or is unwilling for any reason whatsoever to comply with any of the terms and conditions set out in this Commitment Letter within the time indicated for such compliance; or
- b. The Borrower or any Guarantor(s) fails or refuses to execute any documentation requested by our solicitors or to deliver such documentation to our solicitors; or

- c. The net proceeds of the loan have not been fully advanced on or before the commitment expiry date referred to herein; or
- d. The Borrower refuses to accept the funds when advanced; or
- e. The Borrower or any Guarantor(s) or any other person or corporation whose covenant is required shall become bankrupt, or subject to bankruptcy, receivership or insolvency proceedings; or
- f. There has been, in the sole opinion of the Credit Union, acting reasonably, a material adverse change in the condition of the Property or the Borrower or any Guarantor(s) or in the actual or anticipated revenues from the Property; or
- g. Urea formaldehyde foam insulation or any construction material containing asbestos or other substance considered harmful by the Credit Union has been used or will be used in the Property; or there is in, or on about the Property any product or substance including, without restriction, PCBs contaminants or hazardous materials, equipment or anything which does, or is likely to, constitute an environmental hazard or contravenes any environmental law, regulation, order, decree or directive; or
- h. The Borrower has not complied with all the provisions of the *Builders' Lien Act* of Alberta and amendments thereto, to our satisfaction; or
- i. The Credit Union or its solicitor, acting reasonably, is not satisfied with the matters set out under the heading "Title"; or
- j. All legal matters and documentation relating to the transaction has not been completed to the Credit Union's and its counsel's satisfaction.

If the Credit Union elects to terminate this Commitment Letter or the Credit Facilities set out therein prior to the advance of the entire amount under the Credit Facilities, the amount advanced under the Credit Facilities, if any, together with interest thereon at the rate set out herein shall become immediately due and payable and the Credit Union shall, whether or not any proceeds have been advanced, be entitled to retain the Commitment Fee as compensation for all damages sustained by it, it being agreed that the amount of such Commitment Fee is a fair estimate of the damages which will be suffered by the Credit Union in such event.

Collection, Use, Disclosure and Release of Financial and Other Information and Materials:

For the purposes of making, administering, reporting, selling or assigning in whole or in part, in connection with securitization or otherwise, and collecting the Credit Facilities, the following parties (collectively, "Authorized Parties") will be reviewing and examining financial and other information and materials provided to or obtained by the Credit Union concerning the Credit Facilities, the Borrower and the Guarantor(s), if any:

- a) The Credit Union and/or any holder or servicer of the Credit Facilities or of an interest therein from time to time and/or their respective affiliates and/or agents;

- b) Rating agencies, purchasers or investors and prospective purchasers or investors;
- c) Respective third party advisors of the parties listed in a) and b) above, such as lawyers, accountants, real estate brokers, investment dealers and underwriters, consultants, and appraisers; and,
- d) Credit verification sources.

The Borrower and the Guarantor(s), if any, acknowledges and irrevocably consents to the foregoing and irrevocably agrees that, in such manner as the Authorized Parties may determine to be necessary or desirable for these purposes, the Authorized Parties may disclose, release, exchange and share such information and materials:

- a) To and with any Individual(s), corporations(s) or other entities designated from time to time to hold title to the Credit Facilities and/or security documents as custodian(s) or agent(s);
- b) To and with each other;
- c) The Borrower and the Guarantor(s), if any, hereby consents to the Authorized Parties conducting such credit inquiries, as they may from time to time consider advisable for these purposes; and,
- d) The provisions of this paragraph shall apply until all loans have been fully and completely repaid and the security documents have been discharged.

Evidence of Advances:

The Borrower and the Guarantor(s), if any, agree that the Credit Union's records evidencing an advance shall be complete and final proof, absent manifest error, that funds have been advanced under any one or more of the Credit Facilities set forth in the Commitment Letter and may, from time to time dependent upon the type of Credit Facilities made available, be evidenced by other documentation such as, for example and without limitation, promissory notes, direct deposits, drafts or cheques made payable to other parties including solicitors and agents and any other means by which the Credit Union provides value to the Borrower under any one or more of the Credit Facilities.

Noteless Advances:

The Borrower acknowledges that the actual recording of the amount of any advance or repayment thereof under the Credit Facilities, and interest, fees and other amounts due in connection with the Credit Facilities, in an account of the Borrower maintained by the Credit Union, shall constitute prima facie evidence of the Borrower's indebtedness and liability under the applicable Credit Facilities; provided that the obligation of the Borrower to pay or repay any indebtedness and liability in accordance with the terms and conditions of the applicable Credit Facilities set out in the Commitment Letter shall not be affected by the failure of the Credit Union to make such recording. The Borrower also hereby acknowledges being indebted to the Credit Union for principal amounts shown as outstanding in the Credit Union's account records, and all accrued and unpaid interest in respect thereto, which principal and interest the Borrower hereby undertakes to pay to the Credit Union in accordance with the terms and conditions applicable to the Credit Facilities as set out in this Commitment Letter.

Automatic Debit:

The Borrower authorizes and directs the Credit Union to automatically debit payment, by mechanical, electronic, or manual means, payable by the Borrower under this Commitment Letter or by the Borrower under the Security, as defined below, including, but not limited to, the repayment of principal and the payment of interest, fees, and all charges for the keeping of the accounts of the Borrower.

Taxes:

All realty taxes and local improvement assessments are to be paid by the Borrower or its tenants to the municipality when due and you shall provide the Credit Union annually, if requested, with receipted copies of the realty tax bills for the Property. The Credit Union may, at its sole option, require that the Borrower pays on the monthly payment date provided for herein one-twelfth of the annual realty taxes payable or estimated by the Credit Union to be payable for the forthcoming year. Any deficiency between actual and estimated taxes shall be payable to the Credit Union forthwith upon demand.

Insurance:

The Borrower will insure and keep fully insured the Property and all tangible personal property against the following perils:

- a. With respect to all buildings and other improvements now or hereafter situated on the Property and all insurable property included within the buildings, coverage against loss or damage by fire and other insurable hazards defined in an "All Risks" insurance policy for the full replacement cost with the same/adjacent site requirement removed and with automatic vacancy permit;
- b. Equipment Breakdown insurance, if applicable, for the full replacement cost of the Property and all improvements thereon or such lesser amount as shall be acceptable to the Credit Union;
- c. Business interruption or rental loss insurance acceptable to the Credit Union for an indemnity period of not less than 12 months and with coverage of not less than 100% of the resulting loss or rent or other revenue received from the operation of the building;
- d. Loss or damage of all personal property by fire or other insurable hazards, including theft, in an amount not less than the full replacement cost thereof, and
- e. Commercial General Liability insurance to an amount not less than \$5,000,000 on an occurrence basis.

The policies of insurance to be maintained shall contain a stated amount co-insurance clause or not be subject to any co-insurance clauses and shall be in form and with insurers satisfactory to the Credit Union. The insurance shall include the agreement of the insurer that the policy will not be cancelled without at least thirty (30) days prior written notice of cancellation to the Credit Union. The Credit Union shall be named as the first mortgagee and loss payee subject to the standard Insurance Bureau of Canada Mortgage Clause. The Credit Union will be included as an additional insured on the Commercial General Liability coverage.

The Borrower, at least ten (10) days prior to the advance of any funds, will furnish to the Credit Union or its solicitors evidence of insurance.

Title:

The Corporate Guarantor 1800905 Alberta Ltd is the legal owner of the Property and has good title in fee simple.

The Property and all improvements thereon shall have been duly authorized and comply in all respects with all applicable laws, by-laws, government requirements, whether federal, provincial or municipal including, without restriction, those dealing with planning, zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped areas, pollution of the environment, toxic materials or other environmental hazards, building construction, public health and safety and there shall be no outstanding work orders against the Property or the improvements or any part thereof.

The Borrower shall provide such certificates or other written confirmation as the Credit Union's solicitors may reasonably require, certifying that no control orders, stop orders or prosecutions exist with respect to the Property or any activity or operation carried out thereon pursuant to any federal, provincial, municipal or local environmental, health and safety laws, statutes and regulations as may apply to the Property or the activities or operations carried out thereon.

Leases:

In the event the Property is leased, it shall be in accordance with the terms set out in the lease document(s) between landlord and each tenant. The Borrower will provide at the Credit Union's request, executed copies of such leases for our review which must be in a form and upon terms acceptable to the Credit Union. The Borrower will also provide to our solicitors an Estoppel Certificate with the written acknowledgement of each tenant as to the status of its tenancy at the time of advance of funds. At the time of advance of the funds each tenant must be in possession of the whole of its leased premises, carrying on business thereon and paying rent pursuant to the terms of the lease and the landlord and tenant shall otherwise have performed all their obligations contained in the lease.

The Credit Union may at its option require that all present and future leases of the Property be postponed by way of a registered postponement agreement in favour of the Credit Union's interest in the Property.

In the event the forgoing is required, the Credit Union agrees to execute a Non Disturbance Agreement with a Tenant, in a form acceptable to the Credit Union.

Payment of Costs:

The Borrower agrees to pay all expenses, fees and charges incurred by the Credit Union in relation to all loans and credits, the preparation and registration of all security, enforcement or preservation of any or all of the Credit Union's rights and remedies, whether or not any such documentation is completed or any funds are advanced, including but not limited to legal expenses (on a solicitor-and-its-own-client full indemnity basis), costs of accountants, engineers, architects, consultants, appraisers and the costs of any and all searches and registrations the Credit Union or its solicitor deems either necessary or desirable.

Signs:

In the event this loan is for the purpose of providing financing for a building or other major improvements to be constructed on the Property, the Credit Union shall have the right to require a sign or signs supplied by it to be erected and maintained by you on the Property in a location acceptable to the Credit Union, which sign or signs shall indicate that the Credit Union has provided financing for the Property.

Environmental Representations:

As set out in the security documentation.

Mandatory Membership:

Membership with the Credit Union requires that every Borrower invest a minimum of \$1.00 in Common Shares of the Credit Union and such ownership and membership must be maintained so long as there are any monies and obligations outstanding by the Borrower to the Credit Union.

Amendment:

Any amendment to this Commitment Letter or security documents must be in writing and signed by the Borrower (s), Guarantor (s), and the Credit Union.

Assignment:

The Borrower understands and acknowledges that, after the occurrence of an Event of Default which is continuing, the Credit Union shall have the unrestricted right to sell or assign the Credit Facilities or any loan thereunder, and/or the security documents (including this Commitment Letter) or any parts thereof to a third party of its choice. The Borrower consents to the disclosure by the Credit Union to any such assignee and its agents of personal information of the undersigned relating to the Credit Facilities, and/or the security documents (including this Commitment Letter) or any parts thereof and consents to the collection and use of such personal information by such assignee and its agents. The Borrower also consents to the collection and use of said personal information by third parties involved in the assignment or sale of the Credit Facilities and the further disclosure of such information to the third parties' agents and assignees and those parties' subsequent collection and use of the information, in each case, for the purpose of the ongoing management of the Credit Facilities.

Governing Law:

This Commitment Letter constituted by your acceptance shall be governed by the laws of the Province of Alberta.

Headings:

The headings contained in this letter are for reference only and shall not constitute any part of the terms and conditions contained herein.

Payments:

Unless otherwise directed and agreed to by the Credit Union all amounts payable by the Borrower hereunder shall be paid to the Credit Union at its Commercial Banking Office/Branch, 2720, 700 – 9th Avenue SW, Calgary, Alberta T2P 3V4, in Canadian dollars.

Successors and Assigns:

Subject to the provisions hereof, this Commitment Letter shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

Severability:

Each provision of this Commitment Letter is severable and any term or provisions hereby declared to the contrary to, prohibited by, or invalid under applicable laws or regulations shall be inapplicable and deemed omitted herefrom, but shall not invalidate the remaining terms and provisions hereof.

Conflict:

The terms and conditions of this Commitment Letter shall not be merged by and shall survive the execution, delivery and registration of any and all security documents. In the event of a conflict between the terms of this Commitment Letter and the terms of any security document, the terms of this Commitment Letter shall prevail. For clarity, the mention of a provision in either the Commitment Letter and not in the Security or vice versa shall not constitute a conflict but shall be deemed to be supplemental and in addition to any of the terms and conditions available under either the Credit Facilities or the Security as the case may be.

Time:

Time shall in all respects be of the essence hereof.

Waiver:

No terms or requirement of this Commitment Letter or any security documents may be waived or varied orally or by any course of conduct or any officer, employee, or agent of the Credit Union. Any failure by the Credit Union to exercise any rights or remedies hereunder or under any of the Security shall not constitute a waiver thereof.

THIS IS EXHIBIT "5"

REFERRED TO IN THE AFFIDAVIT OF

AJIBOLA (AJ) OMO-LOTO

Sworn before me this 13th day of July, 2023



**A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF ALBERTA**

**Afshan Naveed
Barrister & Solicitor**



DIVISIONS

Mountain View Financial
First Calgary Financial
Chinook Financial
Legacy Financial

AUTHORIZED OVERDRAFT AGREEMENT (COMMERCIAL)

BETWEEN: Branch Member No.
of SUGARBUD CRAFT GROWERS CORP.
620, 634-6th Avenue SW, Calgary, Alberta T2P 0S4
(the "Member")

- and -

CONNECT FIRST CREDIT UNION LTD.
(the "Credit Union")

WHEREAS the Member has made application to the Credit Union in the sum of FIVE HUNDRED THOUSAND and 00/100 (\$500,000.00) DOLLARS;
AND WHEREAS the Credit Union has approved the granting of an Authorized Overdraft on the terms contained herein:
NOW THIS INDENTURE WITNESSETH that, for good and valuable consideration, the premises, and these presents:

1. An Authorized Overdraft is hereby granted by the Credit Union to the Member in the maximum sum of FIVE HUNDRED THOUSAND and 00/100 (\$500,000.00) DOLLARS, which sum shall be inclusive of interest outstanding but unpaid on any existing advances (the "Credit Limit").
2. The Credit Union is authorized to advance or re-advance funds under the Authorized Overdraft from time to time by credit to account number (the "Account") in the name of SUGARBUD CRAFT GROWERS CORP., at the Branch noted above. The Credit Union may debit to the Account the amount of any cheque or withdrawal, or other item drawn on the Account and interest as provided in this agreement. The Credit Union may refuse to pay any cheque, withdrawal or any other item if the outstanding debit balance of the Account exceeds, or would after payment of such cheque, withdrawal or other item, exceed, the within overdraft limit on the date such cheque, withdrawal or other item is presented to the Credit Union for payment. It is understood that a statement of the Authorized Overdraft may appear on the consolidated statement of the Account. Neither the execution of this Authorized Overdraft Agreement or any of the other documents required by the Credit Union, nor the advance in part of the Credit Limit shall bind the Credit Union to advance or readvance any portion of the Credit Limit and the Credit Union may do so at its sole and arbitrary discretion.
3. The Credit Union is authorized to debit the Account as required from time to time to pay interest, principal, costs or other monies owing in respect of the Authorized Overdraft herein, provided that the Credit Union shall not be obliged to do so at any time or at any particular time.
4. The amount outstanding by the Member to the Credit Union herein shall be allowed, during the currency hereof, to fluctuate or revolve so that the balance may increase or decrease from time to time, to the maximum amount of the Credit Limit.
5. The term of the Authorized Overdraft granted herein shall be at the sole discretion of the Credit Union, the Credit Union having the right at any time to demand payment in full of the amount outstanding, plus interest. Upon such demand, the Member agrees to repay the Credit Union the full principal amount outstanding on the Authorized Overdraft herein plus interest as set out herein.
6. Interest on the amount advanced under the Authorized Overdraft herein from time to time, shall be calculated monthly, and not in advance, at the rate of interest which is equivalent to 1.50% per cent per annum greater than the prime rate of the Credit Union. If, for any reason, the prime rate of the Credit Union cannot be established for any period, or should it be found to be unclear or uncertain, the prime rate shall be

deemed fixed for such period at the rate of (nine) 9.00% per cent per annum, calculated monthly and not in advance. Interest shall be payable monthly.

7. In the event the funds are advanced by the Credit Union so that the total amount so advanced, inclusive of interest, exceeds the Credit Limit set out herein, the Member shall repay the amount of the excess forthwith, without formal demand.

8. In order to secure the repayment of any sums advanced pursuant to this Agreement, the Member hereby:

a. Grants to the Credit Union a lien upon any monies on deposit by the Member with the Credit Union whether by way of a Share Account or a Deposit Account, or otherwise.

b. Agreement to hypothecate to the Credit Union the following Titles, bonds, policies, shares, or other documents:

All security as set out in the commitment letter dated December 17, 2020, as may be amended, supplemented and restated from time to time

c. Agrees to grant the Credit Union as collateral security, a mortgage upon the following property:

n/a

9. The Member authorizes the Credit Union, immediately upon payment being due under this Agreement, to realize upon its lien on the Share or Deposit Accounts and to apply funds from such accounts in repayment of any monies owing by the Member hereunder provided that the Credit Union shall not be obliged to do so at any time or at any particular time.

10. Wherever the singular, masculine, or neuter gender is used herein, same shall also denote, where the context so requires, the plural, feminine, or neuter genders.

11. In the event this Agreement is executed by more than one person signing, each person shall be considered jointly and severally bound by the terms herein.

12. This Agreement shall be governed by the laws of the Province of Alberta. In the event action under this Agreement is commenced by the Credit Union in a Court of competent jurisdiction in the Province of Alberta, the Member hereby attorns to the jurisdiction of the Court in the said action. The Member also agrees to pay all costs of the Credit Union, in enforcing its rights under this Agreement, on a solicitor-and-own-client-scale.

DATED at the City of Calgary, in the Province of Alberta, this 29 day of December, 2020.

SUGARBUD CRAFT GROWERS CORP.

Per:

Name: John Kondrosky
Title: Chief Executive Officer

(c/s)

CB(05/11)

THIS IS EXHIBIT "6"

REFERRED TO IN THE AFFIDAVIT OF

AJIBOLA (AJ) OMO-LOTO

Sworn before me this 13th day of July, 2023



**A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF ALBERTA**

**Afshan Naveed
Barrister & Solicitor**

LOAN AGREEMENT

(Floating Rate/Demand)

Borrower(s):
Sugarbud Craft Growers Corp.

Connect First Credit Union Ltd.
(the "Credit Union")

2720, 700 - 9th Avenue SW

Calgary, Alberta
Calgary Branch
Member No(s): 299392
Date: 2021

\$ 70,000.00 Seventy Thousand Dollars ("Principal Sum")

IN CONSIDERATION of the Credit Union advancing the Principal Sum to or at the direction of the undersigned, the undersigned Borrower promises, and if more than one undersigned Borrower, then the Borrowers jointly and severally promise to pay to the Credit Union on demand the Principal Sum together with interest on the outstanding amount thereof from the date hereof at the rate of 1.00 % per annum above the Credit Union Prime Rate in effect from time.

Until demand is made, the Borrower(s) will pay interest on the outstanding Principal Sum on the first day of each consecutive month (specify week, month, quarter, half-year, etc.) following its accrual. All overdue interest will be added to the outstanding Principal Sum and the Borrower(s) will pay interest thereon at the rate set out in this Loan Agreement until the amount is paid.

At the date of this Loan Agreement the Credit Union Prime Rate is 2.45 % per annum.

The Borrower(s) agrees with the Credit Union that:

- References herein to "Loan Obligations" mean collectively the outstanding Principal Sum and accrued interest thereon together with any and all other obligations and liabilities of the Borrower(s) to the Credit Union under this Loan Agreement.
- The Loan Obligations are to be secured (the "Loan Security") by:
 - As set out in the Commitment Letter dated May 20, 2020, and any amendments, renewals, or replacements thereof;
 -
 - and
 - all monies of the Borrower(s) on deposit with and all paid up shares of the Borrower(s) in the Credit Union, which are hereby pledged to the Credit Union.
- All Loan Security and related security agreements and security interests (collectively, the "Security") shall be held by the Credit Union as separate and continuing security for the Loan Obligations.
- In addition to any remedies provided for in any of the Security, the Credit Union shall be entitled to any other remedies available to it by law.
- Upon default in payment of any of the Loan Obligations when due all the Loan Obligations, including those not yet due, may, at the option of the Credit Union, become forthwith due and payable.
- All costs and expenses (including legal expenses on a solicitor and own client basis) incurred by the Credit Union in (i) taking and perfecting the Security (ii) collecting any of the Loan Obligations, and (iii) enforcing any of the Security, shall be for the account of the Borrower(s) and shall be due and payable to the Credit Union forthwith upon the Credit Union giving written particulars thereof to the Borrower(s).
- The Borrower(s) agrees to forthwith pay to the Credit Union a charge of \$ for each cheque or bill of exchange used to pay any of the Loan Obligations which is dishonoured. If no charge is stated the charge shall be the Credit Union's normal charge in effect therefore.
- Unless otherwise agreed in writing between the Credit Union and the Borrower(s), when not in default under this Loan Agreement or under any of the Security the Borrower(s) may prepay all or part of the outstanding Principal Sum together with any accrued interest thereon without notice or bonus.
- Interest on the outstanding amount of the Principal Sum is calculated daily and payable on the dates for payment set out in this Loan Agreement.
- For purposes of this Loan Agreement:
 - "Credit Union Prime Rate" means the floating annual rate of interest established from time to time by the Credit Union as the base rate it will use to determine rates of interest on Canadian dollar loans to its members and designated by the Credit Union as its Credit Union Prime Rate.
 - A change in the Credit Union Prime Rate shall on the day of any such change also vary the interest rate under this Loan Agreement in the same manner.
- All payments and other monies received by the Credit Union in payment of the Loan Obligations shall be applied firstly towards costs and expenses, secondly towards accrued interest and thirdly towards the outstanding Principal Sum.
- The Borrower(s) acknowledges receipt of a copy of this Loan Agreement.

Credit Union Officer

Sugarbud Craft Growers Corp.
Borrower name if corporation or partnership

Per: JOHN KONDROSKY | CEO

Per: CHRIS MOULSON | CFO

THIS IS EXHIBIT "7"

REFERRED TO IN THE AFFIDAVIT OF

AJIBOLA (AJ) OMO-LOTO

Sworn before me this 13th day of July, 2023



**A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF ALBERTA**

**Afshan Naveed
Barrister & Solicitor**

LOAN AGREEMENT
(Floating Rate / Variable Repayment)

Connect First Credit Union Ltd.
(the "Credit Union")

Borrower(s)
Sugarbud Craft Growers Corp.

2720, 700 - 9 Avenue SW
Calgary Alberta
Commercial Banking Branch
Member No(s): 2993821
Date

\$ 900,000.00 (Nine Hundred Thousand Dollars and Zero Cents) (Principal Sum)

IN CONSIDERATION of the Credit Union advancing the Principal Sum to or at the direction of the undersigned, the undersigned Borrower promises, and if more than one undersigned Borrower, then the Borrowers jointly and severally promise to pay to the Credit Union the Principal Sum together with interest on the outstanding amount thereof from the date hereof at the rate of 2.0000 % per annum above the Credit Union Prime Rate in effect from time to time.

The Borrower(s) will pay interest on the outstanding balance of the Principal Sum from time to time on the 5th day of each consecutive month (specify week, month, quarter, half-year, etc.) starting on January 5, 2022 until December 5, 2022.

The Borrower(s) will pay the Principal Sum and interest by paying \$ 16,758.25 on January 5, 2022 and by making 59 payments of \$ 16,758.25 on the 5th day of each consecutive month (specify week, month, quarter, half-year, etc.) starting on February 5, 2023 until December 5, 2025 when the Borrower(s) will pay the unpaid amount of Principal Sum and interest.

If the Borrower(s) fails to pay any amount when due then such amount shall be added to the outstanding Principal Sum and the Borrower(s) will pay interest thereon at the rate set out in this Loan Agreement until the amount is paid.

At the date of this Loan Agreement the Credit Union Prime Rate is 2.4500 % per annum.

The Borrower(s) agrees with the Credit Union that:

1. References herein to "Loan Obligations" mean collectively the outstanding Principal Sum and accrued interest thereon together with any and all other obligations and liabilities of the Borrower(s) to the Credit Union under this Loan Agreement.
2. The Loan Obligations are to be secured (the "Loan Security") by:
 - (a) As set out in the Commitment Letter dated December 24, 2021 and any amendments, additions, renewals or replacements thereof;
 - (b) _____;
 - (c) _____; and
 - (d) all monies of the Borrower(s) on deposit with and all paid up shares of the Borrower(s) in the Credit Union, which are hereby pledged to the Credit Union.
3. All Loan Security and related security agreements and security interests (collectively, the "Security") shall be held by the Credit Union as separate and continuing security for the Loan Obligations.
4. In addition to any remedies provided for in any of the Security, the Credit Union shall be entitled to any other remedies available to it by law.
5. Upon default in payment of any of the Loan Obligations when due all the Loan Obligations, including those not yet due, may, at the option of the Credit Union, become forthwith due and payable.
6. All costs and expenses (including legal expenses on a solicitor and own client basis) incurred by the Credit Union in (i) taking and perfecting the Security (ii) collecting any of the Loan Obligations, and (iii) enforcing any of the Security, shall be for the account of the Borrower(s) and shall be due and payable to the Credit Union forthwith upon the Credit Union giving written particulars thereof to the Borrower(s).
7. The Borrower(s) agrees to forthwith pay to the Credit Union a charge of \$ _____ for each cheque or bill of exchange used to pay any of the Loan Obligations which is dishonoured. If no charge is stated the charge shall be the Credit Union's normal charge in effect therefore.
8. Unless otherwise agreed in writing between the Credit Union and the Borrower(s), when not in default under this Loan Agreement or under any of the Security the Borrower(s) may prepay all or part of the outstanding Principal Sum together with any accrued interest thereon without notice or bonus.
9. Interest on the outstanding amount of the Principal Sum is calculated daily and payable on the dates for payment set out in the Loan Agreement.
10. For purposes of this Loan Agreement:
 - (a) "Credit Union Prime Rate" means the floating annual rate of interest established from time to time by the Credit Union as the base rate. It will use to determine rates of interest on Canadian dollar loans to its members and designated by the Credit Union as its Credit Union Prime Rate.
 - (b) A change in the Credit Union Prime Rate shall on the day of any such change also vary the interest rate under this Loan Agreement in the same manner.
11. All payments and other monies received by the Credit Union in payment of the Loan Obligations shall be applied firstly towards costs and expenses, secondly towards accrued interest and thirdly towards the outstanding Principal Sum.
12. The Borrower(s) acknowledges receipt of a copy of this Loan Agreement.

Credit Union Officer

Sugarbud Craft Growers Corp.
Borrower name if corporation or partnership

Per

Per

Per

Per

SCHEDULE "A"

The Borrower(s), when not in default under this Loan Agreement, shall have the following privileges:

1. In any calendar year, the Borrower shall have the privilege of prepaying additional amounts of principal under the Credit Facility without notice or bonus provided that the aggregate amount thereof in such calendar year does not exceed 20% of the Original Principal amount of this Credit Facility (the "Annual Prepayment"). The Annual Prepayment is not cumulative.
2. The Borrower shall have the privilege, once in any calendar year, of increasing the amount of the monthly payment by not more than 20% of the amount of the monthly payment then payable under the Credit Facility (the "Increase Privilege"). The Increase Privilege is not cumulative.
In the event the Borrower has exercised the "Increase Privilege" contained in this Credit Facility, then the Borrower shall, once in any calendar year, have the privilege of decreasing the amount of the then monthly payment payable under the Credit Facility to an amount which is not less than the amount of monthly payment payable at the beginning of the current term. For purposes hereof "current term" means the term of the Credit Facility in the event there has been no extension or renewal of such term, and if such term has been extended or renewed then it means the extended or renewed term commencing on the first day of the extended or renewed term.
3. The Borrower shall have the privilege of prepaying the entire balance outstanding under this Credit Facility (the "Full Payout Privilege") subject to the payment of a bonus equal to the greater of (i) three (3) months' interest on the outstanding Principal Amount of the Credit Facility at the interest rate then payable under the Credit Facility, or (ii) an amount in compensation for loss of interest, if any, where the interest rate then payable under this Credit Facility is greater than the Credit Union's current interest rate for reinvestment for the remainder of the term of this Credit Facility. The current interest rate for reinvestment is the applicable Government of Canada Bond rate or Treasury Bill yield.

Applicable Government of Canada Bond or Treasury Bill is that with a term not greater than (i) the remainder of the current term of the Credit Facility, and (ii) the next shorter term offered, provided that where the remainder of the term of the Credit Facility is less than the next shorter term offered, the Credit Union's current interest rate for reinvestment for the next shorter term shall apply. The bonus payable hereunder shall be calculated by the Credit Union and, in the absence of an obvious error, shall be conclusive.

Outstanding Balance shall be the outstanding Principal Loan amount on the date of the prepayment provided the borrower had not exercised its 20/20 prepayment privilege in the 30 days preceding the pay-out date. Where the borrower has exercised its 20/20 prepayment privilege within 30 days prior to the prepayment date, the borrower would be required to pay a bonus as defined above on the partial prepayment.



Initial(s)

THIS IS EXHIBIT "8"

REFERRED TO IN THE AFFIDAVIT OF

AJIBOLA (AJ) OMO-LOTO

Sworn before me this 13th day of July, 2023



**A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF ALBERTA**

**Afshan Naveed
Barrister & Solicitor**



PROMISSORY NOTE
(Floating Rate/Demand)

Connect First Credit Union Ltd.
(hereinafter called the "Credit Union")
Suite 2720, 700 - 9th Ave SW
Calgary, Alberta T2P 3V4

Commercial Banking Branch 096
Member No. **2993921**

\$30,000.00
("Principal Sum")

Date: May 27, 2020

FOR VALUE RECEIVED, the undersigned Borrower(s) jointly and severally promise(s) to pay to the Credit Union the sum of Thirty Thousand Dollars and 00/100 Dollars (\$30,000.00) UPON DEMAND with interest thereon from the date hereof, as set out below.

Interest on the principal balance outstanding from time to time shall float at the rate of 1.00% per annum greater than the Credit Union's prime rate of interest as established from time to time. Interest shall be calculated daily and not in advance, and shall be paid in interest only payments commencing the 5th day of June, 2020.

As of the date hereof, the Credit Union's prime rate of interest is 2.45% per annum, calculated daily and not in advance.

If, for any reason, the Credit Union's prime rate of interest cannot be established for any period, or should it be found to be unclear or uncertain, the prime rate of interest shall be deemed fixed for such period at the rate of 9.00% per annum, calculated daily and not in advance.

Interest shall be payable before, as well as after, maturity and before, well as after, default. All unpaid interest shall be added to principal and bear interest at the rate stated above.

Presentments for payment, notice of dishonor, protest, and notice of protest are all hereby expressly waived.

The Borrower(s) hereby pledge all deposits, paid up shares and payments on shares which the Borrower(s) now have or hereafter may have or become entitled to in the above named Credit Union as collateral security for this Promissory Note and any costs or expenses which may be imposed or incurred in connection with the collection thereof.

The Borrower(s) agree(s) to pay costs on a Solicitor and his own client basis in the event that the Borrower(s) default in payment of the within Promissory Note and collection procedures involving a Solicitor are necessary.

Sugarbud Craft Growers Corp.

"Affix Corporate Seal"

PER: 

John Kondosky, Chief Executive Officer

PER: 

Daniel T. Wilson, Chairman

THIS IS EXHIBIT "9"

REFERRED TO IN THE AFFIDAVIT OF

AJIBOLA (AJ) OMO-LOTO

Sworn before me this 13th day of July, 2023

A handwritten signature in blue ink, appearing to read 'Afshan Naveed', written over a horizontal line.

**A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF ALBERTA**

*Afshan Naveed
Barrister & Solicitor*



**GUARANTEE AND POSTPONEMENT
(of a Corporation)**

**CONNECT FIRST
CREDIT UNION LTD.
(the "Credit Union")**

Branch No./Loan No./Member No.

TO THE CREDIT UNION:

IN CONSIDERATION OF the Credit Union dealing with SUGARBUD CRAFT GROWERS CORP., of 620, 634-6th Avenue SW, Calgary, Alberta, T2P 0S4 (hereinafter referred to as the "**Customer**") the undersigned hereby guarantee(s) payment to the Credit Union of all present and future debts and liabilities direct or indirect or otherwise, now or at any time and from time to time hereafter due or owing to the Credit Union from or by the Customer or by any successor corporation of the Customer and whether incurred by the Customer alone or jointly with any other corporation, person or persons, or otherwise howsoever; provided, however, that the liability of the undersigned and of each of the undersigned herein is limited to:

- (a) the sum of \$8,500,000.00,
- (b) interest from the date of demand for payment at the same rate(s) as between the Credit Union and the Customer, and
- (c) solicitor-client costs as provided for hereunder.

IT IS AGREED that no change in the name, objects, capital stock or constitution of the Customer, shall in any way affect the liability of the undersigned or any of them, either with respect to transactions occurring before or after any such change, and the Credit Union shall not be concerned to see or inquire into the powers of the Customer or any of its directors or other agents, acting or purporting to act on its behalf, and monies, advances, renewals or credits, in fact borrowed or obtained from the Credit Union in the professed exercise of such powers shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding that such borrowing or obtaining of monies, advances, renewals or credits shall be in excess of the powers of the Customer or of its directors or other agents aforesaid, or be in any way irregular, defective or informal.

IT IS FURTHER AGREED that the Credit Union, without notice to the undersigned and without exonerating in whole or in part the undersigned, or any of them (if more than one), may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from, or from perfecting securities of, may accept compositions from, and may otherwise deal with the Customer and all other persons (including the undersigned, or any one of them, and any other guarantor) and securities, as the Credit Union may see fit, and that all dividends, compositions, and monies received by the Credit Union from the Customer or from any other persons or estates capable of being applied by the Credit Union in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Credit Union shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Credit Union in respect of any such proof until the Credit Union shall have received from such estate payment in full of its claim with interest.

The undersigned agrees that the Credit Union may, without notice to the undersigned, agree to change the interest rate on any or all of the debts and liabilities guaranteed herein by either raising or reducing the said interest rate, and that the undersigned shall be bound by such changes and interest rate and the undersigned further agrees that such changes in interest rate will in no way limit or lessen the liability of the undersigned under this Guarantee.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall cover and secure any ultimate balance owing to the Credit Union, but the Credit Union shall not be obliged to exhaust its recourse against the Customer or other persons or the securities it may hold before being entitled to payment from the undersigned of all and every of the debts and liabilities hereby guaranteed: Provided always that the undersigned, or any one or more of them (if more than one), or the respective executors, administrators or legal representatives of any of the undersigned, may determine his or their further liability under this continuing Guarantee by ninety days' notice in writing to be given to the Credit Union, and the liability hereunder of the undersigned and each of them (if more than one), and his or their respective executors, administrators and legal representatives shall continue until the expiration of ninety days after the giving of such notice, notwithstanding the death or insanity of the undersigned, and after the expiry of such notice the undersigned and each of them (if more than one), and his or their respective executors, administrators and legal representatives shall remain liable under this guarantee in respect of any sum or sums of money owing to the Credit Union as aforesaid on the date such notice expired and also in respect of any contingent or future liabilities incurred to or by the Credit Union on or before such date but maturing thereafter, but such determination in any manner of further liability of any one or more of the undersigned or of the respective executors, administrators or legal representatives of any of the undersigned shall not prevent the continuance of the liability hereunder of any others or other of the undersigned or of their or his respective executors, administrators, or legal representative. Every certificate issued under the hand of the Manager or Acting Manager of the Credit Union for the time being at the branch where the Customer's account shall be kept, purporting to show the amount at any particular time due and payable to the Credit Union, and covered by this Guarantee, shall be received as conclusive evidence as against the undersigned and every one of them (if more than one), and his or their respective executors, administrators and legal representatives, that such amount is at such time so due and payable to the Credit Union and is covered hereby.

THIS CONTRACT shall be construed in accordance with the laws of the Province of Alberta and for the purpose of legal proceedings this contract shall be deemed to have been made in the said Province and to be performed there, and the Courts of that Province shall have jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Credit Union from proceeding at its election against the undersigned in the Courts of any other Province or country.

NOTWITHSTANDING the provisions of any statute relating to the rate of interest payable by debtors, this contract shall remain in full force and effect whatever the rate of interest received or demanded by the Credit Union.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned and each of them are hereby postponed to the debts and liabilities of the Customer to the Credit Union and all monies received by any of the undersigned or their or his assigns thereon shall be received as Trustees for the Credit Union and shall be paid over to the Credit Union.

THE UNDERSIGNED and each of them (if more than one) acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned or any of them (if more than one) affecting the liability of the undersigned or any of them (if more than one) under this Guarantee save as may be specifically embodied herein and

agrees that this Guarantee is in addition to and not in substitution for any other Guarantees held or which may hereafter be held by the Credit Union.

IN THE EVENT the Credit Union engages a solicitor to effect collection of the amount outstanding under this guarantee, the undersigned agrees to pay the full costs of said solicitors as between solicitor and own client on a full indemnity basis.

AS WITNESS the hands and seals of the undersigned, at Calgary, Alberta, this 13th day of January, 2022.

TRICHOME HOLDINGS CORP.

Per: 
Name: CHRIS MOULSON
Title: Chief Financial Officer

(C/S)

THIS IS EXHIBIT "10"

REFERRED TO IN THE AFFIDAVIT OF

AJIBOLA (AJ) OMO-LOTO

Sworn before me this 13th day of July, 2023



**A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF ALBERTA**

**Afshan Naveed
Barrister & Solicitor**



**GUARANTEE AND POSTPONEMENT
(of a Corporation)**

**CONNECT FIRST
CREDIT UNION LTD.
(the "Credit Union")**

Branch No./Loan No./Member No.

TO THE CREDIT UNION:

IN CONSIDERATION OF the Credit Union dealing with SUGARBUD CRAFT GROWERS CORP., of 620, 634-6th Avenue SW, Calgary, Alberta, T2P 0S4 (hereinafter referred to as the "**Customer**") the undersigned hereby guarantee(s) payment to the Credit Union of all present and future debts and liabilities direct or indirect or otherwise, now or at any time and from time to time hereafter due or owing to the Credit Union from or by the Customer or by any successor corporation of the Customer and whether incurred by the Customer alone or jointly with any other corporation, person or persons, or otherwise howsoever; provided, however, that the liability of the undersigned and of each of the undersigned herein is limited to:

- (a) the sum of \$8,500,000.00,
- (b) interest from the date of demand for payment at the same rate(s) as between the Credit Union and the Customer, and
- (c) solicitor-client costs as provided for hereunder.

IT IS AGREED that no change in the name, objects, capital stock or constitution of the Customer, shall in any way affect the liability of the undersigned or any of them, either with respect to transactions occurring before or after any such change, and the Credit Union shall not be concerned to see or inquire into the powers of the Customer or any of its directors or other agents, acting or purporting to act on its behalf, and monies, advances, renewals or credits, in fact borrowed or obtained from the Credit Union in the professed exercise of such powers shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding that such borrowing or obtaining of monies, advances, renewals or credits shall be in excess of the powers of the Customer or of its directors or other agents aforesaid, or be in any way irregular, defective or informal.

IT IS FURTHER AGREED that the Credit Union, without notice to the undersigned and without exonerating in whole or in part the undersigned, or any of them (if more than one), may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from, or from perfecting securities of, may accept compositions from, and may otherwise deal with the Customer and all other persons (including the undersigned, or any one of them, and any other guarantor) and securities, as the Credit Union may see fit, and that all dividends, compositions, and monies received by the Credit Union from the Customer or from any other persons or estates capable of being applied by the Credit Union in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Credit Union shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Credit Union in respect of any such proof until the Credit Union shall have received from such estate payment in full of its claim with interest.

The undersigned agrees that the Credit Union may, without notice to the undersigned, agree to change the interest rate on any or all of the debts and liabilities guaranteed herein by either raising or reducing the said interest rate, and that the undersigned shall be bound by such changes and interest rate and the undersigned further agrees that such changes in interest rate will in no way limit or lessen the liability of the undersigned under this Guarantee.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall cover and secure any ultimate balance owing to the Credit Union, but the Credit Union shall not be obliged to exhaust its recourse against the Customer or other persons or the securities it may hold before being entitled to payment from the undersigned of all and every of the debts and liabilities hereby guaranteed: Provided always that the undersigned, or any one or more of them (if more than one), or the respective executors, administrators or legal representatives of any of the undersigned, may determine his or their further liability under this continuing Guarantee by ninety days' notice in writing to be given to the Credit Union, and the liability hereunder of the undersigned and each of them (if more than one), and his or their respective executors, administrators and legal representatives shall continue until the expiration of ninety days after the giving of such notice, notwithstanding the death or insanity of the undersigned, and after the expiry of such notice the undersigned and each of them (if more than one), and his or their respective executors, administrators and legal representatives shall remain liable under this guarantee in respect of any sum or sums of money owing to the Credit Union as aforesaid on the date such notice expired and also in respect of any contingent or future liabilities incurred to or by the Credit Union on or before such date but maturing thereafter, but such determination in any manner of further liability of any one or more of the undersigned or of the respective executors, administrators or legal representatives of any of the undersigned shall not prevent the continuance of the liability hereunder of any others or other of the undersigned or of their or his respective executors, administrators, or legal representative. Every certificate issued under the hand of the Manager or Acting Manager of the Credit Union for the time being at the branch where the Customer's account shall be kept, purporting to show the amount at any particular time due and payable to the Credit Union, and covered by this Guarantee, shall be received as conclusive evidence as against the undersigned and every one of them (if more than one), and his or their respective executors, administrators and legal representatives, that such amount is at such time so due and payable to the Credit Union and is covered hereby.

THIS CONTRACT shall be construed in accordance with the laws of the Province of Alberta and for the purpose of legal proceedings this contract shall be deemed to have been made in the said Province and to be performed there, and the Courts of that Province shall have jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Credit Union from proceeding at its election against the undersigned in the Courts of any other Province or country.

NOTWITHSTANDING the provisions of any statute relating to the rate of interest payable by debtors, this contract shall remain in full force and effect whatever the rate of interest received or demanded by the Credit Union.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned and each of them are hereby postponed to the debts and liabilities of the Customer to the Credit Union and all monies received by any of the undersigned or their or his assigns thereon shall be received as Trustees for the Credit Union and shall be paid over to the Credit Union.


THE UNDERSIGNED and each of them (if more than one) acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned or any of them (if more than one) affecting the liability of the undersigned or any of them (if more than one) under this Guarantee save as may be specifically embodied herein and

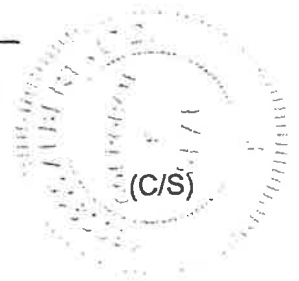
agrees that this Guarantee is in addition to and not in substitution for any other Guarantees held or which may hereafter be held by the Credit Union.

IN THE EVENT the Credit Union engages a solicitor to effect collection of the amount outstanding under this guarantee, the undersigned agrees to pay the full costs of said solicitors as between solicitor and own client on a full indemnity basis.

AS WITNESS the hands and seals of the undersigned, at Calgary, Alberta, this 13th day of January, 2022.

1800905 ALBERTA LTD.

Per: 
Name: CHRIS MOULSON
Title: Vice-President, Finance and
Chief Financial Officer



THIS IS EXHIBIT "11"

REFERRED TO IN THE AFFIDAVIT OF

AJIBOLA (AJ) OMO-LOTO

Sworn before me this 13th day of July, 2023



**A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF ALBERTA**

**Afshan Naveed
Barrister & Solicitor**

大成 DENTONS

Afshan Naveed
Partner
afshan.naveed@dentons.com
D +1 403 268 7015

Dentons Canada LLP
15th Floor, Bankers Court
850-2nd Street SW
Calgary, AB, Canada T2P 0R8

dentons.com

September 22, 2022

File No.: 571709-75

DELIVERED VIA REGISTERED MAIL & EMAIL [RZahara@mltaikins.com]

Sugarbud Craft Growers Corp.
4300 Bankers Hall West, 888 – 3rd Street SW
Calgary, AB T2P 5C5

Sugarbud Craft Growers Corp.
c/o MLT Aikins LLP
2100 Livingston Place, 222 3 Ave SW
Calgary, AB T2P 0B4

Attn: Ryan Zahara

Dear Sir:

Re: Connect First Credit Union Ltd. and Sugarbud Craft Growers Corp.

We are counsel to Connect First Credit Union Ltd. ("**Connect**"). As you are aware, Sugarbud Craft Growers Corp. (the "**Borrower**") is indebted to Connect pursuant to a commitment letter dated December 24, 2021, various loan agreements and promissory notes, each as amended from time to time (collectively the "**Loan Agreements**").

Pursuant to the Loan Agreements, Connect has made available the following seven (7) credit facilities:

1. Authorized Overdraft in the amount of \$500,000;
2. Letter of Credit in the amount of \$70,000;
3. Commercial Mortgage Loan in the amount of \$5,220,000;
4. Commercial Mortgage Loan in the amount of \$500,000;
5. Commercial Mortgage Loan in the amount of \$400,000;
6. Commercial Mortgage Loan in the amount of \$500,000; and
7. Commercial Demand Mortgage Loan in the amount of \$900,000

(plus interest and costs to the Borrower (the "**Loans**")).

In this regard, reference is made to the following security granted by the Borrower in favour of Connect with respect to the Loans:

1. General Security Agreement, dated May 27, 2020; and

Bingham Greenebaum ► Cohen & Grigsby ► Sayarh & Menjra ► Larrain Rencoret ► Hamilton Harrison & Mathews ► Mardemootoo Balgobin ► HPRP ► Zain & Co. ► Delany Law ► Dinner Martin ► For more on the firms that have joined Dentons, go to [dentons.com/legacyfirms](https://www.dentons.com/legacyfirms)

2. Assignment of Receivables Agreement, dated December 29, 2020;

(collectively the "**Security**").

The Borrower is in default of its obligations to Connect under the Loan Agreements and the Security. In addition, certain of the facilities are demand loans.

Accordingly, on behalf of Connect, we hereby demand repayment of all amounts due and owing by the Borrower to Connect under the Loan Agreements and the Security, namely the amount of **\$7,704,295.40** as of **September 22, 2022**, plus all accrued and accruing interest, expenses, and legal costs on a solicitor and its own client, full indemnity basis (the "**Indebtedness**").

A breakdown of the Indebtedness is as follows:

A.	Principal Outstanding Loan No. 120012993921	\$696,000.00
	Interest Outstanding	\$2,676.20
	<u>Total</u>	<u>\$698,676.20</u>
	Per Diem	N/A
B.	Principal Outstanding Loan No. 955302993921	\$70,000.00
	Interest Outstanding	\$0.00
	<u>Total</u>	<u>\$70,000.00</u>
	Per Diem	N/A
C.	Principal Outstanding Loan No. 955002993921	\$4,832,844.20
	Interest Outstanding	\$16,484.63
	<u>Total</u>	<u>\$4,849,328.83</u>
	Per Diem	\$549.49
D.	Principal Outstanding Loan No. 723111719784	\$401,084.36
	Interest Outstanding	\$1,368.08
	<u>Total</u>	<u>\$402,452.44</u>
	Per Diem	\$45.60

E.	Principal Outstanding Loan No. 723111816390	\$339,438.98
	Interest Outstanding	\$1,157.82
	<u>Total</u>	<u>\$340,596.80</u>
	Per Diem	\$38.59
F.	Principal Outstanding Loan No. 723111822489	\$433,519.79
	Interest Outstanding	\$1,478.72
	<u>Total</u>	<u>\$434,998.51</u>
	Per Diem	\$49.29
G.	Principal Outstanding Loan No. 723112062291	\$900,090.00
	Interest Outstanding	\$8,152.62
	<u>Total</u>	<u>\$908,242.62</u>
	Per Diem	\$183.72
	<u>TOTAL</u>	<u>\$7,704,295.40</u>
I.	Legal Costs (to be determined)	TBD

Please note that the Indebtedness will continue to accrue interest at the rates agreed to, and costs and expenses will continue to be incurred by Connect for which the Borrower will be responsible, until payment of all amounts owing is received by either certified cheque or bank draft at the following address:

Connect First Credit Union Ltd.
C/O Dentons Canada LLP
1500, 850 – 2nd Street, SW
Calgary, Alberta T2P 0R8
Attention: Afshan Naveed

If full payment, as set forth above, is not received by close of business on **October 3, 2022** Connect will take whatever steps it deems appropriate to seek repayment of the said amount.

Please note that Connect reserves its rights to proceed against you prior to the time stipulated above in the event that it determines that its position is further jeopardized.

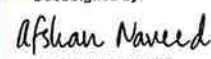
In addition, Connect reserves and preserves its rights to proceed against you at any time after October 3, 2022 without the necessity of serving a new demand for payment.

Enclosed with this letter for service upon you is a Notice of Intention to Enforce Security ("NOI") in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). If you are prepared to waive the ten-day notice period, please provide your consent to Connect's early enforcement of the Security by executing the consent and waiver attached to the NOI.

If you have any questions or concerns, please contact the undersigned directly.

Yours truly,

Dentons Canada LLP

Afshan Naveed

QCDE8FBC6A2F4BB...

Partner

AN/tt

Enclosure

NOTICE OF INTENTION TO ENFORCE SECURITY

(Subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada))

TO: SUGARBUD CRAFT GROWERS CORP., an insolvent person (the "**Debtor**")

TAKE NOTICE THAT:

1. Connect First Credit Union Ltd. ("**Connect**"), a secured creditor of the Debtor, intends to enforce its security in the personal property of the Debtor as set out below:
 - (a) all present and after-acquired personal property;
 - (b) all accounts receivable; and
 - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is in the form of a:
 - (a) General Security Agreement, dated May 27, 2020; and
 - (b) Assignment of Receivables Agreement, dated December 29, 2020;(collectively the "**Security**").
3. The total amount of indebtedness secured by the Security as at September 22, 2022 is the sum of \$7,704,295.40, CDN plus all further accruing interest and all legal costs on a solicitor and its own client, full indemnity basis, incurred with respect to collection of the foregoing amounts.
4. Connect will not have the right to enforce its Security until after the expiry of the 10 day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at the City of Calgary, in the Province of Alberta, this 22nd day of September, 2022.

DENTONS CANADA LLP, solicitors and agents
for Connect First Credit Union Ltd.

Per: 
Afshan Naveed

CONSENT AND WAIVER

THE UNDERSIGNED hereby:

1. Acknowledges receipt of the Notice herein;
2. Waives the 10 days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consents to the immediate enforcement by Connect of the Security referred to herein.

DATED this _____ day of _____, 2022.

SUGARBUD CRAFT GROWERS CORP.

Per: _____
Name: _____
Position: _____

大成 DENTONS

Afshan Naveed
Partner

afshan.naveed@dentons.com
D +1 403 268 7015

Dentons Canada LLP
15th Floor, Bankers Court
850-2nd Street SW
Calgary, AB, Canada T2P 0R8

dentons.com

September 22, 2022

File No.: 571709-75

DELIVERED VIA REGISTERED MAIL & EMAIL [RZahara@mltaikins.com]

Trichome Holdings Corp.
4300 Bankers Hall West, 888 – 3rd Street SW
Calgary, AB T2P 5C5

Trichome Holdings Corp.
c/o MLT Aikins LLP
2100 Livingston Place, 222 3 Ave SW
Calgary, AB T2P 0B4

Attn: Ryan Zahara

Dear Sir:

Re: Connect First Credit Union Ltd. and Sugarbud Craft Growers Corp.

We are counsel to Connect First Credit Union Ltd. ("**Connect**"). As you are aware Sugarbud Craft Growers Corp. (the "**Borrower**") is indebted to Connect pursuant to a commitment letter dated December 24, 2021, various loan agreements and promissory notes, each as amended from time to time (collectively the "**Loan Agreements**").

Pursuant to the Loan Agreements, Connect has made available the following seven (7) credit facilities:

1. Authorized Overdraft in the amount of \$500,000;
2. Letter of Credit in the amount of \$70,000;
3. Commercial Mortgage Loan in the amount of \$5,220,000;
4. Commercial Mortgage Loan in the amount of \$500,000;
5. Commercial Mortgage Loan in the amount of \$400,000;
6. Commercial Mortgage Loan in the amount of \$500,000; and
7. Commercial Demand Mortgage Loan in the amount of \$900,000

(plus interest and costs to the Borrower (the "**Loans**").

In this regard, reference is made to the guarantee and postponement that Trichome Holdings Corp. (the "**Guarantor**") granted in favour of Connect in respect of the obligations of the Borrower to Connect, dated January 13, 2022 limited to the sum of \$8,500,000.00 (the "**Guarantee**").

Further, reference is made to the General Security Agreement, dated May 27, 2020 granted by the Guarantor in favour of Connect with respect to the Loan (the "**Security**").

Bingham Greenebaum ► Cohen & Grigsby ► Sayarh & Menjra ► Larrain Rencoret ► Hamilton Harrison & Mathews ► Mardemootoo Balgobin ► HPRP ► Zain & Co. ► Delany Law ► Dinner Martin ► For more on the firms that have joined Dentons, go to [dentons.com/legacyfirms](https://www.dentons.com/legacyfirms)

September 22, 2022
Page 2

The Borrower is in default of its obligations to Connect and has been served with a demand for repayment of all amounts owing to Connect pursuant to the Loans, namely the sum of \$7,704,295.40, a copy of the demand is attached for your reference.

Accordingly, on behalf of Connect, we hereby demand repayment of all amounts due and owing by you to Connect under the Guarantee, namely in the amount of **\$7,704,295.40**, plus all accrued and accruing interest, expenses, and legal costs on a solicitor and own client, full indemnity basis (the "Indebtedness").

Please note that the Indebtedness will continue to accrue interest at the rates agreed to, and costs and expenses will continue to be incurred by Connect for which you will be responsible, until payment of all amounts owing is received by either certified cheque or bank draft at the following address:

Connect First Credit Union Ltd.
C/O Dentons Canada LLP
1500, 850 – 2nd Street, SW
Calgary, Alberta T2P 0R8
Attention: Afshan Naveed

If full payment, as set forth above, is not received by close of business on **October 3, 2022** Connect will take whatever steps it deems appropriate to seek repayment of the said amount.

Please note that Connect reserves its rights to proceed against you prior to the time stipulated above in the event that it determines that its position is further jeopardized.


In addition, Connect reserves and preserves its rights to proceed against you at any time after October 3, 2022 without the necessity of serving a new demand for payment.

Enclosed with this letter for service upon you is a Notice of Intention to Enforce Security ("NOI") in accordance with section 244 of the Bankruptcy and Insolvency Act (Canada). If you are prepared to waive the ten-day notice period, please provide your consent to Connect's early enforcement of the Security by executing the consent and waiver attached to the NOI.

If you have any questions or concerns, please contact the undersigned directly

Yours truly,

Dentons Canada LLP

DocuSigned by:

DCDE8FBC6A2F4BB

Afshan Naveed
Partner

AN/tt

Enclosure

NOTICE OF INTENTION TO ENFORCE SECURITY

(Subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada))

TO: TRICHOME HOLDINGS CORP., an insolvent person (the "**Debtor**")

TAKE NOTICE THAT:

1. Connect First Credit Union Ltd. ("**Connect**"), a secured creditor of the Debtor, intends to enforce its security in the personal property of the Debtor as set out below:
 - (a) all present and after-acquired personal property; and
 - (b) all proceeds of the foregoing collateral.
2. The security that is to be enforced is in the form of a General Security Agreement, dated May 27, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security as at September 22, 2022 is the sum of \$7,704,295.40, CDN plus all further accruing interest and all legal costs on a solicitor and own client, full indemnity basis incurred with respect to collection of the foregoing amounts.
4. Connect will not have the right to enforce its Security until after the expiry of the 10 day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at the City of Calgary, in the Province of Alberta, this 22nd day of September, 2022.

DENTONS CANADA LLP, solicitors and agents
for Connect First Credit Union Ltd.

DocuSigned by:

DCDE8FBC6A2F4BB...

Per:

Afshan Naveed

CONSENT AND WAIVER

THE UNDERSIGNED hereby:

1. Acknowledges receipt of the Notice herein;
2. Waives the 10 days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consents to the immediate enforcement by Connect of the Security referred to herein.

DATED this _____ day of _____, 2022.

TRICHOME HOLDINGS CORP.

Per: _____

Name: _____

Position: _____

大成 DENTONS

Afshan Naveed
Partner

afshan.naveed@dentons.com
D +1 403 268 7015

Dentons Canada LLP
15th Floor, Bankers Court
850-2nd Street SW
Calgary, AB, Canada T2P 0R8

dentons.com

September 22, 2022

File No.: 571709-75

DELIVERED VIA REGISTERED MAIL & EMAIL [RZahara@mltaikins.com]

1800905 Alberta Ltd.
4300 Bankers Hall West, 888 – 3rd Street SW
Calgary, AB T2P 5C5

1800905 Alberta Ltd.
c/o MLT Aikins LLP
2100 Livingston Place, 222 3 Ave SW
Calgary, AB T2P 0B4

Attn: Ryan Zahara

Dear Sir:

Re: Connect First Credit Union Ltd. and Sugarbud Craft Growers Corp.

We are counsel to Connect First Credit Union Ltd. ("**Connect**"). As you are aware Sugarbud Craft Growers Corp. (the "**Borrower**") is indebted to Connect pursuant to a commitment letter dated December 24, 2021, various loan agreements and promissory notes, each as amended from time to time (collectively the "**Loan Agreements**").

Pursuant to the Loan Agreements, Connect has made available the following seven (7) credit facilities:

1. Authorized Overdraft in the amount of \$500,000;
2. Letter of Credit in the amount of \$70,000;
3. Commercial Mortgage Loan in the amount of \$5,220,000;
4. Commercial Mortgage Loan in the amount of \$500,000;
5. Commercial Mortgage Loan in the amount of \$400,000;
6. Commercial Mortgage Loan in the amount of \$500,000; and
7. Commercial Demand Mortgage Loan in the amount of \$900,000

(plus interest and costs to the Borrower (the "**Loans**").

- 2 In this regard, reference is made to the guarantee and postponement that 1800905 Alberta Ltd. (the "**Guarantor**") granted in favour of Connect in respect of the obligations of the Borrower to Connect, dated January 13, 2022 limited to the sum of \$8,500,000.00 (the "**Guarantee**").

Further, reference is made to the following security granted by the Guarantor in favour of Connect with respect to the Loan:

1. General Security Agreement, dated May 27, 2020;
2. Collateral Mortgage dated May 27, 2020;
3. Mortgage Amending Agreement dated December 29, 2020;
4. Mortgage Amending Agreement dated October 8, 2021;
5. Mortgage Amending Agreement dated January 13, 2022; and
6. Assignment of Rents and Leases dated January 13, 2022;

(collectively the "**Security**").

The Borrower is in default of its obligations to Connect and has been served with a demand for repayment of all amounts owing to Connect pursuant to the Loans, namely the sum of \$7,704,295.40, a copy of the demand is attached for your reference.

Accordingly, on behalf of Connect, we hereby demand repayment of all amounts due and owing by you to Connect under the Guarantee, namely in the amount of **\$7,704,295.40**, plus all accrued and accruing interest, expenses, and legal costs on a solicitor and own client, full indemnity basis (the "**Indebtedness**").

Please note that the Indebtedness will continue to accrue interest at the rates agreed to, and costs and expenses will continue to be incurred by Connect for which you will be responsible, until payment of all amounts owing is received by either certified cheque or bank draft at the following address:

Connect First Credit Union Ltd.
C/O Dentons Canada LLP
1500, 850 – 2nd Street, SW
Calgary, Alberta T2P 0R8
Attention: Afshan Naveed

If full payment, as set forth above, is not received by close of business on **October 3, 2022** Connect will take whatever steps it deems appropriate to seek repayment of the said amount.

Please note that Connect reserves its rights to proceed against you prior to the time stipulated above in the event that it determines that its position is further jeopardized.

In addition, Connect reserves and preserves its rights to proceed against you at any time after October 3, 2022 without the necessity of serving a new demand for payment.

Enclosed with this letter for service upon you is a Notice of Intention to Enforce Security ("**NOI**") in accordance with section 244 of the Bankruptcy and Insolvency Act (Canada). If you are prepared to waive the ten-day notice period, please provide your consent to Connect's early enforcement of the Security by executing the consent and waiver attached to the NOI.

If you have any questions or concerns, please contact the undersigned directly

Yours truly,

Dentons Canada LLP

DocuSigned by:

DCDE8FBC6A2F4BB...

Afshan Naveed
Partner

AN/tt

Enclosure

NOTICE OF INTENTION TO ENFORCE SECURITY

(Subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada))

TO: 1800905 ALBERTA LTD., an insolvent person (the "**Debtor**")

TAKE NOTICE THAT:

1. Connect First Credit Union Ltd. ("**Connect**"), a secured creditor of the Debtor, intends to enforce its security in the personal property of the Debtor as set out below:
 - (a) all present and after-acquired personal property;
 - (b) the lands legally described as:

PLAN 0812160
BLOCK 4
LOT 3
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.636 HECTARES (4.04 ACRES) MORE OR LESS
(the "**Lands**");
 - (c) all leases and rents of the Lands; and
 - (d) all proceeds of the foregoing collateral.
2. The security that is to be enforced is in the form of a:
 - (a) General Security Agreement, dated May 27, 2020;
 - (b) Collateral Mortgage dated May 27, 2020;
 - (c) Mortgage Amending Agreement dated December 29, 2020;
 - (d) Mortgage Amending Agreement dated October 8, 2021;
 - (e) Mortgage Amending Agreement dated January 13, 2022; and
 - (f) Assignment of Rents and Leases dated January 13, 2022;

(collectively the "**Security**").
3. The total amount of indebtedness secured by the Security as at September 22, 2022 is the sum of \$7,704,295.40, CDN plus all further accruing interest and all legal costs on a solicitor and its own client, full indemnity basis, incurred with respect to collection of the foregoing amounts.

- 2 -

4. Connect will not have the right to enforce its Security until after the expiry of the 10 day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at the City of Calgary, in the Province of Alberta, this 22nd day of September, 2022.

DENTONS CANADA LLP, solicitors and agents
for Connect First Credit Union Ltd.

DocuSigned by:
Afshan Naveed
DCDE8FBC6A2F48B...

Per:

Afshan Naveed

CONSENT AND WAIVER

THE UNDERSIGNED hereby:

1. Acknowledges receipt of the Notice herein;
2. Waives the 10 days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consents to the immediate enforcement by Connect of the Security referred to herein.

DATED this _____ day of _____, 2022.

1800905 ALBERTA LTD.

Per: _____
Name: _____
Position: _____

THIS IS EXHIBIT "12"
REFERRED TO IN THE AFFIDAVIT OF
AJIBOLA (AJ) OMO-LOTO

Sworn before me this 13th day of July, 2023



**A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF ALBERTA**

Afshan Naveed
Barrister & Solicitor

COURT FILE NUMBER 25-2868952
25-2868957
25-2868949

COURT COURT OF KING'S BENCH OF
ALBERTA

JUDICIAL CENTRE CALGARY



COM

MATTER IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY*
ACT, R.S.C. 1985, c. B-3, AS AMENDED,

AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF SUGARBUD CRAFT GROWER
CORP.

AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF TRICHOME HOLDINGS CORP.

AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF 1800905 ALBERTA LTD.

APPLICANTS SUGARBUD CRAFT GROWER CORP., TRICHOME
HOLDINGS CORP., and 1800905 ALBERTA LTD.

DOCUMENT: **ORDER (APPROVAL OF PROCEDURAL CONSOLIDATION,
INTERIM FINANCING CHARGE, KERP CHARGE, SISP,
D&O CHARGE, AND ADMINISTRATION CHARGE)**

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

MLT AIKINS LLP
2100 Livingston Place
222 - 3rd Avenue S.W.
Calgary, AB T2P 0B4
Solicitor : Ryan Zahara/Chris Nyberg
Phone Number: 403-693-5420/2636
Email: rzahara@mltaikins.com/cnyberg@mltaikins.com
Fax Number: 403.508.4349
File No.: 0158011/00001

DATE ON WHICH ORDER WAS PRONOUNCED: SEPTEMBER 29, 2022

LOCATION OF HEARING OR TRIAL: CALGARY, ALBERTA

JUSTICE WHO MADE THIS ORDER: HONOURABLE JUSTICE D.B. NIXON

UPON THE APPLICATION of Sugarbud Craft Grower Corp. ("**SCGC**"), Trichome Holdings Corp. ("**THC**"), and 1800905 Alberta Ltd. ("**Op Co**", and together with SCGC and THC, "**Sugarbud**" or the "**Applicants**") served on September 26 2022; AND UPON reading Affidavit of Daniel T. Wilson sworn September 26 2022 (the "**Wilson Affidavit**") and the First Report of the Proposal Trustee dated September 27, 2022 (the "**First Report**"); AND UPON hearing submissions by counsel for Sugarbud, counsel for Alvarez & Marsal Canada Inc., in its capacity as proposal trustee of the Applicants (the "**Proposal Trustee**") and counsel for Connect First Credit Union Ltd. and any other counsel or other interested parties present,

IT IS HEREBY ORDERED THAT:

Service

1. The time for service of the notice of application for this order (the "**Order**") is hereby abridged and deemed good and sufficient and this application is properly returnable today, and no other than those persons served is entitled to service of the notice of application.

Defined Terms

2. Unless otherwise indicated, all capitalized terms used herein and not otherwise defined shall have the meanings used in the Wilson Affidavit or the IF Term Sheet (as defined below).

Procedural Consolidation

3. The bankruptcy estates of the Applicants, SCGC (Estate No. 25-2868952), THC (Estate No. 25-2868957) and Opco (Estate No. 25-2868949) and, collectively, the "**Estates**") shall, subject to further order of the Court, be procedurally consolidated and shall continue under Estate No. 25-2868952 such capacity the "**Consolidated Proposal Proceeding**".
4. Without limiting the generality of the foregoing, the Proposal Trustee of the Applicants is hereby authorized and directed to administer the Estates on a consolidated basis for all purposes in carrying out its administrative duties and other responsibilities as proposal trustee under the BIA as if the Consolidated Proposal Proceeding were a single proceeding under the BIA, including without limitation:
 - (a) the meeting of creditors of the Applicants may be convened and conducted jointly;

- (b) the Proposal Trustee is authorized to issue consolidated reports in respect of the Applicants; and
 - (c) the Proposal Trustee is authorized to deal with all filings and notices relating to the proposal proceedings of the Applicants, each as required under the BIA on a consolidated basis.
- 5. Any pleadings or other documents served or filed in the Consolidated Proposal Proceeding by any party shall be deemed to have been served or filed in each of the proceedings comprising the Consolidated Proposal Proceeding.
- 6. A copy of this Order shall be filed by the Applicants in the court file for each of the Estates but any subsequent document required to be filed will be hereafter only be required to be filed in the Consolidated Proposal Proceeding in Estate No. 25-2868952.
- 7. The procedural consolidation of the Estates pursuant to this Order shall not:
 - (a) affect the legal status or corporate structure of the Applicants; or
 - (b) cause any of the Applicants to (i) be liable for any claim for which they are otherwise not liable, or (ii) have an interest in an asset to which it otherwise would not have.
- 8. The Estates are not substantially consolidated, and nothing in this Order shall be construed to that affect.
- 9. The Proposal Trustee or the Applicants may apply to this Court for advice and directions with respect to the implementation of this Order or with respect to any other matter relating to the procedural and or substantive consolidation of the Estates.

Extension of Time to File Proposal

- 10. Pursuant to subsection 50.4(9) of the BIA, the period within which the Applicants are required to file a proposal to its creditors with the Official Receiver under subsection 62(1) of the BIA shall be and is hereby extended until December 10, 2022.

Approval of the SISP

11. The SISP and the SISP Procedures, substantially in the form attached as Schedule "A" hereto, shall be and are hereby approved and the Applicants and the Proposal Trustee are authorized and directed to carry out the SISP in accordance with the SISP Procedures and this Order, and are hereby authorized and directed to take such steps as they consider necessary or appropriate in carrying out each of their obligations thereunder, subject to prior to approval of this Court being obtained before the completion of any transaction(s) resulting from the SISP.

Administration Charge

12. Legal counsel to the Applicants, MLT Aikins LLP, and the Proposal Trustee and its legal counsel Burnett, Duckworth and Palmer LLP, (collectively, the "**Administrative Professionals**") as security for their respective professional fees and disbursements incurred both before the commencement of the NOI proceeding and before or after the granting of this Order, shall be entitled to the benefit of, and are hereby granted, a first ranking charge (the "**Administration Charge**") on all of the Applicants' present and after-acquired assets, property and undertakings (the "**Property**"), which charge shall not exceed \$500,000 as security for the Administrative Professionals' professional fees and disbursements incurred at normal rates and charges, both before and after the commencement of the NOI Proceedings and the making of this Order.

Interim Financing and Interim Lender's Charge

13. The Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from Connect First Credit Union Ltd. (the "**Interim Lender**") in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$2,000,000 unless permitted by further order of this Court.
14. Such credit facility shall be substantially on the terms and subject to the conditions set forth in the term sheet between the Applicants and the Interim Lender (the "**IF Term Sheet**"), a copy of which is appended at Exhibit "J" to the Wilson Affidavit.
15. 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 IF Term Sheet or as may be reasonably required by the Interim Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities, and obligations to the Interim Lender under and pursuant to the IF 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.

16. The Interim Lender shall be entitled to the benefits of and is hereby granted a charge (the “**Interim Lender's Charge**”) on the Property of the Applicants to secure all obligations under the IF Term Sheet and Definitive Documents incurred on or after the date of this Order which charge shall not exceed the aggregate amount advanced on or after the date of this Order under the IF Term Sheet and Definitive Documents. The Interim Lender's Charge shall not secure any obligation existing before the commencement of the NOI Proceeding, except as otherwise noted in the IF Term Sheet. The Interim Lender's Charge shall have the priority set out in paragraphs 24 and 26 hereof.
17. Notwithstanding any other provision of this Order:
 - (a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge or any of the Definitive Documents;
 - (b) upon the occurrence of an event of default under the Definitive Documents or the Interim Lender's Charge, the Interim Lender, upon 5 days notice to the Applicants and the Proposal Trustee, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the IF Term Sheet, Definitive Documents, and the Interim Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the Interim Lender to the Applicants against the obligations of the Applicants to the Interim Lender under the IF Term Sheet, the Definitive Documents or the Interim 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 Interim Lender shall be enforceable against any trustee in bankruptcy, monitor, interim receiver, receiver or receiver and manager of the Applicants or the Property.

- 18. The Interim Lender shall be treated as unaffected in any proposal filed by the Applicants under the BIA, with respect to any advances made under the IF Term Sheet and Definitive Documents.

Directors' Charge

- 19. The Applicants shall indemnify their directors and officers (collectively, the "**Directors and Officers**") against obligations and liabilities that they may incur as directors and 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 was incurred as a result of the director's or officer's gross negligence or wilful misconduct.
- 20. The Directors and Officers 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 \$200,000, as security for the indemnity provided in paragraph 19 of this Order. The Directors' Charge shall have the priority set out in paragraphs 24 and 26 herein.
- 21. 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 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 19 of this Order.

KERP and KERP Charge

22. The terms and conditions of the KERP are hereby approved and the Applicants are authorized to perform its obligations thereunder, including making all payments required in accordance with the terms thereof.
23. The employees eligible under the KERP shall be entitled to the benefit of and are hereby granted a charge on the Property to the extent of an aggregate amount of \$140,000 (the "**KERP Charge**") as security for the payment of the obligations of the Applicants provided thereunder. The KERP Charge shall have a priority set out in paragraphs 24 and 26 of this Order.

Validity and Priority of Charges

24. The priorities of the Administration Charge, the Interim Lender's Charge, the Directors' Charge, and the KERP Charge (collectively, the "**Charges**"), as among them, shall be as follows:
 - (a) First – Administration Charge (to the maximum amount of \$500,000);
 - (b) Second – Interim Lender's Charge;
 - (c) Third – Directors' Charge (to the maximum amount of \$200,000); and
 - (d) Fourth – KERP Charge (to the maximum amount of \$140,000).
25. The filing, registration or perfection of the Charges shall not be required, and 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.
26. Each of the Administration Charge, the Interim Lender's Charge, the Directors' Charge and the KERP Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person. On a without prejudice basis, for the purposes of this NOI Proceeding only, and solely in respect of SCGC's Property, SCGC hereby agrees that the Charges shall rank subsequent to any amounts outstanding and owed by SCGC to His Majesty the King in the right of Canada, as represented by the Minister of National Revenue and the Canada Revenue Agency (collectively, the "**CRA**")

pursuant to subsection 227(4.1) of the Income Tax Act, subsection 23(4) of the Canada Pension Plan, and subsection 86(2.1) of the Employment Insurance Act by SCGC (collectively, the "**Source Deductions**"). The agreement regarding the ranking of the Charges between SCGC and the CRA in respect of the Source Deductions is not determinative of the ranking of any charges granted by the Court in any other proceedings and shall not be used as a precedent for future matters.

27. 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 Administration Charge, the Interim Lender's Charge, Directors' Charge and the KERP Charge unless the Applicant also obtains the prior written consent of the Proposal Trustee, the Interim Lender, and the beneficiaries of the Directors' Charge, the Administration Charge, the KERP Charge, or further order of this Court.
28. The Administration Charge, IF Term Sheet, the Definitive Documents, the Interim Lender's Charge, Directors' Charge and the KERP Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the Interim Lender 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 this Order;
 - (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:
 - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof [, including

the IF Term Sheet or the Definitive Documents,] shall create or be deemed to constitute a new breach by the Applicants of any Agreement to which they are a party;

- (ii) 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 creation of the Charges, the Applicants entering into the IF Term Sheet or the execution, delivery or performance of the Definitive Documents; and
- (iii) the payments made by the Applicants pursuant to this Order, [including the IF 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.

ALLOCATION

29. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Administration Charge, the Interim Lender's Charge, the Directors' Charge and the KERP Charge amongst the various assets comprising the Property.

GENERAL

30. Any interested party (including the Applicants and the Proposal Trustee) 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.

J.C.K.B.A 

Schedule "A" – SISP and SISP Procedure

Sale and Investment Solicitation Process

Introduction

1. On September 23, 2022, each of SugarBud Craft Growers Corp. ("**SugarBud**"), Trichome Holdings Corp. ("**Trichome**") and 1800905 Alberta Ltd. d/b/a 'Sugarbud' ("**180 Alberta**", each a "**Company**" and collectively, the "**Companies**") filed a Notice of Intention to Make a Proposal (each, an "**NOI**") pursuant s.50.4 of the *Bankruptcy and Insolvency Act* (the "**BIA**") in Estate Nos 25-286852, 25-286857 and 25-286849 (the "**NOI Proceedings**").
2. Alvarez & Marsal Canada Inc. is the proposal trustee of each of the Companies in the NOI Proceedings (in such capacity, the "**Proposal Trustee**").
3. On September 29, 2022, the Honourable D.B. Nixon of the Court of King's Bench of Alberta (the "**Court**") granted Orders in the NOI Proceedings, among other things:
 - (a) extending the stay of proceedings in respect of the Companies pursuant to the NOI until December 12, 2022;
 - (b) authorizing the Companies to enter into an interim financing agreement (the "**Interim Financing**") with Connect First Credit Union Ltd. ("**Connect First**" or the "**Interim Lender**") whereby Connect First agreed to provide a maximum principal amount of \$2,000,000 in financing to the Companies, as well as granting a charge over all of the Companies' present and future assets, property and undertakings of every nature and kind whatsoever, and wherever situate including all proceeds thereof; and
 - (c) authorizing the Companies, with the assistance of the Proposal Trustee, to pursue all avenues of sale of their assets or business, in whole or in part, subject to prior approval of the Court before any material sale or refinancing.
4. In this regard, the Proposal Trustee will conduct the sale and investment solicitation process (the "**SISP**") described herein, with the assistance of the Companies and with the approval of the Court pursuant to a Court order dated September 29, 2022 (the "**SISP Order**"). The SISP is intended to solicit interest in an acquisition or refinancing of the business or a sale of the assets and/or the Business (as defined herein) of the Companies by way of sale, merger, reorganization, recapitalization, equity issuance or other similar transaction. The Companies intend to provide all qualified interested parties with an opportunity to participate in the SISP.
5. This document (the "**SISP Procedure**") outlines the SISP, which is comprised of two phases ("**Phase 1**" and "**Phase 2**", respectively).
6. All dollar amounts expressed herein, unless otherwise noted, are in Canadian currency. Unless otherwise indicated herein, any event that occurs on a day that is not a business day in the Province of Alberta (each, a "**Business Day**") shall be deemed to occur on the next Business Day.

Opportunity

7. The SISP is intended to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Companies' assets and business operations (the "**Opportunity**"). The Opportunity may include one or more of a restructuring, recapitalization or other form or reorganization of the business and affairs of the Companies as a going concern, or a sale of all, substantially all, or one

or more components of the Companies' assets (the "**Property**") and business operations (the "**Business**") as a going concern or otherwise.

8. Except to the extent otherwise set forth in a definitive sale or investment agreement with a Successful Bidder (as defined herein), any sale of the Property or investment in the Business will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Proposal Trustee, the Companies, or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Companies in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, to the extent that the Court deems it appropriate to grant such relief and except as otherwise provided in such Court orders.

Timeline

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

Milestone	Deadline
Proposal Trustee to create list of Known Potential Bidders and distribute Teaser Letters and NDAs to Known Potential Bidders	October 5, 2022
Proposal Trustee to prepare and have available for Potential Bidders the CIM and Data Room	October 7, 2022
Phase 1 Bid Deadline	November 4, 2022
Phase 2 Bid Deadline	December 9, 2022
Transaction Approval Application Hearing	December 28, 2022
Closing Date Deadline	January 19, 2023

The dates set out in the SISP may be extended by the Proposal Trustee with the consent and approval of the Interim Lender.

SOLICITATION OF INTEREST: NOTICE OF THE SISP

10. As soon as reasonably practicable, but in any event by no later than October 5, 2022:
- (a) the Companies, in consultation with the Proposal Trustee, will prepare a list of Potential Bidders (as defined herein), including:
 - (i) parties that have approached the Companies or the Proposal Trustee indicating an interest in the Opportunity; and
 - (ii) local and international strategic and financial parties who the Companies, in consultation with the Proposal Trustee, believe may be interested in purchasing all or part of the Business and Property or investing in the Companies pursuant to the SISP,
 (collectively, "**Known Potential Bidders**");
 - (b) the Proposal Trustee will arrange for a notice of the SISP (and such other relevant

information which the Proposal Trustee, in consultation with the Companies, considers appropriate) (the "**Notice**") to be published in The Globe and Mail (National Edition), and any other industry publication, website, newspaper or journal as the Companies, in consultation with the Proposal Trustee, consider appropriate, if any;

- (c) the Companies will issue a press release with Canada Newswire setting out the information contained in the Notice and such other relevant information which the Companies, in consultation with the Proposal Trustee, consider appropriate designating dissemination in Canada; and
 - (d) the Companies, in consultation with the Proposal Trustee, will prepare:
 - (i) a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and
 - (ii) a non-disclosure agreement in form and substance satisfactory to the Companies and the Proposal Trustee, and their respective counsel (an "**NDA**").
11. The Proposal Trustee shall send the Teaser Letter and NDA to each Known Potential Bidder by no later than October 7, 2022 and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Companies or the Proposal Trustee as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

PHASE 1: NON-BINDING LOIS

Qualified Bidders and Delivery of Confidential Information Memorandum

12. Any party who wishes to participate in the SISP (each, a "**Potential Bidder**") must deliver to the Companies and the Proposal Trustee, unless the Proposal Trustee confirms to such Potential Bidder that the below documents were already provided to the satisfaction of, or are already available to, the Companies and the Proposal Trustee:
- (a) an executed NDA which shall inure to the benefit of any purchaser of the Business or Property, or any portion thereof. If the Potential Bidder has previously delivered an NDA and letter of this nature to the Companies or Proposal Trustee and the NDA remains in effect, the Potential Bidder is not required to deliver a new NDA or letter pursuant to this section unless otherwise requested by the Proposal Trustee;
 - (b) a letter setting forth the Potential Bidder's (i) identity, (ii) contact information and (iii) full disclosure of its direct and indirect principals; and
 - (c) a form of financial disclosure and credit quality support or enhancement that allows the Companies and the Proposal Trustee to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate a Sale Proposal or Investment Proposal (as each is defined herein), as applicable.
13. If the Companies, in consultation with the Interim Lender and the Proposal Trustee and with the approval of the Proposal Trustee, determine that a Potential Bidder has:
- (a) delivered the documents contemplated in paragraph 12 above; and

- (b) the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a sale or investment pursuant to the SISP,

then such Potential Bidder will be deemed to be a **"Phase 1 Qualified Bidder"**. For greater certainty, no Potential Bidder shall be deemed to be a Phase 1 Qualified Bidder without the approval of the Proposal Trustee, in consultation with the Companies.

14. At any time during Phase 1 of the SISP, the Companies may, in their reasonable business judgment and after consultation with the Interim Lender and the Proposal Trustee and with the consent of the Proposal Trustee, eliminate a Phase 1 Qualified Bidder from the SISP, in which case such bidder will be eliminated from the SISP and will no longer be a Phase 1 Qualified Bidder for the purposes of the SISP.
15. The Proposal Trustee, with the assistance of the Companies, shall prepare and send to each Phase 1 Qualified Bidder a confidential information memorandum providing additional information considered relevant to the Opportunity (the **"CIM"**). The Companies and the Proposal Trustee and their respective advisors make no representation or warranty as to the information contained in the CIM or otherwise made available pursuant to the SISP, except to the extent expressly contemplated in any definitive sale or investment agreement with a successful bidder ultimately executed and delivered by the Companies.
16. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any transaction they enter into with the Companies.

Due Diligence

17. The Proposal Trustee, in consultation with the Companies, shall in its reasonable business judgment and subject to competitive and other business considerations, afford each Phase 1 Qualified Bidder such access to due diligence material and information relating to the Property and Business as they or the Proposal Trustee deem appropriate. Due diligence access may include management presentations, access to electronic data rooms, on-site inspections, and other matters which a Phase 1 Qualified Bidder may reasonably request and as to which the Companies, in their reasonable business judgment and after consulting with the Proposal Trustee, may agree.
18. The Proposal Trustee shall designate a representative to coordinate all reasonable requests for additional information and due diligence access from Phase 1 Qualified Bidders and the manner in which such requests must be communicated. Neither the Companies nor the Proposal Trustee shall be obligated to furnish any information relating to the Property or Business to any person other than to Phase 1 Qualified Bidders. Furthermore, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Phase 1 Qualified Bidders if the Companies, in consultation with and with the approval of the Proposal Trustee, determine such information to represent proprietary or sensitive competitive information.

Non-Binding Letters of Intent from Phase 1 Qualified Bidders

19. A Phase 1 Qualified Bidder that wishes to pursue the Opportunity further must deliver a non-binding letter of intent (an **"LOI"**) to the Proposal Trustee at the address specified in Schedule "1" hereto (including by e-mail), so as to be received by them not later than 5:00 PM (Calgary Time) on November 4, 2022 (the **"Phase 1 Bid Deadline"**).

20. Subject to paragraph 44, an LOI will only be considered a qualified LOI (a "**Qualified LOI**") if:
- (a) it is submitted on or before the Phase 1 Bid Deadline by a Phase 1 Qualified Bidder;
 - (b) it contains an indication of whether the Phase 1 Qualified Bidder is offering to:
 - (i) acquire all, substantially all or a portion of the Property (a "**Sale Proposal**"); or
 - (ii) make an investment in, restructure, reorganize or refinance the Business or the Companies (an "**Investment Proposal**");
 - (c) in the case of a Sale Proposal, it identifies or contains the following:
 - (i) the Purchase Price or price range in Canadian dollars, including details of any liabilities to be assumed by the Phase 1 Qualified Bidder and key assumptions supporting the valuation;
 - (ii) a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
 - (iii) a specific indication of the financial capability of the Phase 1 Qualified Bidder and the expected structure and financing of the transaction;
 - (iv) a description of the conditions and approvals required for a final and binding offer;
 - (v) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer; and
 - (vi) any other terms or conditions of the Sale Proposal that the Phase 1 Qualified Bidder believes are material to the transaction;
 - (d) in the case of an Investment Proposal, it identifies or contains the following:
 - (i) a description of how the Phase 1 Qualified Bidder proposes to structure the proposed investment;
 - (ii) the aggregate amount of the equity and/or debt investment to be made in the Business or the Companies in Canadian dollars;
 - (iii) the underlying assumptions regarding the *pro forma* capital structure;
 - (iv) a specific indication of the sources of capital for the Phase 1 Qualified Bidder and the structure and financing of the transaction;
 - (v) a description of the conditions and approvals required for a final and binding offer;
 - (vi) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer;
 - (vii) all conditions to closing that the Phase 1 Qualified Bidder may wish to impose; and

- (viii) any other terms or conditions of the Investment Proposal that the Phase 1 Qualified Bidder believes are material to the transaction; and
- (e) in the case of either a Sale Proposal or an Investment Proposal, it contains such other information as reasonably requested by the Proposal Trustee or the Companies.

Preliminary Assessment of Phase 1 Bids and Subsequent Process

21. Following the Phase 1 Bid Deadline, the Companies, in consultation with the Proposal Trustee and the Interim Lender, will assess the Qualified LOIs and, if it is determined that a Phase 1 Qualified Bidder that has submitted a Qualified LOI:

- (a) has a *bona fide* interest in completing a Sale Proposal or Investment Proposal (as the case may be); and
- (b) has the financial capability (based on availability of financing, experience and other considerations) to consummate such a transaction based on the financial information provided;

then such Phase 1 Qualified Bidder will be deemed a "**Phase 2 Qualified Bidder**", provided that the Companies may, in their reasonable business judgment and, with the approval of the Proposal Trustee, limit the number of Phase 2 Qualified Bidders (and thereby eliminate some bidders from the process) taking into account the factors identified in paragraph 22 hereof and any material adverse impact on the operations and performance of the Companies. Only Phase 2 Qualified Bidders shall be permitted to proceed to Phase 2 of the SISP. No Phase 1 Qualified Bidder that has submitted a Qualified LOI shall be deemed not to be a Phase 2 Qualified Bidder without the approval of the Proposal Trustee, in consultation with the Companies and the Interim Lender.

22. As part of the assessment of Qualified LOIs and the determination of the process subsequent thereto, the Companies, in consultation with the Interim Lender and the Proposal Trustee and with the approval of the Proposal Trustee, shall determine the process and timing to be followed in pursuing Qualified LOIs based on such factors and circumstances as they consider appropriate in the circumstances including, but not limited to:

- (a) the number of Qualified LOIs received;
- (b) the extent to which the Qualified LOIs relate to the same Property or Business or involve Investment Proposals predicated on certain Property or Business;
- (c) the scope of the Property or Business to which any Qualified LOIs may relate; and
- (d) whether to proceed by way of sealed bid or auction with respect to some or all of the Property.

23. If the Proposal Trustee is not satisfied with the number or terms of the Qualified LOIs, the Proposal Trustee, in consultation with the Companies, may extend the Phase 1 Bid Deadline without further Court approval and, unless otherwise provided for by the Proposal Trustee, the Phase 2 Bid Deadline (as defined herein), and any other deadlines or timeframes hereunder, shall be extended by the same time period, as necessary.

24. Following the determination of the manner in which to proceed to Phase 2 of the SISP in accordance with paragraphs 21 and 22 hereof, the Companies, in consultation with the Proposal Trustee, may prepare a bid process letter for Phase 2 (the "**Bid Process Letter**") to be sent by the Proposal Trustee to all Phase 2 Qualified Bidders as soon as practically possible following the Phase 1 Bid Deadline.

PHASE 2: FORMAL OFFERS AND SELECTION OF SUCCESSFUL BIDDER

25. Paragraphs 27 to 34 below and the conduct of Phase 2 are subject to paragraphs 21 to 24, above, any adjustments made to Phase 2 in accordance with the Bid Process Letter, and any further Court order regarding the SISP.

Formal Binding Offers

26. Phase 2 Qualified Bidders that wish to make a formal offer to purchase or make an investment in the Companies or their Property or Business shall submit a binding offer (a "**Phase 2 Bid**") that complies with all of the following requirements to the Proposal Trustee at the address specified in Schedule "1" hereto (including by e-mail), so as to be received by them not later than 5:00 PM (Calgary Time) on December 9, 2022 or as may be modified in the Bid Process Letter (the "**Phase 2 Bid Deadline**"):
- (a) the bid shall comply with all of the requirements set forth in paragraph 20 above in respect of Phase 1 Qualified LOIs;
 - (b) the bid (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Companies or their Property or Business and is consistent with any necessary terms and conditions established by the Companies and the Proposal Trustee and communicated to Phase 2 Qualified Bidders;
 - (c) the bid includes a letter stating that the Phase 2 Qualified Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined herein), provided that if such Phase 2 Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;
 - (d) the bid includes duly authorized and executed transaction agreements, including the purchase price, investment amount and any other key economic terms expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto;
 - (e) the bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Companies and the Proposal Trustee to make a determination as to the Phase 2 Qualified Bidder's financial and other capabilities to consummate the proposed transaction;
 - (f) the bid is not conditioned on (i) the outcome of unperformed due diligence by the Phase 2 Qualified Bidder, apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which was withheld in Phase 1 from the Phase 2 Qualified Bidder, or (ii) obtaining financing, but may be conditioned upon the Companies receiving the required approvals or amendments relating to the licences required to operate the Business, if necessary;

- (g) the bid fully discloses the identity of each entity that will be entering into the transaction or the financing, or that is participating or benefiting from such bid;
 - (h) for a Sale Proposal, the bid includes a commitment by the Phase 2 Qualified Bidder to provide a non-refundable deposit in the form of a wire transfer to a trust account specified by the Proposal Trustee (a "**Deposit**") in the amount of not less than 10% of the Purchase Price offered upon the Phase 2 Qualified Bidder being selected as the Successful Bidder;
 - (i) for an Investment Proposal, the bid includes a Deposit in the amount of not less than 10% of the total new investment contemplated in the bid upon the Phase 2 Qualified Bidder being selected as the Successful Bidder;
 - (j) the bid includes acknowledgements and representations of the Phase 2 Qualified Bidder that the Phase 2 Qualified Bidder:
 - (i) has had an opportunity to conduct any and all due diligence regarding the Property, the Business and the Companies prior to making its offer (apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which were withheld in Phase 1 from the Phase 2 Qualified Bidder);
 - (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and
 - (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Business, the Property, or the Companies or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Companies;
 - (k) the bid is received by the Phase 2 Bid Deadline; and
 - (l) the bid contemplates closing the transaction set out therein on or before January 19, 2023.
27. Following the Phase 2 Bid Deadline, the Companies, together with the Proposal Trustee and the Interim Lender, will assess the Phase 2 Bids received, following which they will designate the most competitive bids that comply with the foregoing requirements to be "**Qualified Bids**". No Phase 2 Bids received shall be deemed to be Qualified Bids without the approval of the Proposal Trustee. Only Phase 2 Qualified Bidders whose bids have been designed as Qualified Bids are eligible to become the Successful Bidder(s).
28. The Proposal Trustee shall notify each Phase 2 Qualified Bidder in writing as to whether its Phase 2 Bid constitutes a Qualified Bid within ten (10) Business Days of the Phase 2 Bid Deadline, or at such later time as the Proposal Trustee deems appropriate.
29. If the Proposal Trustee, in consultation with the Company and the Interim Lender, is not satisfied with the number or terms of the Qualified Bids, the Proposal Trustee may, with the approval of the Interim Lender, elect to (i) extend the Phase 2 Bid Deadline or (ii) seek Court approval to formally amend to the SISP.

30. The Companies may, in consultation with the Interim Lender and the Proposal Trustee and with the approval of the Proposal Trustee, aggregate separate Phase 2 Bids from unaffiliated Phase 2 Qualified Bidders to create one Qualified Bid.

Evaluation of Competing Bids

31. The Companies, in consultation with the Proposal Trustee, and the Interim Lender, will evaluate Qualified Bids based upon several factors including, without limitation:
- (a) the Purchase Price and the net value provided by such bid;
 - (b) the identity, circumstances and ability of the Phase 2 Qualified Bidder to successfully complete such transactions;
 - (c) the proposed transaction documents;
 - (d) factors affecting the speed, certainty and value of the transaction;
 - (e) the assets included or excluded from the bid;
 - (f) any related restructuring costs; and
 - (g) the likelihood and timing of consummating such transaction.

Selection of Successful Bid

32. The Companies, in consultation with the Interim Lender and with the approval of the Proposal Trustee, will:
- (a) review and evaluate each Qualified Bid, provided that each Qualified Bid may be negotiated among the Companies, in consultation with the Proposal Trustee and the Interim Lender, and the applicable Phase 2 Qualified Bidder, and may be amended, modified or varied to improve such Phase 2 Qualified Bid as a result of such negotiations; and
 - (b) identify the highest or otherwise best bid (the "**Successful Bid**", and the Phase 2 Qualified Bidder making such Successful Bid, the "**Successful Bidder**") for any particular Property or the Business in whole or part. The determination of any Successful Bid by the Companies, with the assistance of the Proposal Trustee and in consultation with the Interim Lender, shall be subject to approval by the Court.
33. The Companies shall have no obligation to enter into a Successful Bid, and it reserves the right, after consultation with the Proposal Trustee and the Interim Lender, to reject any or all Phase 2 Qualified Bids.

Transaction Approval Application Hearing

34. At the hearing of the application to approve any transaction with a Successful Bidder (the "**Transaction Approval Application**"), the Companies shall seek, among other things, approval from the Court to consummate any Successful Bid. All the Phase 2 Qualified Bids other than the Successful Bid, if any, shall be deemed to be rejected by the Companies on and as of the date of approval of the Successful Bid by the Court.

Confidentiality and Access to Information

35. All discussions regarding a Sale Proposal, Investment Proposal, LOI or Phase 2 Bid should be directed through the Proposal Trustee. Under no circumstances should the management of the Companies be contacted directly without the prior consent of the Proposal Trustee. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP process.
36. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Phase 1 Qualified Bidders, Phase 2 Qualified Bidders, Phase 2 Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Companies, the Proposal Trustee and such other bidders or Potential Bidders in connection with the SISP, except to the extent the Companies, with the approval of the Proposal Trustee and consent of the applicable participants, are seeking to combine separate bids from Phase 1 Qualified Bidders or Phase 2 Qualified Bidders.
37. In addition to the consultation rights granted to the Interim Lender, the Proposal Trustee may consult with any other parties with a material interest in the BIA proceedings regarding the status of and material information and developments relating to the SISP to the extent considered appropriate by the Proposal Trustee (subject to paragraph 36 and taking into account, among other things, whether any particular party is a Potential Bidder, Phase 1 Qualified Bidder, Phase 2 Qualified Bidder or other participant or prospective participant in the SISP or involved in a bid), provided that such parties shall have entered into confidentiality arrangements satisfactory to the Companies and the Proposal Trustee.

Deposits

38. All Deposits shall be retained by the Proposal Trustee in a non-interest-bearing trust account located at financial institution in Canada.
39. If there is a Phase 2 Qualified Bid that constitutes a Successful Bid, the Deposit paid by the person making such Successful Bid shall be applied to the consideration to be paid by such Qualified Bidder upon closing of the transaction constituting the Successful Bid.
40. The Deposit(s) from all Qualified Bidders submitting Phase 2 Qualified Bids that do not constitute a Successful Bid shall be returned to such Qualified Bidder within five (5) Business Days of the earlier of the date that the Companies select a Successful Bid pursuant to section • hereof or the Court declares a Successful Bid pursuant to section • hereof.
41. If the Qualified Bidder making a Phase 2 Qualified Bid is selected as the Successful Bid and breaches or defaults on its obligation to close the transaction in respect of its Successful Bid, it shall forfeit its Deposit to the Proposal Trustee for and on behalf of the Companies; provided however that the forfeit of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Company has in respect of such breach or default.
42. If the Company is unable to complete the Successful Bid as a result of its own actions and not as a result of steps or conditions contained in the Successful Bid (or the actions of the Successful Bidder) than the Deposit shall be returned to the Successful Bidder.

Supervision of the SISP

43. The Proposal Trustee shall oversee, in all respects, the conduct of the SISP by the Companies and, without limitation to that supervisory role, the Proposal Trustee will participate in the SISP in the manner set out in this SISP Procedure, the SISP Order, and any other orders of the Court, and is entitled to receive all information in relation to the SISP. For the avoidance of doubt, the completion of any Sale Proposal or Investment Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.
44. The Proposal Trustee, in consultation with the Company, may waive compliance with any one or more of the requirements of this SISP, including, for greater certainty,
 - (a) deem a non-compliant LOI to be a Qualified LOI; and
 - (b) waive strict compliance with any one or more of the requirements specified above and deem a non-compliant Phase 2 Bids to be a Qualified Bid.
45. This SISP does not, and will not be interpreted to create any contractual or other legal relationship between the Companies or the Proposal Trustee and any Phase 1 Qualified Bidder, any Phase 2 Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be entered into with the Companies.
46. Without limiting the preceding paragraph, the Proposal Trustee shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, the Successful Bidder, the Companies, the Interim Lender or any other creditor or other stakeholder of the Companies, for any act or omission related to the process contemplated by this SISP Procedure, except to the extent such act or omission is the result from gross negligence or wilful misconduct of the Proposal Trustee. By submitting a bid, each Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, or Successful Bidder shall be deemed to have agreed that it has no claim against the Proposal Trustee for any reason whatsoever, except to the extent that such claim is the result of gross negligence or wilful misconduct of the Proposal Trustee.
47. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any LOI, Phase 2 Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
48. Without limiting in any way the intent and effect of the applicable provisions of the Interim Financing in respect of the SISP, and subject to the terms of the SISP Order, the Companies shall have the right to modify the SISP (including, without limitation, pursuant to the Bid Process Letter) with the prior written approval of the Proposal Trustee and the Interim Lender if, in their reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP; provided that the service list in the NOI Proceedings shall be advised of any substantive modification to the procedures set forth herein.
49. In order to discharge its duties in connection with the SISP the Proposal Trustee may engage professional or business advisors or agents as the Proposal Trustee deems fit in its sole discretion.

Disclosure of Information to the Interim Lender

50. The Interim Lender shall have full and complete access to all Qualified LOIs, Phase 2 Qualified Bids and related materials and the Proposal Trustee, in consultation with the Companies, shall periodically update the Interim Lender on the SISP and the prospect of a Successful Bid being completed thereunder.

Further Orders

51. At any time during the SISP, the Proposal Trustee, the Companies, or the Interim Lender may apply to the Court for advice and directions with respect to the discharge of their powers and duties hereunder, if any.

Schedule "1"

To the Proposal Trustee:

Alvarez & Marsal Canada Inc.
Suite 1110, 250 6th Ave SW
Calgary, AB T2P 3H7

Attention: Orest Konowalchuk
Bryan Krol
Stephen Oosterbaan

Email: okonowalchuk@alvarezandmarsal.com
bkrol@alvarezandmarsal.com
soosterbaan@alvarezandmarsal.com

THIS IS EXHIBIT "13"

REFERRED TO IN THE AFFIDAVIT OF

AJIBOLA (AJ) OMO-LOTO

Sworn before me this 13th day of July, 2023



**A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF ALBERTA**

**Afshan Naveed
Barrister & Solicitor**

C102481



COURT FILE NUMBER: 2201-11655

COURT: COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE: CALGARY

MATTER: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, RSC 1985, c. C-36, AS AMENDED,

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SUGARBUD CRAFT GROWER CORP., TRICHOME HOLDINGS CORP. and 1800905 ALBERTA LTD.

APPLICANTS: SUGARBUD CRAFT GROWER CORP., TRICHOME HOLDINGS CORP. and 1800905 ALBERTA LTD.

DOCUMENT: INITIAL ORDER

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DATE ON WHICH ORDER WAS PRONOUNCED: OCTOBER 18, 2022

LOCATION OF HEARING OR TRIAL: CALGARY, ALBERTA

JUSTICE WHO MADE THIS ORDER: HONOURABLE JUSTICE J.J. GILL

UPON THE APPLICATION of Sugarbud Craft Grower Corp., Trichome Holdings Corp. and 1800905 Alberta Ltd. (the "**Applicants**"); **AND UPON** having read the Originating Application, the Affidavit of Daniel T. Wilson, sworn on October 7, 2022 (the "**CCAA Wilson Affidavit**"); and the Affidavit of Service of Joy Mutuku, filed; **AND UPON** reading the consent of Alvarez & Marsal Canada Inc. ("**A&M**") to act as the Monitor (the "**Monitor**"); **AND UPON** being advised that the

secured creditors who are likely to be affected by the charges created herein have been provided notice of this application and either do not oppose or alternatively consent to the within Order; **AND UPON** being advised that the Applicants had previously commenced proceedings (the “**NOI Proceedings**”) under Part III of the *Bankruptcy and Insolvency Act* (the “**BIA**”), consolidated into Estate No: 25-2868952; **AND UPON** hearing counsel for the Applicants; **AND UPON** reading the Pre-Filing Report of the Monitor dated October 11, 2022; **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today.

APPLICATION

2. The Applicants are companies to which the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36 (the “**CCAA**”) applies.
3. The NOI Proceedings are hereby taken up and continued under the CCAA and the provisions of Part III of the BIA shall have no further Application to the Applicants. The NOI Proceedings shall have no further force and effect, and are hereby terminated, save that any and all acts, steps, agreements and procedures validly taken, done or entered into by the Applicants during the NOI Proceedings shall remain valid, binding and actionable within these proceedings. For certainty, approval of the Monitor's and its counsel's fees and disbursements and approval of the Monitor's activities in this proceeding shall be deemed approval of the fees and disbursements and activities of A&M, in its capacity as trustee of the proposal of the Applicants (in such capacity, the “**Proposal Trustee**”) and the fees and disbursements of the Proposal Trustee's counsel in the NOI Proceeding. The Applicants are hereby directed and authorized to file a copy of this Order in the NOI Proceedings.

PLAN OF ARRANGEMENT

4. 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 (the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

5. The Applicants shall:
 - (a) 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**");
 - (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property;
 - (c) be authorized and empowered to continue to retain and employ the 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; and
 - (d) be entitled to continue to utilize the central cash management system currently in place or replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System 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, 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 shall be, in its capacity as provider of the Cash Management System, 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.

6. To the extent permitted by law, the Applicants shall be entitled but not required to make the following advances or payments of the following expenses, incurred prior to or after this Order:
 - (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
 - (b) the reasonable fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges, including for periods prior to the date of this Order.
7. 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 the Business in the ordinary course after 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.
8. The Applicants shall remit, in accordance with legal requirements, or pay:
 - (a) any amount that could be claimed by His Majesty in exercising rights under:
 - (i) subsection 224(1.2),
 - (ii) any provision of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 224(1.2) of the Income Tax Act and provides for the collection of a contribution, as defined in the Canada Pension Plan,

an employee's premium, or employer's premium, as defined in the Employment Insurance Act, or a premium under Part VII.1 of the Act, and of any related interest, penalties or other amounts, or,

- (iii) any provision of provincial legislation that has a purpose similar to subsection 224(1.2) of the Income Tax Act, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, and the sum (A) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Income Tax Act, or (B) is of the same nature as a contribution under the Canada Pension Plan if the province is a province providing a comprehensive pension plan as defined in subsection 3(1) of the of Canada Pension Plan and the provincial legislation a provincial pension plan as defined in that subsection,

but only where such amounts arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;

- (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 that are attributable to or in respect of the carrying on of the Business by the Applicants.

9. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicants may 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 as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Applicants from time to time for the period commencing from and including the date of this Order ("**Rent**"), but shall not pay any rent in arrears.
10. Except as specifically permitted in this Order, the Applicants are 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 Applicants to any of their creditors as of the date of this Order;
 - (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and
 - (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. The Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined in paragraph 35), have the right to:
 - (a) permanently or temporarily cease, downsize or shut down any portion of their business or operations and to dispose of redundant or non-material assets not exceeding \$50,000.00 in any one transaction or \$500,000 in the aggregate, provided that any sale that is either (i) in excess of the above thresholds, or (ii) in favour of a person related to the Applicants (within the meaning of section 36(5) of the CCAA), shall require authorization by this Court in accordance with section 36 of the CCAA;
 - (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate on such terms as may be agreed

upon between the Applicants and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;

- (c) disclaim or resiliate, in whole or in part, with the prior consent of the Monitor (as defined below) or further Order of the Court, their arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the Applicants deem appropriate, in accordance with section 32 of the CCAA; and
- (d) pursue all avenues of refinancing of its Business or Property, in whole or 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**").

12. The Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) 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. If the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further order of this Court upon application by the Applicants on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicants disclaim or resiliate the lease governing such leased premises in accordance with section 32 of the CCAA, they 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 or resiliation of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.
13. If a notice of disclaimer or resiliation is delivered pursuant to section 32 of the CCAA, then:
 - (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during

normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice; and

- (b) at the effective time of the disclaimer or resiliation, 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 Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, 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

- 14. Until and including October 28, 2022, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

- 15. 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**”), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with 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;
 - (d) prevent the registration of a claim for lien; or
 - (e) exempt the Applicants from compliance with statutory or regulatory provisions relating to health, safety or the environment.
16. Nothing in this Order shall prevent any party from taking an action against the Applicants where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

NO INTERFERENCE WITH RIGHTS

17. During the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, 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. During the Stay Period, all persons having:
- (a) statutory or regulatory mandates for the supply of goods and/or services; or
 - (b) oral or written agreements or arrangements with the Applicants, 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 this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Applicants or exercising any other remedy provided under such

agreements or arrangements. The Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with the 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. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any person, other than the Interim Lender where applicable, 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.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 15 of this Order, 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 of this Order 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. The Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors and 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 was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

22. Pursuant to section 11.6 of the CCAA, 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 \$200,000.00, as security for the indemnity provided in paragraph 21 of this Order and the Directors Charge granted in the NOI Proceedings is taken up and continued in these proceedings. The Directors' Charge shall have the priority set out in paragraphs 41 and 43 herein.
23. 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

24. A&M is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property, Business, and financial affairs and the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and its 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.
25. 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, Business and dealings with the Property;
- (b) report to this 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 and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Applicants;
- (c) assist the Applicants, to the extent required by the Applicants, in its dissemination to the Interim Lender and its counsel on a bi-weekly basis of financial and other information as agreed to between the Applicants and the Interim Lender which may be used in these proceedings, including reporting on a basis as reasonably required by the Interim Lender;
- (d) advise the Applicants in its preparation of the Applicants' cash flow statements and reporting required by the Interim Lender, which information shall be reviewed with the Monitor and delivered to the Interim Lender and its counsel on a periodic basis, but not less than bi-weekly, or as otherwise agreed to by the Interim Lender;
- (e) advise the Applicants in its 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 Property, Business, and financial affairs of the Applicants 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;

- (i) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Applicants and any other Person; and
 - (j) perform such other duties as are required by this Order or by this Court from time to time.
- 26. The Monitor shall not take possession of the Property 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, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, 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 or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation or regulation. 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 federal or provincial environmental legislation.
- 27. The Monitor shall provide any creditor of the Applicants and the Interim 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.
- 28. In addition to the rights and protections afforded the Monitor under the CCAA or as an Officer of this 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.

29. The Monitor, counsel to the Monitor, and counsel to the Applicants shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA Proceedings or the NOI Proceedings), 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, counsel to the Monitor, and counsel to the Applicants, retainers, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.
30. The Monitor and its legal counsel shall pass their accounts from time to time.
31. The Monitor, counsel to the Monitor, if any, and the Applicants counsel, as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$500,000.00, as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings and pursuant to section 11.6 of the CCAA, the Administration Charge ordered in the NOI Proceedings is hereby taken up and continued in the CCAA Proceedings. The Administration Charge shall have the priority set out in paragraphs 41 and 43 hereof.

INTERIM FINANCING

32. The Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from Connect First Credit Union Ltd. (the "**Interim Lender**") in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed the principal amount of \$2,000,000.00 unless permitted by further order of this Court.

33. Such credit facility shall be on the terms and subject to the conditions set forth in the Interim Financing Term Sheet between the Applicants and the Interim Lender dated as of September 30, 2022, and as amended on October 14, 2022, (collectively, the “**Interim Financing Term Sheet**”), filed.
34. 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 Interim Financing Term Sheet or as may be reasonably required by the Interim Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities, and obligations to the Interim Lender under and pursuant to the Interim Financing 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.
35. The Interim Lender shall be entitled to the benefits of and is hereby granted a charge (the “**Interim Lender's Charge**”) on the Property to secure all obligations under the Interim Financing Term Sheet and the Definitive Documents incurred on or after the date of this Order which charge shall not exceed the aggregate amount advanced on or after the date of this Order under the Interim Financing Term Sheet and the Definitive Documents. Pursuant to section 11.6 of the CCAA, the interim financing ordered in the NOI Proceedings be and is hereby taken up and continued in these CCAA Proceedings. The Interim Lender's Charge shall not secure any obligation existing before this the date this Order is made, except as otherwise noted in the Interim Financing Term Sheet or in respect of the Interim Lender's Charge granted under the NOI Proceeding. The Interim Lender's Charge shall have the priority set out in paragraphs 41 and 43 hereof.
36. Notwithstanding any other provision of this Order:
 - (a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge or any of the Definitive Documents;

- (b) upon the occurrence of an event of default under the Definitive Documents or the Interim Lender's Charge, the Interim Lender, upon 7 days' 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 Interim Financing Term Sheet, Definitive Documents, and the Interim Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the Interim Lender to the Applicants against the obligations of the Applicants to the Interim Lender under the Interim Financing Term Sheet, the Definitive Documents or the Interim 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 Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.
37. The Interim 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* of Canada (the "**BIA**"), with respect to any advances made under the Definitive Documents.

KERP AND KERP CHARGE

38. The terms and conditions of the KERP are hereby approved and the Applicants are authorized to perform its obligations thereunder, including making all payments required in accordance with the terms thereof.
39. Pursuant to section 11.6 of the CCAA, the employees eligible under the KERP shall be entitled to the benefit of and are hereby granted a charge on the Property to the extent of an aggregate amount of \$140,000.00 (the "**KERP Charge**") as security for the payment of the obligations of the Applicants provided thereunder and the KERP Charge granted under the NOI Proceedings be and is hereby taken up and continued in these CCAA

Proceedings. The KERP Charge shall have a priority set out in paragraphs 41 and 43 of this Order.

VALIDITY AND PRIORITY OF CHARGES

40. The priorities of the Directors' Charge, the Administration Charge, the Interim Lender's Charge and the KERP Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$500,000.00);

Second – Interim Lender's Charge;

Third – Directors' Charge (to the maximum amount of \$200,000.00); and

Fourth – KERP Charge (to the maximum amount of \$140,000.00).

41. The filing, registration or perfection of the Directors' Charge, the Administration Charge, the Interim Lender's Charge or the KERP Charge (collectively, the “**Charges**”) shall not be required, and 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.

42. Each of the Directors' Charge, the Administration Charge, the Interim Lender's Charge and the KERP Charge (all as constituted and defined herein) shall constitute a charge on the Property and subject always to section 34(11) of the CCAA such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person.

43. 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 Directors' Charge, the Administration Charge, or the Interim Lender's Charge, or the KERP Charge unless the Applicants also obtain the prior written consent of the Monitor, the Interim Lender, and the beneficiaries of the Directors' Charge, the Administration Charge and the KERP Charge, or further order of this Court.

44. The Directors' Charge, the Administration Charge, the Interim Financing Term Sheet, the Definitive Documents, the Interim Lender's Charge and the KERP Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the Interim Lender 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 this Order;
 - (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:
 - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, Interim Financing Term Sheet or the Definitive Documents shall create or be deemed to constitute a new breach by the Applicants of any Agreement to which it is a party;
 - (ii) 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 creation of the Charges, the Applicants entering into the Interim Financing Term Sheet or the execution, delivery or performance of the Definitive Documents; and
 - (iii) the payments made by the Applicants pursuant to this Order, including the Interim Financing 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.

ALLOCATION

45. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Administration Charge, the Interim Lender's Charge, the Directors' Charge and the KERP Charge amongst the various assets comprising the Property.

SERVICE AND NOTICE

46. The Monitor shall (i) without delay, publish in newspapers selected by the Monitor a notice containing the information prescribed under the CCAA; (ii) within five (5) 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 \$1,000.00 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.

GENERAL

47. 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.
48. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Monitor's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.

49. 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.
50. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction, 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.
51. 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 proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
52. 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.
53. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.


Justice of the Court of King's Bench of Alberta

THIS IS EXHIBIT "14"

REFERRED TO IN THE AFFIDAVIT OF

AJIBOLA (AJ) OMO-LOTO

Sworn before me this 13th day of July, 2023



**A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF ALBERTA**

**Afshan Naveed
Barrister & Solicitor**



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200, 2850 Sunridge Blvd NE
Calgary, AB T1Y 6G2

SUMMARY OF TERMS AND CONDITIONS

CREDIT FACILITY FOR SUGARBUD CRAFT GROWERS CORP., TRICHOME HOLDINGS CORP., and 1800905 ALBERTA LTD.

PROVIDED BY CONNECT FIRST CREDIT UNION LTD.

September 29, 2022

The Lender hereby commits to provide the Credit Facility to the Borrower upon the terms and subject to the conditions set forth in this binding term sheet (this "**Term Sheet**"). Capitalized terms used herein without express definition will have the same meanings as are assigned to them in Schedule A. Any word defined in or importing the singular number has the same meaning when used in the plural number, and vice versa.

- | | |
|---------------------------|---|
| 1. Lender(s) | Connect First Credit Union Ltd. (" CFCU ") or its affiliates and/or other lenders to be designated from time to time by CFCU without the prior written consent of the Borrower (each a " Lender "). |
| 2. Borrower(s) | SugarBud Craft Growers Corp. (the " Borrower "). |
| 3. Guarantor(s): | Trichome Holdings Corp. and 1800905 Alberta Ltd. (collectively, the " Guarantors "). |
| 4. Currency | Unless otherwise noted, the currency of the Credit Facility shall be Canadian Dollars (" CAD "). |
| 5. Credit Facility | A Interim-Financing non-revolving facility in the maximum amount of \$2,000,000 (the " Credit Facility " or the " Facility "). |
| 6. Use of Proceeds | Funds advanced under the Credit Facility shall be used to fund the Borrower's working capital needs during the BIA Proposal Proceedings. |
| 7. Advances: | Advances under the Credit Facility (" Advances ") shall be made pursuant to the Approved Budget Forecast; provided that Advances for payables not set out on the Approved Budget Forecast may be made at the sole discretion of the Lender. Advances shall be disbursed by the |

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Lender to the Borrower on a weekly basis or as deemed necessary in the sole discretion of the Lender.

8. Interest Rate

Amounts drawn and outstanding under the Credit Facility will bear interest at a rate per annum equal to 12%.

Interest on the principal amount outstanding under the Credit Facility shall be capitalized monthly in arrears and payable on the Termination Date (defined below).

Unless otherwise provided for herein, interest on any amount due hereunder shall be calculated daily and not in advance on the basis of a 365-day year. For the purposes of the *Interest Act* (Canada) in the case of a leap year, the annual interest rate corresponding to the interest calculated on the basis of a 365-day year is equal to the interest rate thus calculated multiplied by 366 and divided by 365. Any amount of principal, interest commission, discount, or any other nature remaining unpaid at maturity, shall bear interest at the rate provided for herein, being understood that the said interest rate on arrears shall not exceed the maximum rate provided by law. Interest on arrears shall be compounded monthly and payable on demand.

9. Fees**Commitment Fee**

A fee of 2% of the total amount of the Credit Facility which shall be fully earned upon issuance of the Interim Financing Order and paid on the Termination Date.

10. Out-of-Pocket Expenses

The Borrower shall be responsible for all reasonable and documented out-of-pocket fees and expenses incurred by the Lender, including, without limitation, legal fees and disbursements, audit, monitoring and valuation fees, travel and advisor fees incurred in connection with the Credit Facility, this Term Sheet, the BIA Proposal Proceedings and/or the enforcement of the Lender's rights under the Term Sheet, the Interim Financing Order and the Interim Lender's Charge (collectively, the "**Recoverable Expenses**"). The Recoverable Expenses shall be secured by the Interim Lender's Charge and paid by the Borrower on demand and/or from the proceeds of each Advance.

11. Term of Credit Facility; Maturity Date

The term of the Credit Facility will be the earlier of (a) four (4) months from the date of the initial Advance under the Credit Facility (the "**Maturity Date**"), and (b) any other Termination Date.

The Lender shall have the right to terminate the Credit Facility upon the occurrence of an Event of Default in accordance with the terms of this Term Sheet and any applicable orders of the Court.

The Credit Facility may be terminated with the consent of both the Lender and the Borrower, at which time, all accrued interest, principal, fees and Recoverable Expenses owing shall be paid in cash to the Lender on such Termination Date.

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The date on which all outstanding principal and interest under the Credit Facility shall become due and payable will be termed the **“Termination Date”** and will be the date which is the earliest to occur of the following:

- (a) Maturity Date;
- (b) The date on which any Event of Default occurs or is discovered to have occurred in the past and the Lender has terminated the Credit Facility by notice to the Borrower (as provided herein);
- (c) Unless consented to by the Lender, the date on which the SISP terminates as a result of no qualified offer having been made by the bid deadline set out in Schedule B;
- (d) The date of the closing of a sale of all or a portion of the Collateral pursuant to the SISP, provided the BIA Proposal Proceedings are concurrently terminated with the consent of the Lender;
- (e) The date of a liquidity event, reorganization event, or Change of Control pursuant to the SISP and/or Approval and Vesting Order; and
- (f) Unless waived or otherwise consented to by the Lender, or subject to (e) above, the date on which the Borrower and any of the Guarantors undertake a liquidity event, reorganization event, or Change of Control.

12. Interim Lender's Charge and Security:

The Credit Facility shall be secured by a first ranking super-priority security interest in, and during the pendency of the BIA Proposal Proceedings, a first-ranking super-priority interim lender's charge (the **“Interim Lender's Charge”**) on (i) the Real Estate Collateral and (ii) all other present and after acquired property of the Borrower (collectively, the **“Collateral”**), subject in each case to Permitted Encumbrances.

As security for the indebtedness and obligations of the Borrower to the Lender, the Borrower and each Guarantor shall execute and deliver to the Lender, upon request, any mortgages, charges, security agreements and other documentation as may be required by the Lender to secure, perfect and maintain the Lender's first priority interest over the Collateral (collectively, the **“Security”**), all which shall be in form and content acceptable to the Lender.

The security interest in the Collateral shall only be subordinate to the Administration Charge (as defined in the Initial Order) and only up to the amounts set out in the Initial Order.

13. Mandatory

Subject to the priority of the Administration Charge, if the Borrower

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Repayment

or Guarantors (with the prior written consent of the Lender), (a) dispose, transfer or sell any Collateral outside the ordinary course of business, or (b) sell the shares/equity interests of any wholly owned or non-wholly owned subsidiaries of the Borrower or Guarantors and/or any minority interests held by the Borrower or Guarantors, the proceeds of sale (net only of usual closing adjustments), up to the total amount of the Borrower's indebtedness to the Lender under the Credit Facility, shall be paid to the Lender and applied against the indebtedness owing to the Lender under the Credit Facility. Any such repayment by the Borrower shall constitute a permanent reduction of the availability and commitment under the Credit Facility.

14. Conditions Precedent to First Advance

The obligation of the Lender to make the Credit Facility available to the Borrower and to fund the initial Advance under the Credit Facility are subject to and conditional upon satisfaction (or waiver by the Lender) of the following conditions precedent:

- (a) Filing of the NOIs and issuance of the Initial Order;
- (b) Order of the Court approving the Credit Facility and related transactions, granting the Interim Lender's Charge and providing for the priority of the security in the Collateral in form and substance satisfactory to the Lender and its counsel (the "**Interim Financing Order**");
- (c) Completion of all due diligence (including financial, legal and insurance) by the Lender with a satisfactory result.
- (d) each of the representations and warranties made by the Borrower and the Guarantor(s) to the Lender shall be true and correct in all material respects;
- (e) no Material Adverse Change since the granting of the Initial Order, other than any Material Adverse Change previously disclosed in writing to the Lender;
- (f) approval by the Lender of the Approved Budget Forecast; and
- (g) no Event of Default shall have occurred.

15. Conditions Precedent to each Subsequent Advance under the Credit Facility

The following conditions precedent shall be satisfied, or waived by the Lender, prior to each subsequent advance under the Credit Facility:

- (a) delivery to the Lender of a drawdown request by the Borrower;
- (b) the issuance of the Interim Financing Order;

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- (c) the Interim Financing Order must not be vacated, stayed, amended (without the Lender's consent), appealed or otherwise caused to become ineffective
- (d) each of the representations and warranties made by the Borrower in this Term Sheet shall be true and correct in all material respects as of the date made or deemed made (other than to the extent any representation and warranty relate specifically to an earlier date); and
- (e) no Event of Default shall have occurred and be continuing, nor will any Event of Default occur as a result of the requested advance.

16. Facility Covenants

So long as the Credit Facility is in effect, and until the obligations of the Borrower to the Lender under the Credit Facility have been indefeasibly paid in full, and except as otherwise permitted by the prior written consent of the Lender or as contemplated in respect of the SISF, the Borrower covenants and agrees with the Lender that it:

- (a) Will pay all sums of money when due under the terms of the Credit Documents;
- (b) Will immediately advise the Lender of any event which constitutes or which, with notice, lapse of time or both, would constitute an Event of Default;
- (c) Will file all tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and source deduction, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- (d) Will give the Lender, as applicable, 30 days prior notice in writing of any Change of Control, and unless otherwise expressly waived by the Lender in writing, the Borrower must repay all amounts outstanding under the Credit Facility prior to, or concurrently with, any Change of Control;
- (e) Will comply in all material respects with all applicable laws, including all Environmental Laws;
- (f) Will immediately advise the Lender of any material action requests or material violation notices received concerning it and hold the Lender harmless from and against any losses, costs or expenses which the Lender

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may suffer or incur for any environment related liabilities existent now or in the future with respect to it except to the extent such losses, costs or expenses have resulted from the gross negligence, bad faith or wilful misconduct of the Lender;

- (g) Will immediately advise the Lender of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of the Credit Documents;
- (h) Will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils and shall provide the Lender with copies of certificates of insurance evidencing same;
- (i) Will, at reasonable times and upon reasonable notice (provided that upon the occurrence of an Event of Default, the Lender is permitted to do the following at any time and without notice) permit the Lender or its representatives, from time to time, upon reasonable prior written notice and during normal business hours,
 - i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, and
 - ii) to discuss the Borrower's affairs with the auditors of the Borrower (in the presence of the Borrower's representatives as it may designate). The Borrower hereby authorizes and directs any such third party to provide to the Lender or its representatives all such information, records or documentation reasonably requested by the Lender;
- (j) Except for Permitted Encumbrances, will not, without the prior written consent of the Lender which will not be unreasonably withheld, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- (k) Will not, without the prior written consent of the Lender, incur any borrowings or other indebtedness, obligations or liabilities, other than Permitted Indebtedness;

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- (l) Will not, without the prior written consent of the Lender, sell, transfer, convey, lease or otherwise dispose of any of its assets, properties or undertakings (a) to any third party, other than (i) in the ordinary course of business and on arm's-length, commercially reasonable terms; (ii) obsolete or otherwise superfluous tangible assets; (iii) the shares/equity interests of any non-wholly owned subsidiaries of the Borrower or Guarantors and any minority interests held by the Borrower or Guarantors, provided that such proceeds of any sale or disposal of shares/equity interests owned by the Borrower or such Guarantor shall be used first to pay down the principal balances outstanding under the Credit Facility;
- (m) Will not acquire or move any Collateral to any jurisdiction outside the Province of Alberta or any other jurisdiction where the Lender has perfected its Security over such Collateral without first executing and delivering all such security and other documentation and completing all registrations, recordings and filings to grant in favour of the Lender a first-ranking security interest in such Collateral and to render effective the security interest granted thereby, all in form and substance satisfactory to the Lender;
- (n) Will not provide any guarantees, financial assistance or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other person, other than Permitted Indebtedness;
- (o) Will not merge, amalgamate, or otherwise enter into any other form of business combination with any other Person;
- (p) will not pay any dividends, other corporate distributions, interest or principal on any secured or unsecured debt, other than Permitted Indebtedness and as contemplated by the Approved Budget Forecast;
- (q) Will not make any disbursements or provide any funding to any entity which is not an applicant in the Borrower' BIA Proposal Proceedings or a Guarantor, unless otherwise authorized under the BIA Proposal Proceedings;
- (r) Will fully cooperate with each party conducting any

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- field exam or due diligence on behalf of the Lender and will permit and reimburse the Lender for all costs associated with any appraisals;
- (s) Will provide information upon request by the Lender as it relates to any vendor number or similar identification of such obligor by its end customers and/or suppliers;
 - (t) Shall notify the Lender within one (1) Business Day of any Account Debtor notifying the Borrower that they are contesting any invoice;
 - (u) will pay only those expenditures set out in the Approved Budget Forecast, or such other expenditures the Lender and Trustee consent to in writing, as outlined in greater detail in the Approved Budget Forecast section below;
 - (v) will provide to the Lender on a weekly basis a statement setting out all payments, disbursements and transfers of money proposed to be made by the Borrower during the following week and will make only those payments, disbursements and transfers that are set out in the Approved Budget Forecast or otherwise consented to by the Lender, as outlined in greater detail in the Approved Budget Forecast section below;
 - (w) not create or grant any security (other than the Administration Charge, Interim Lender's Charge or any other charges granted pursuant to the Initial Order) over any of the Collateral, whether ranking in priority to, *pari passu* or subordinate to the Interim Lender's Charge;
 - (x) provide the Lender with any financial or other information reasonably requested by the Lender; and
 - (y) promptly on the receipt by the Borrower of the same, give the Lender a copy of any notice of motion, pleading or application to vary, supplement, revoke, terminate or discharge the Initial Order or Interim Financing Order including (without limitation) any application to the Court for the granting of security that will or may have priority over the Interim Lender's Charge, or otherwise for the variation of the priority of the Interim Lender's Charge.

17. Conversion to CCAA Notwithstanding anything herein to the contrary, and except as

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Proceedings

otherwise permitted by the prior written consent of the Lender, the Borrower covenants and agrees with the Lender that it will take all actions necessary to convert the NOI to CCAA Proceedings on or before October 15, 2022, or such other date as may be agreed to by the Lender in its sole and absolute discretion. Failure to satisfy this covenant shall be an Event of Default hereunder.

18. Approved Budget Forecast

The Borrower shall prepare and provide, in form and substance satisfactory to the Lender in its sole and absolute discretion, a weekly line item cash flow forecast (receipts and disbursement forecast), and supported by aged listings of accounts payable, inclusive of critical payments and statutory obligations, covering the period of at least 13 calendar weeks following the Closing Date (together with all updates thereto approved by the Lender in its sole and absolute discretion, the "**Approved Budget Forecast**"). The Approved Budget Forecast shall set forth expected receipts and all of the operating and capital expenditure (if any) to be made during each calendar week and in the aggregate for the period of time covered by the Approved Budget Forecast.

Commencing on the Tuesday of the calendar week following October 4, 2022 and continuing every Tuesday thereafter, the Borrower shall by 5:00 p.m. (Calgary time) (each a "**Variance Testing Date**") deliver to the Lender:

- (a) report and variance analysis showing actual cash receipts and actual expenditures for each line item in the Approved Budget Forecast covering the weeks since the Filing Date and comparing the foregoing amounts to the Approved Budget Forecast cash receipts and expenditures; and
- (b) an update and extension to the Approved Budget Forecast (the "**Revised Budgeted Forecast**") for the period commencing from the end of the previous week through and including thirteen (13) weeks thereafter, which shall reflect the Borrower's good faith projections and be in form and detail consistent with the Approved Budget Forecast and subject to the approval of the Lender.

The Borrower shall, and if requested by the Lender shall use commercially reasonable efforts to cause its non-legal advisors (if any) and the Proposal Trustee to, participate on weekly conference calls with the Lender, and its respective advisors, to discuss the Revised Budget Forecast, the Borrower's current and projected operational performance and any related financial matters.

The Borrower shall ensure that when measured as of each Variance Testing Date, the following cash flow test (the "**Cash Flow Test**") for

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each of the components of the Approved Budget Forecast or Revised Budget Forecast as the case may be, is met:

- I. Except as otherwise agreed by the Lender, the Borrower's total expenditures (excluding any fees of the Proposal Trustee or its counsel) for the prior two week period shall not have exceeded 110% of the amount of total expenditures for such prior two week period as set forth in the most recent Approved Budget Forecast or Revised Cash Flow Forecast.
- II. Except as otherwise agreed by the Lender, the Borrower's net cash receipts for the prior two-week period shall not be less than 90% of the amount of forecasted cash receipts for such prior two week period as set forth in the Approved Budget Forecast or Revised Budget Forecast.
- III. The Borrower, with the assistance of the Proposal Trustee, shall provide detailed bridges (quantitative explanations of the forecast-to-actual variances) for each line-item of the Approved Budget Forecast or Revised Budget Forecast as well as for any other line-item variances outside of the management's direct control, that impact the overall consolidated cash flow results.

Notwithstanding any other provision in this Section 18, the Borrower shall be permitted to incur extraordinary expenses not otherwise permitted under the Cash Flow Test only with the prior written consent of the Proposal Trustee and Lender.

19. Representations and Warranties

The Borrower and each Guarantor represents and warrants (subject to obtaining the Interim Financing Order, where applicable) to the Lender, upon which the Lender rely on in entering this Term Sheet that:

- (a) the Borrower and each Guarantor is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions in which the nature of its assets or business makes such qualification necessary;
- (b) the Borrower and each Guarantor has all requisite corporate power and authority to (i) own and operate its properties and assets and to develop, own and operate its business and (ii) to enter into and perform its obligations under this Term Sheet and the other Credit Documents to which it is a party;
- (c) the execution and delivery by the Borrower and each

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- Guarantor of this Term Sheet and the other Credit Documents to which it is a party and the performance by the Borrower of its respective obligations hereunder and thereunder have been duly authorized by all necessary corporate action and no authorization under any applicable law, and no registration, qualification, designation, declaration or filing with any governmental authority, is or was necessary therefor, other than filings which may be made to register or otherwise record the Interim Lender's Charge;
- (d) this Term Sheet and each of the other Credit Documents to which the Borrower and each Guarantor is a party has been duly executed and delivered by the Borrower and each Guarantor and constitutes a legal, valid and binding obligation of the Borrower, enforceable against it in accordance with its terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, reorganization, moratorium or creditors' rights generally and (ii) the discretion that a court may exercise in the granting of equitable remedies;
 - (e) the Collateral (i) is owned by or licensed to the Borrower and each Guarantor and is only located at the locations disclosed in writing to the Lender, (ii) has not been sold, leased or otherwise disposed of other than inventory in the ordinary course of business and (iii) is not subject to any rights of any person or entity other than Permitted Encumbrances;
 - (f) the execution and delivery by the Borrower and each Guarantor of this Term Sheet and the other Credit Documents to which it is a party and the performance by the Borrower of its obligations hereunder and thereunder and compliance with the terms, conditions and provisions hereof and thereof, will not conflict with or result in a breach of (i) its constating documents or by-laws; (ii) the material contracts to which it is party; or (iii) any applicable law;
 - (g) all statements (whether financial or otherwise), information, reports, budgets, forecasts and projections made available by the Borrower or anyone on its behalf to the Lender are true, complete and accurate in all material respects and do not omit any information necessary to make them true, complete and accurate in all material respects;
 - (h) the business operations of the Borrower and each

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Guarantor has been and will continue to be conducted in compliance with all laws of each jurisdiction in which business has been or is being carried on, other than to the extent non-compliance would not cause a Material Adverse Change;

- (i) the Borrower and each Guarantor has obtained all licenses and permits required for the operation of its business, which licenses and permits remain in full force and effect. No proceedings have been commenced or, to the knowledge of the Borrower, threatened to revoke or amend any of such licenses or permits;
- (j) other than as disclosed to the Lender, (i) neither the Borrower nor any Guarantor is aware of any person with a secured claim against the Borrower, any Guarantor or the Collateral except for the Permitted Encumbrances and the relevant tax authorities and (ii) the Borrower is not aware of any unpaid deductions at source owing to the relevant tax authorities;
- (k) other than as disclosed to the Lender, and the Borrower and each Guarantor has filed or caused to be filed all tax returns and reports which are required to have been filed and has paid or caused to be paid all taxes required to have been paid by it, except for those the Lender has been advised of in writing, taxes that are being contested in good faith by appropriate proceedings, and for which adequate cash reserves are being maintained;
- (l) other than as disclosed to the Lender, and the BIA Proposal Proceedings and litigation proceedings stayed by the NOI, there are no material actions, suits or proceedings (including any tax-related matter) by or before any arbitrator or governmental authority or by any other person pending against or, to the knowledge of the Borrower, threatened against or affecting the Borrower;
- (m) (i) the Borrower and each Guarantor is and has been in material compliance with all applicable Environmental Laws, including obtaining, maintaining and complying with all permits required by any applicable Environmental Law, (ii) no Borrower is party to, and no real property currently or previously owned, leased or otherwise occupied by or for the Borrower is subject to or the subject of, any contractual obligation or any pending or, to the

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knowledge of the Borrower, threatened order, action, investigation, suit, proceeding, audit, claim, demand, dispute or notice of violation or of potential liability or similar notice under or pursuant to any Environmental Law which could reasonably be expected to result in a remedial obligation having a Material Adverse Change, (iii) no encumbrance in favour of any governmental authority securing, in whole or in part, environmental liabilities has attached to any property of the Borrower and no facts, circumstances or conditions exist that could reasonably be expected to result in any such encumbrance attaching to any such property, (iv) no Borrower has caused or suffered to occur a release of any hazardous substances or conditions creating any potential for such a release at, to or from any real property other than in compliance with Environmental Laws and except when failure to do so could not reasonably be expected to have a Material Adverse Change, (v) neither the Borrower nor any Guarantor has engaged in operations that, and no facts, circumstances or conditions exist that, in the aggregate, would have a reasonable likelihood of resulting in material environmental liabilities, and (vi) the Borrower has made available to the Lender copies of all existing environmental reports, reviews and audits and all documents pertaining to actual or potential environmental liabilities, in each case to the extent such reports, reviews, audits and documents are in its possession, custody or control;

- (n) the Borrower and each Guarantor maintains insurance policies and coverage which (i) is sufficient for compliance with law and all material agreements to which the Borrower is a party and (ii) provide adequate insurance coverage in at least such amounts and against at least such risks as are usually insured against in the same general area by persons engaged in the same or similar business to the assets and operations of the Borrower; and
- (o) all factual information provided by or on behalf of the Borrower and each Guarantor to the Lender for the purposes of or in connection with this Term Sheet, the other Credit Documents 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 remains true as of the date provided 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

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the circumstances under which such information was provided.

20. Remedies and Enforcement

Following the occurrence of an Event of Default, the Lender shall have the right to immediately cease making Advances to the Borrower and, upon four (4) Business Days written notice to the Borrower, the Lender shall have the right to:

- (a) enforce the Interim Lender's Charge and realize on the Collateral and any other property secured by the Interim Lender's Charge;
- (b) exercise the rights and powers of a secured lender and mortgagee pursuant to the *Personal Property Security Act* (Alberta) or any legislation of similar effect;
- (c) apply to the Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Borrower and for the appointment of a trustee in bankruptcy of the Borrower; and
- (d) exercise all such other rights and remedies available to the Lender pursuant to this Term Sheet, the Initial Order, the Interim Financing Order, the Credit Documents and/or any other order of the Court or applicable law.

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

21. Target Closing Date

The target date for the closing of this Credit Facility is based on a verbally indicated date of on or before September 30, 2022. The Borrower will seek to obtain the Interim Financing Order at a hearing on or before September 29, 2022 on notice to the service list in the BIA Proposal Proceedings and such other parties as the Borrower or the Lender consider appropriate.

22. Amendments/Waivers

This Term Sheet may not be amended nor waived except by an instrument in writing signed by each of the Borrower, each Guarantor and the Lender, provided however, that Schedule B may be amended or supplemented without the consent of the Borrower or Guarantors.

23. Successors and Assigns; Enurement

This Term Sheet shall be binding upon and enure to the benefit of the Lender and the Borrower and their respective successors and permitted assigns.

24. Assignment

The Borrower nor any Guarantor shall assign any of its rights or obligations under this Term Sheet or any of the Credit Documents to any Person, without the prior written consent of the Lender. The

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Lender may assign, sell or participate its rights or obligations with respect to this Term Sheet or any of the Credit Documents to any Person, without the prior written consent of the Borrower and the Guarantor .

25. Governing Law

This Term Sheet shall be governed and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein, and each of the Lender and the Borrower irrevocably attorns to the exclusive jurisdiction of the courts of Alberta.

26. Execution in Counterparts

This Term Sheet may be executed in counterparts, whether by original copy or facsimile or other electronic means, each of which shall be deemed to be an original and all of which, taken together, shall constitute one and the same instrument.

27. Further Assurances

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

28. Lender Counsel:

Dentons Canada LLP

29. Expiry

Please indicate your acceptance of the terms hereof by returning to the Lender an executed counterpart to this Term Sheet not later than 5:00 p.m. (Calgary time) on October 3, 2022. The Lender's commitments and agreements herein will expire at such time in the event the Lender has not received such executed counterpart from the Borrower and Guarantor in accordance with the immediately preceding sentence.

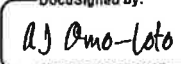
[Signature Page Follows]

Signature Page

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The Borrower authorizes the Lender to collect, use and disclose information for the purposes of verification, assessing our credit worthiness, and contract administration. The Borrower agrees that this information may be collected from any third parties, including current employees, credit bureaus and other persons or organization with whom we have or had financial dealings.

CONNECT FIRST CREDIT UNION LTD., as Lender

Ajibola (A) Omo-Loto	Manager, Special Loans and Collections
Name	Title
DocuSigned by:	
	September 30, 2022
5B00EE702FBC437...	
Signed	

Signature Page

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Accepted this 30 day of September, 2022

SUGARBUD CRAFT GROWERS CORP. as Borrower

Dan Wilson CEO
Name Title

Dan Wilson
Signed
I have authority to bind the Corporation

Trichome Holdings Corp., as Guarantor

Dan Wilson CEO
Name Title

Dan Wilson
Signed
I have authority to bind the Corporation

1800905 Alberta Ltd., as Guarantor

Dan Wilson CEO
Name Title

Dan Wilson
Signed
I have authority to bind the Corporation

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**SCHEDULE A
DEFINED TERMS**

“Account Debtor”	means any party which owes any amount under invoices owing to the Borrower.
“Approval and Vesting Order”	means an order (or reverse vesting order) of the Court approving the sale of all or substantially all of the assets, properties and undertakings of the Borrower or the Guarantors.
“BIA”	means the <i>Bankruptcy and Insolvency Act</i> (Canada), as amended.
“BIA Proposal Proceedings”	means the proceedings in Estate Nos: 25-2868949, 25-2868952, 25-2868957 whereby the Borrower and the Guarantors have sought to restructure pursuant to the BIA.
“Business Day”	Any day that is not a Saturday or Sunday or a day recognized as a statutory holiday in the Province of Alberta, Canada or the country of Canada. If a required payment falls on a non -business day, then such payment shall be made on the next Business Day.
“CCAA”	means the Companies’ Creditors Arrangement Act (Canada).
“CCAA Proceedings”	means the proceedings to be commenced by the Borrower and Guarantors pursuant to the CCAA.
“Change of Control”	means either (i) the assignment, sale, transfer or other disposition of (A) all or substantially all of the assets and business of the Borrower or a Guarantor, (B) any material business of any Obligor, (C) a material portion of the Collateral (in each case whether in a single transaction or a series of transactions), or (ii) any transaction or series of transactions whereby any Person or group of Persons, acting jointly or otherwise in concert, acquire the right, by contract or otherwise, to direct the management and activities of the Borrower.
“Control”	means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise, and “Controlling” and “Controlled” have meanings correlative thereto.
“Court”	means the Alberta Court of King’s Bench.
“Credit Documents”	means, collectively, this Term Sheet, the Security, and all other

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documents contemplated by this Term Sheet and the Security.

“Interim Financing Order” means an order of the Court approving the Term Sheet and Credit Facility and granting the Interim Lender’s Charge, in form and substance satisfactory to the Lender and its counsel

“Environmental Activity” means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater.

“Environmental Laws” means all applicable laws relating to the environment or occupational health and safety, or any Environmental Activity.

“Event of Default” Means, following the filing of the NOIs, the occurrence of any one or more of the following:

- (a) if the Borrower at any time shall fail to pay or perform with regard to the obligation to repay the principal and interest on any Loan Advance, to pay for any adjustment, or to make any remittance on the date required by the Credit Documents for such payment;
- (b) if the Borrower ceases or threatens to cease carrying on its business or if a petition shall be filed, an order shall be made or an effective resolution shall be passed for the winding up or liquidation of the Borrower;
- (c) if a the Borrower commits an act of bankruptcy (other than under the BIA Proposal Proceedings);
- (d) if the Borrower fails to meet any of the Milestone Dates and the Lender does not agree to amend or extend any such Milestone Dates;
- (e) if a Change of Control occurs, other than as contemplated in the SISP;
- (f) if any encumbrancer, lien holder or Person acting on its behalf shall take possession of the Collateral or any material part thereof;
- (g) excluding amounts that are subject to the stay of proceedings under the Initial Order, if the Borrower permits any sum which has been admitted as due by

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the Borrower or is not disputed to be due by it and which forms or is capable of being made a charge on any Collateral in priority to the Interim Lender's Charge to remain unpaid after proceedings have been taken to enforce such charge;

- (h) if any representation or warranty made by the Borrower or any of its officers, employees or agents to the Lender shall be false or inaccurate in any material respect and such representation and warranty is not thereafter made true and correct within three (3) Business Days of the Borrower becoming aware of it being false or inaccurate;
- (i) if there will have occurred any event of circumstance that has resulted in, or could reasonably be expected to result in, a Material Adverse Change;
- (j) if any amount of proceeds of any Collateral is deposited to any bank account of the Borrower that is not subject to the Security;
- (k) if any license, permit or approval required by any law, regulation or governmental policy or any governmental authority for the operation by the Borrower of its business shall be withdrawn, materially altered in a manner materially detrimental to the business of such license holder, or cancelled and all such appeal periods have expired; or
- (l) if a final judgment, execution, writ of seizure and sale, sequestration or decree for the payment of money in an amount, individually or in the aggregate, of at least \$1,500,000 (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall have been obtained or entered against the Borrower, unless such judgment, execution, writ of seizure and sale, sequestration or decree is and remains vacated, discharged or stayed pending appeal within the applicable appeal period.

“Initial Order”

means the order of the Court to be issued on September 29, 2022 issued under the BIA Proposal Proceedings in respect of the Borrower, in form and substance satisfactory to the Lender and its counsel.

“Lien”

means any security interest, mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise), charge against or interest in property or other priority or preferential arrangement of any kind or nature whatsoever, in each

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case to secure payment of a debt or performance of an obligation, including any conditional sale or any sale with recourse.

- “Material Adverse Change”** means any event, circumstance or change that could be expected to result, individually or in the aggregate, in a material adverse effect, in any respect, on (a) the legality, validity or enforceability of any of the Credit Documents or any of the security interests provided for thereunder, (b) the right or ability of the Borrower to perform any of its obligations under any of the Credit Documents, in each case to which it is a party, or to consummate the transactions contemplated under any of the Credit Documents, (c) the financial condition, assets, business or prospects of the Borrower, taken as a whole, (d) any Material Permit, (e) the Borrower’s ability to retain, utilize, exploit or comply with its obligations under any Material Permit, or (f) the rights or remedies of the Lender under any of the Credit Documents; provided that, the commencement and continuation of the BIA Proposal Proceedings will not constitute a Material Adverse Change.
- “Material Permits”** means all cannabis licences issued by Health Canada to the Borrower or the Guarantor which are required to legally conduct its business.
- “Milestone Dates”** means the dates set out in Schedule B.
- “NOI”** means the notices of intention to make a proposal filed by the Borrower and the Guarantors under the BIA.
- “Parties”** means the Lender, the Borrower, and the Guarantors and the term **“Party”** shall mean any one of such Parties.
- “Permitted Encumbrances”** means, collectively:
- (a) Liens granted under the Initial Order;
 - (b) Liens granted in favor of the Lender pursuant to the Credit Documents and the Interim Lender’s Charge;
 - (c) Subordinated Liens;
 - (d) Liens granted in favor of a lessor of vehicles, provided that such Liens attach only to such leased vehicles and the proceeds thereof and do not attach to any other Collateral and such lien has been expressly approved and consented to by the Lender;
 - (e) existing equipment leases and related arrangements;
 - (f) liens for taxes, rates, assessments or other governmental charges or levies not yet due, or for which instalments have been paid based on reasonable estimates pending final assessments, or if due, the validity of which is being contested diligently

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and in good faith by appropriate proceedings by that Person;

- (g) undetermined or inchoate liens, rights of distress and charges incidental to current operations that have not at such time been filed or exercised and of which none of the Lender has been given notice, or that relate to obligations not due or payable, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person;
- (h) reservations, limitations, provisos and conditions expressed in any original grant from the Crown or other grants of real or immovable property, or interests therein, that do not materially affect the use of the affected land for the purpose for which it is used by that Person;
- (i) the right reserved to or vested in any governmental authority by the terms of any lease, licence, franchise, grant or permit acquired by that Person or by any statutory provision to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;

security given to a public utility or any governmental authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of its business;

- (j) a Lien created by a judgment of a court of competent jurisdiction, as long as the judgment is being contested diligently and in good faith by appropriate proceedings by that Person and does not result in an Event of Default; and
- (k) a Lien in favour of a financial institution to secure indebtedness under letters of credit, corporate credit cards and/or other cash management.

“Permitted Indebtedness” shall include:

- (a) intercompany indebtedness owing by the Borrower to any Guarantor, or by any Guarantor to the

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Borrower or another Guarantor; and

(b) existing indebtedness owing pursuant to:

(i) commitment letter dated December 24, 2021 issued by the Lender to the Borrower and accepted by the Borrower on December 30, 2021; and

(ii) funds advanced by the Lender to the Borrower prior to the NOI filing, to a maximum aggregate amount of \$84,000.

(c) Liens in respect of Priority Obligations

“Person”

means an individual, a corporation, a limited partnership, a general partnership, a trust, a joint stock company, a joint venture, an association, a syndicate, a bank, a trust company, a governmental authority and any other legal or business entity.

“Priority Obligations”

Means, in respect of the Borrower, all claims of His Majesty the King in right of Canada, as represented by the Minister of National Revenue pursuant to subsection 227 (41.) of the *Income Tax Act*, subsection 23(4) of the Canada Pension Plan, and subsection 86(2.1) of the *Employment Insurance Act* as source deduction claims, excluding interest and penalties, on such claims.

“Real Estate Collateral”

means the real property located at 5822 52 Street, Stavely, Alberta and legally described as Plan 0812160; Block 4; Lot 3 held in the name of 1800905 Alberta Ltd.

“SISP”

means the sales and investment solicitation process to be undertaken by the Borrower and the Guarantors pursuant to the Initial Order.

“Subordinated Lien”

means any Lien for which the holder thereof has agreed, pursuant to a subordination agreement in form satisfactory to the Lender, that such Lien shall at all times be subordinated and postponed in favor of the Liens granted in favor of the Lender.

“Trustee”

means Alvarez & Marsal Canada Inc., the licensed insolvency trustee who filed the NOI in the BIA Proceedings.

SCHEDULE B
MILESTONE DATES

The following events are to occur by the dates set forth below, unless otherwise agreed to by the Lender and the Borrower in writing:

September 26, 2022	NOI filed
September 29, 2022	Issuance of Initial Order, including Interim Financing Charge and Approval of the SISP
October 5, 2022	Proposal Trustee to create list of Known Potential Bidders and distribute Teaser Letters and NDAs to Known Potential Bidders
October 7, 2022	Proposal Trustee to prepare and have available for Potential Bidders the CIM and Data Room
October 15, 2022	Deadline for conversion of NOI to CCAA Proceedings
November 4, 2022	Phase I Bid deadline
December 9, 2022	Phase II Bid deadline
December 28, 2022	Transaction Approval Application Hearing
January 19, 2023	Closing of transaction(s) approved by Approval and Vesting Order(s) (subject to extension to a date consented to by the Lender in the event the sole outstanding condition precedent to closing is regulatory approval)

Capitalized terms used in this Schedule B not otherwise defined in this Term Sheet have the meanings ascribed thereto in the SISP.



200, 2850 Sunridge Blvd NE
Calgary, AB T1Y 6G2

AMENDED SUMMARY OF TERMS AND CONDITIONS

CREDIT FACILITY FOR SUGARBUD CRAFT GROWERS CORP., TRICHOME HOLDINGS CORP., and 1800905 ALBERTA LTD.

PROVIDED BY CONNECT FIRST CREDIT UNION LTD.

October 14, 2022

The Lender hereby commits to provide the Credit Facility to the Borrower upon the terms and subject to the conditions set forth in this binding term sheet (this "**Term Sheet**"). Capitalized terms used herein without express definition will have the same meanings as are assigned to them in Schedule A. Any word defined in or importing the singular number has the same meaning when used in the plural number, and vice versa.

- 1. Lender(s)** Connect First Credit Union Ltd. ("**CFCU**") or its affiliates and/or other lenders to be designated from time to time by CFCU without the prior written consent of the Borrower (each a "**Lender**").
- 2. Borrower(s)** SugarBud Craft Growers Corp. (the "**Borrower**").
- 3. Guarantor(s):** Trichome Holdings Corp. and 1800905 Alberta Ltd. (collectively, the "**Guarantors**").
- 4. Currency** Unless otherwise noted, the currency of the Credit Facility shall be Canadian Dollars ("**CAD**").
- 5. Credit Facility** A Interim-Financing non-revolving facility in the maximum amount of \$2,000,000 (the "**Credit Facility**" or the "**Facility**").
- 6. Use of Proceeds** Funds advanced under the Credit Facility shall be used to fund the Borrower's working capital needs during the BIA Proposal Proceedings.
- 7. Advances:** Advances under the Credit Facility ("**Advances**") shall be made pursuant to the Approved Budget Forecast; provided that Advances for payables not set out on the Approved Budget Forecast may be made at the sole discretion of the Lender. Advances shall be disbursed by the Lender to the Borrower on a weekly basis or as deemed necessary in

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the sole discretion of the Lender.

8. Interest Rate

Amounts drawn and outstanding under the Credit Facility will bear interest at a rate per annum equal to 12%.

Interest on the principal amount outstanding under the Credit Facility shall be capitalized monthly in arrears and payable on the Termination Date (defined below).

Unless otherwise provided for herein, interest on any amount due hereunder shall be calculated daily and not in advance on the basis of a 365-day year. For the purposes of the *Interest Act* (Canada) in the case of a leap year, the annual interest rate corresponding to the interest calculated on the basis of a 365-day year is equal to the interest rate thus calculated multiplied by 366 and divided by 365. Any amount of principal, interest commission, discount, or any other nature remaining unpaid at maturity, shall bear interest at the rate provided for herein, being understood that the said interest rate on arrears shall not exceed the maximum rate provided by law. Interest on arrears shall be compounded monthly and payable on demand.

9. Fees**Commitment Fee**

A fee of 2% of the total amount of the Credit Facility which shall be fully earned upon issuance of the Interim Financing Order and paid on the Termination Date.

10. Out-of-Pocket Expenses

The Borrower shall be responsible for all reasonable and documented out-of-pocket fees and expenses incurred by the Lender, including, without limitation, legal fees and disbursements, audit, monitoring and valuation fees, travel and advisor fees incurred in connection with the Credit Facility, this Term Sheet, the BIA Proposal Proceedings and/or the enforcement of the Lender's rights under the Term Sheet, the Interim Financing Order and the Interim Lender's Charge (collectively, the "**Recoverable Expenses**"). The Recoverable Expenses shall be secured by the Interim Lender's Charge and paid by the Borrower on demand and/or from the proceeds of each Advance.

11. Term of Credit Facility; Maturity Date

The term of the Credit Facility will be the earlier of (a) four (4) months from the date of the initial Advance under the Credit Facility (the "**Maturity Date**"), and (b) any other Termination Date.

The Lender shall have the right to terminate the Credit Facility upon the occurrence of an Event of Default in accordance with the terms of this Term Sheet and any applicable orders of the Court.

The Credit Facility may be terminated with the consent of both the Lender and the Borrower, at which time, all accrued interest, principal, fees and Recoverable Expenses owing shall be paid in cash to the Lender on such Termination Date.

The date on which all outstanding principal and interest under the Credit Facility shall become due and payable will be termed the

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"Termination Date" and will be the date which is the earliest to occur of the following:

- (a) Maturity Date;
- (b) The date on which any Event of Default occurs or is discovered to have occurred in the past and the Lender has terminated the Credit Facility by notice to the Borrower (as provided herein);
- (c) Unless consented to by the Lender, the date on which the SISP terminates as a result of no qualified offer having been made by the bid deadline set out in Schedule B;
- (d) The date of the closing of a sale of all or a portion of the Collateral pursuant to the SISP, provided the BIA Proposal Proceedings are concurrently terminated with the consent of the Lender;
- (e) The date of a liquidity event, reorganization event, or Change of Control pursuant to the SISP and/or Approval and Vesting Order; and
- (f) Unless waived or otherwise consented to by the Lender, or subject to (e) above, the date on which the Borrower and any of the Guarantors undertake a liquidity event, reorganization event, or Change of Control.

12. Interim Lender's Charge and Security:

The Credit Facility shall be secured by a first ranking super-priority security interest in, and during the pendency of the BIA Proposal Proceedings and the CCAA, a first-ranking super-priority interim lender's charge (the **"Interim Lender's Charge"**) on (i) the Real Estate Collateral and (ii) all other present and after acquired property of the Borrower (collectively, the **"Collateral"**), subject in each case to Permitted Encumbrances.

As security for the indebtedness and obligations of the Borrower to the Lender, the Borrower and each Guarantor shall execute and deliver to the Lender, upon request, any mortgages, charges, security agreements and other documentation as may be required by the Lender to secure, perfect and maintain the Lender's first priority interest over the Collateral (collectively, the **"Security"**), all which shall be in form and content acceptable to the Lender.

The security interest in the Collateral shall only be subordinate to the Administration Charge (as defined in the Initial CCAA Order) and only up to the amounts set out in the Initial CCAA Order.

13. Mandatory Repayment

Subject to the priority of the Administration Charge, if the Borrower or Guarantors (with the prior written consent of the Lender), (a) dispose, transfer or sell any Collateral outside the ordinary course of business, or (b) sell the shares/equity interests of any wholly owned or

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non-wholly owned subsidiaries of the Borrower or Guarantors and/or any minority interests held by the Borrower or Guarantors, the proceeds of sale (net only of usual closing adjustments), up to the total amount of the Borrower's indebtedness to the Lender under the Credit Facility, shall be paid to the Lender and applied against the indebtedness owing to the Lender under the Credit Facility. Any such repayment by the Borrower shall constitute a permanent reduction of the availability and commitment under the Credit Facility.

14. Conditions Precedent to First Advance

The obligation of the Lender to make the Credit Facility available to the Borrower and to fund the initial Advance under the Credit Facility are subject to and conditional upon satisfaction (or waiver by the Lender) of the following conditions precedent:

- (a) Filing of the NOIs and issuance of the Initial Order;
- (b) Order of the Court approving the Credit Facility and related transactions, granting the Interim Lender's Charge and providing for the priority of the security in the Collateral in form and substance satisfactory to the Lender and its counsel (the "**Interim Financing Order**");
- (c) Completion of all due diligence (including financial, legal and insurance) by the Lender with a satisfactory result.
- (d) each of the representations and warranties made by the Borrower and the Guarantor(s) to the Lender shall be true and correct in all material respects;
- (e) no Material Adverse Change since the granting of the Initial Order, other than any Material Adverse Change previously disclosed in writing to the Lender;
- (f) approval by the Lender of the Approved Budget Forecast; and
- (g) no Event of Default shall have occurred.

15. Conditions Precedent to each Subsequent Advance under the Credit Facility

The following conditions precedent shall be satisfied, or waived by the Lender, prior to each subsequent advance under the Credit Facility:

- (a) delivery to the Lender of a drawdown request by the Borrower;
- (b) the issuance of the Interim Financing Order;
- (c) after October 21, 2022, the issuance of the initial CCAA Order, including the Interim Finance Charge as sought thereunder;

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- (d) the Interim Financing Order and the Initial CCAA Order must not be vacated, stayed, amended (without the Lender's consent), appealed or otherwise caused to become ineffective
- (e) each of the representations and warranties made by the Borrower in this Term Sheet shall be true and correct in all material respects as of the date made or deemed made (other than to the extent any representation and warranty relate specifically to an earlier date); and
- (f) no Event of Default shall have occurred and be continuing, nor will any Event of Default occur as a result of the requested advance.

16. Facility Covenants

So long as the Credit Facility is in effect, and until the obligations of the Borrower to the Lender under the Credit Facility have been indefeasibly paid in full, and except as otherwise permitted by the prior written consent of the Lender or as contemplated in respect of the SISP, the Borrower covenants and agrees with the Lender that it:

- (a) Will pay all sums of money when due under the terms of the Credit Documents;
- (b) Will immediately advise the Lender of any event which constitutes or which, with notice, lapse of time or both, would constitute an Event of Default;
- (c) Will file all tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and source deduction, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- (d) Will give the Lender, as applicable, 30 days prior notice in writing of any Change of Control, and unless otherwise expressly waived by the Lender in writing, the Borrower must repay all amounts outstanding under the Credit Facility prior to, or concurrently with, any Change of Control;
- (e) Will comply in all material respects with all applicable laws, including all Environmental Laws;
- (f) Will immediately advise the Lender of any material action requests or material violation notices received concerning it and hold the Lender harmless from and against any losses, costs or expenses which the Lender

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may suffer or incur for any environment related liabilities existent now or in the future with respect to it except to the extent such losses, costs or expenses have resulted from the gross negligence, bad faith or wilful misconduct of the Lender;

- (g) Will immediately advise the Lender of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of the Credit Documents;
- (h) Will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils and shall provide the Lender with copies of certificates of insurance evidencing same;
- (i) Will, at reasonable times and upon reasonable notice (provided that upon the occurrence of an Event of Default, the Lender is permitted to do the following at any time and without notice) permit the Lender or its representatives, from time to time, upon reasonable prior written notice and during normal business hours,
 - i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, and
 - ii) to discuss the Borrower's affairs with the auditors of the Borrower (in the presence of the Borrower's representatives as it may designate). The Borrower hereby authorizes and directs any such third party to provide to the Lender or its representatives all such information, records or documentation reasonably requested by the Lender;
- (j) Except for Permitted Encumbrances, will not, without the prior written consent of the Lender which will not be unreasonably withheld, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- (k) Will not, without the prior written consent of the Lender, incur any borrowings or other indebtedness, obligations or liabilities, other than Permitted Indebtedness;
- (l) Will not, without the prior written consent of the

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Lender, sell, transfer, convey, lease or otherwise dispose of any of its assets, properties or undertakings (a) to any third party, other than (i) in the ordinary course of business and on arm's-length, commercially reasonable terms; (ii) obsolete or otherwise superfluous tangible assets; (iii) the shares/equity interests of any non-wholly owned subsidiaries of the Borrower or Guarantors and any minority interests held by the Borrower or Guarantors, provided that such proceeds of any sale or disposal of shares/equity interests owned by the Borrower or such Guarantor shall be used first to pay down the principal balances outstanding under the Credit Facility;

- (m) Will not acquire or move any Collateral to any jurisdiction outside the Province of Alberta or any other jurisdiction where the Lender has perfected its Security over such Collateral without first executing and delivering all such security and other documentation and completing all registrations, recordings and filings to grant in favour of the Lender a first-ranking security interest in such Collateral and to render effective the security interest granted thereby, all in form and substance satisfactory to the Lender;
- (n) Will not provide any guarantees, financial assistance or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other person, other than Permitted Indebtedness;
- (o) Will not merge, amalgamate, or otherwise enter into any other form of business combination with any other Person;
- (p) will not pay any dividends, other corporate distributions, interest or principal on any secured or unsecured debt, other than Permitted Indebtedness and as contemplated by the Approved Budget Forecast;
- (q) Will not make any disbursements or provide any funding to any entity which is not an applicant in the Borrower' BIA Proposal Proceedings or a Guarantor, unless otherwise authorized under the BIA Proposal Proceedings;
- (r) Will fully cooperate with each party conducting any field exam or due diligence on behalf of the Lender and will permit and reimburse the Lender for all costs

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associated with any appraisals;

- (s) Will provide information upon request by the Lender as it relates to any vendor number or similar identification of such obligor by its end customers and/or suppliers;
- (t) Shall notify the Lender within one (1) Business Day of any Account Debtor notifying the Borrower that they are contesting any invoice;
- (u) will pay only those expenditures set out in the Approved Budget Forecast, or such other expenditures the Lender and Trustee/Monitor consent to in writing, as outlined in greater detail in the Approved Budget Forecast section below;
- (v) will provide to the Lender on a weekly basis a statement setting out all payments, disbursements and transfers of money proposed to be made by the Borrower during the following week and will make only those payments, disbursements and transfers that are set out in the Approved Budget Forecast or otherwise consented to by the Lender, as outlined in greater detail in the Approved Budget Forecast section below;
- (w) not create or grant any security (other than the Administration Charge, Interim Lender's Charge or any other charges granted pursuant to the Initial Order) over any of the Collateral, whether ranking in priority to, *pari passu* or subordinate to the Interim Lender's Charge;
- (x) provide the Lender with any financial or other information reasonably requested by the Lender; and
- (y) promptly on the receipt by the Borrower of the same, give the Lender a copy of any notice of motion, pleading or application to vary, supplement, revoke, terminate or discharge the Initial Order or Interim Financing Order including (without limitation) any application to the Court for the granting of security that will or may have priority over the Interim Lender's Charge, or otherwise for the variation of the priority of the Interim Lender's Charge.

17. Conversion to CCAA Proceedings

Notwithstanding anything herein to the contrary, and except as otherwise permitted by the prior written consent of the Lender, the Borrower covenants and agrees with the Lender that it will take all actions necessary to convert the NOI to CCAA Proceedings on or

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before October 21, 2022, or such other date as may be agreed to by the Lender in its sole and absolute discretion. For greater certainty, upon conversion to the CCAA Proceedings the Interim Lending Charge will have the priority afforded to it under the Initial CCAA Order and will rank in priority to all other Encumbrances (as that term is defined in the Initial CCAA Order), except for the Administration Charge. Failure to satisfy this covenant shall be an Event of Default hereunder.

18. Approved Budget Forecast

The Borrower shall prepare and provide, in form and substance satisfactory to the Lender in its sole and absolute discretion, a weekly line item cash flow forecast (receipts and disbursement forecast), and supported by aged listings of accounts payable, inclusive of critical payments and statutory obligations, covering the period of at least 13 calendar weeks following the Closing Date (together with all updates thereto approved by the Lender in its sole and absolute discretion, the "**Approved Budget Forecast**"). The Approved Budget Forecast shall set forth expected receipts and all of the operating and capital expenditure (if any) to be made during each calendar week and in the aggregate for the period of time covered by the Approved Budget Forecast.

Commencing on the Tuesday of the calendar week following October 4, 2022 and continuing every Tuesday thereafter, the Borrower shall by 5:00 p.m. (Calgary time) (each a "**Variance Testing Date**") deliver to the Lender:

- (a) report and variance analysis showing actual cash receipts and actual expenditures for each line item in the Approved Budget Forecast covering the weeks since the Filing Date and comparing the foregoing amounts to the Approved Budget Forecast cash receipts and expenditures; and
- (b) an update and extension to the Approved Budget Forecast (the "**Revised Budgeted Forecast**") for the period commencing from the end of the previous week through and including thirteen (13) weeks thereafter, which shall reflect the Borrower's good faith projections and be in form and detail consistent with the Approved Budget Forecast and subject to the approval of the Lender.

The Borrower shall, and if requested by the Lender shall use commercially reasonable efforts to cause its non-legal advisors (if any) and the Proposal Trustee/Monitor to, participate on weekly conference calls with the Lender, and its respective advisors, to discuss the Revised Budget Forecast, the Borrower's current and projected operational performance and any related financial matters.

The Borrower shall ensure that when measured as of each Variance

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Testing Date, the following cash flow test (the "**Cash Flow Test**") for each of the components of the Approved Budget Forecast or Revised Budget Forecast as the case may be, is met:

- I. Except as otherwise agreed by the Lender, the Borrower's total expenditures (excluding any fees of the Proposal Trustee/Monitor or its counsel) for the prior two week period shall not have exceeded 110% of the amount of total expenditures for such prior two week period as set forth in the most recent Approved Budget Forecast or Revised Cash Flow Forecast.
- II. Except as otherwise agreed by the Lender, the Borrower's net cash receipts for the prior two-week period shall not be less than 90% of the amount of forecasted cash receipts for such prior two week period as set forth in the Approved Budget Forecast or Revised Budget Forecast.
- III. The Borrower, with the assistance of the Proposal Trustee/Monitor, shall provide detailed bridges (quantitative explanations of the forecast-to-actual variances) for each line-item of the Approved Budget Forecast or Revised Budget Forecast as well as for any other line-item variances outside of the management's direct control, that impact the overall consolidated cash flow results.

Notwithstanding any other provision in this Section 18, the Borrower shall be permitted to incur extraordinary expenses not otherwise permitted under the Cash Flow Test only with the prior written consent of the Proposal Trustee/Monitor and Lender.

19. Representations and Warranties

The Borrower and each Guarantor represents and warrants (subject to obtaining the Interim Financing Order, where applicable) to the Lender, upon which the Lender rely on in entering this Term Sheet that:

- (a) the Borrower and each Guarantor is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions in which the nature of its assets or business makes such qualification necessary;
- (b) the Borrower and each Guarantor has all requisite corporate power and authority to (i) own and operate its properties and assets and to develop, own and operate its business and (ii) to enter into and perform its obligations under this Term Sheet and the other Credit Documents to which it is a party;

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- (c) the execution and delivery by the Borrower and each Guarantor of this Term Sheet and the other Credit Documents to which it is a party and the performance by the Borrower of its respective obligations hereunder and thereunder have been duly authorized by all necessary corporate action and no authorization under any applicable law, and no registration, qualification, designation, declaration or filing with any governmental authority, is or was necessary therefor, other than filings which may be made to register or otherwise record the Interim Lender's Charge;
- (d) this Term Sheet and each of the other Credit Documents to which the Borrower and each Guarantor is a party has been duly executed and delivered by the Borrower and each Guarantor and constitutes a legal, valid and binding obligation of the Borrower, enforceable against it in accordance with its terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, reorganization, moratorium or creditors' rights generally and (ii) the discretion that a court may exercise in the granting of equitable remedies;
- (e) the Collateral (i) is owned by or licensed to the Borrower and each Guarantor and is only located at the locations disclosed in writing to the Lender, (ii) has not been sold, leased or otherwise disposed of other than inventory in the ordinary course of business and (iii) is not subject to any rights of any person or entity other than Permitted Encumbrances;
- (f) the execution and delivery by the Borrower and each Guarantor of this Term Sheet and the other Credit Documents to which it is a party and the performance by the Borrower of its obligations hereunder and thereunder and compliance with the terms, conditions and provisions hereof and thereof, will not conflict with or result in a breach of (i) its constating documents or by-laws; (ii) the material contracts to which it is party; or (iii) any applicable law;
- (g) all statements (whether financial or otherwise), information, reports, budgets, forecasts and projections made available by the Borrower or anyone on its behalf to the Lender are true, complete and accurate in all material respects and do not omit any information necessary to make them true, complete and accurate in all material respects;
- (h) the business operations of the Borrower and each

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Guarantor has been and will continue to be conducted in compliance with all laws of each jurisdiction in which business has been or is being carried on, other than to the extent non-compliance would not cause a Material Adverse Change;

- (i) the Borrower and each Guarantor has obtained all licenses and permits required for the operation of its business, which licenses and permits remain in full force and effect. No proceedings have been commenced or, to the knowledge of the Borrower, threatened to revoke or amend any of such licenses or permits;
- (j) other than as disclosed to the Lender, (i) neither the Borrower nor any Guarantor is aware of any person with a secured claim against the Borrower, any Guarantor or the Collateral except for the Permitted Encumbrances and the relevant tax authorities and (ii) the Borrower is not aware of any unpaid deductions at source owing to the relevant tax authorities;
- (k) other than as disclosed to the Lender, and the Borrower and each Guarantor has filed or caused to be filed all tax returns and reports which are required to have been filed and has paid or caused to be paid all taxes required to have been paid by it, except for those the Lender has been advised of in writing, taxes that are being contested in good faith by appropriate proceedings, and for which adequate cash reserves are being maintained;
- (l) other than as disclosed to the Lender, the BIA Proposal Proceedings and CCAA Proceedings, and litigation proceedings stayed by the NOI or CCAA, there are no material actions, suits or proceedings (including any tax-related matter) by or before any arbitrator or governmental authority or by any other person pending against or, to the knowledge of the Borrower, threatened against or affecting the Borrower;
- (m) (i) the Borrower and each Guarantor is and has been in material compliance with all applicable Environmental Laws, including obtaining, maintaining and complying with all permits required by any applicable Environmental Law, (ii) no Borrower is party to, and no real property currently or previously owned, leased or otherwise occupied by or for the Borrower is subject to or the subject of, any contractual obligation or any pending or, to the

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knowledge of the Borrower, threatened order, action, investigation, suit, proceeding, audit, claim, demand, dispute or notice of violation or of potential liability or similar notice under or pursuant to any Environmental Law which could reasonably be expected to result in a remedial obligation having a Material Adverse Change, (iii) no encumbrance in favour of any governmental authority securing, in whole or in part, environmental liabilities has attached to any property of the Borrower and no facts, circumstances or conditions exist that could reasonably be expected to result in any such encumbrance attaching to any such property, (iv) no Borrower has caused or suffered to occur a release of any hazardous substances or conditions creating any potential for such a release at, to or from any real property other than in compliance with Environmental Laws and except when failure to do so could not reasonably be expected to have a Material Adverse Change, (v) neither the Borrower nor any Guarantor has engaged in operations that, and no facts, circumstances or conditions exist that, in the aggregate, would have a reasonable likelihood of resulting in material environmental liabilities, and (vi) the Borrower has made available to the Lender copies of all existing environmental reports, reviews and audits and all documents pertaining to actual or potential environmental liabilities, in each case to the extent such reports, reviews, audits and documents are in its possession, custody or control;

- (n) the Borrower and each Guarantor maintains insurance policies and coverage which (i) is sufficient for compliance with law and all material agreements to which the Borrower is a party and (ii) provide adequate insurance coverage in at least such amounts and against at least such risks as are usually insured against in the same general area by persons engaged in the same or similar business to the assets and operations of the Borrower; and
- (o) all factual information provided by or on behalf of the Borrower and each Guarantor to the Lender for the purposes of or in connection with this Term Sheet, the other Credit Documents 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 remains true as of the date provided 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

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the circumstances under which such information was provided.

20. Remedies and Enforcement

Following the occurrence of an Event of Default, the Lender shall have the right to immediately cease making Advances to the Borrower and, upon four (4) Business Days written notice to the Borrower, the Lender shall have the right to:

- (a) enforce the Interim Lender's Charge and realize on the Collateral and any other property secured by the Interim Lender's Charge;
- (b) exercise the rights and powers of a secured lender and mortgagee pursuant to the *Personal Property Security Act* (Alberta) or any legislation of similar effect;
- (c) apply to the Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Borrower and for the appointment of a trustee in bankruptcy of the Borrower; and
- (d) exercise all such other rights and remedies available to the Lender pursuant to this Term Sheet, the Initial Order, the Interim Financing Order, the Credit Documents and/or any other order of the Court or applicable law.

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

21. Target Closing Date

The target date for the closing of this Credit Facility is based on a verbally indicated date of on or before September 30, 2022. The Borrower will seek to obtain the Interim Financing Order at a hearing on or before September 29, 2022 on notice to the service list in the BIA Proposal Proceedings and such other parties as the Borrower or the Lender consider appropriate.

22. Amendments/Waivers

This Term Sheet may not be amended nor waived except by an instrument in writing signed by each of the Borrower, each Guarantor and the Lender, provided however, that Schedule B may be amended or supplemented without the consent of the Borrower or Guarantors.

23. Successors and Assigns; Enurement

This Term Sheet shall be binding upon and enure to the benefit of the Lender and the Borrower and their respective successors and permitted assigns.

24. Assignment

The Borrower nor any Guarantor shall assign any of its rights or obligations under this Term Sheet or any of the Credit Documents to any Person, without the prior written consent of the Lender. The Lender may assign, sell or participate its rights or obligations with

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respect to this Term Sheet or any of the Credit Documents to any Person, without the prior written consent of the Borrower and the Guarantor .

25. Governing Law

This Term Sheet shall be governed and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein, and each of the Lender and the Borrower irrevocably attorns to the exclusive jurisdiction of the courts of Alberta.

26. Execution in Counterparts

This Term Sheet may be executed in counterparts, whether by original copy or facsimile or other electronic means, each of which shall be deemed to be an original and all of which, taken together, shall constitute one and the same instrument.

27. Further Assurances

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

28. Lender Counsel:

Dentons Canada LLP

29. Expiry

Please indicate your acceptance of the terms hereof by returning to the Lender an executed counterpart to this Term Sheet not later than 5:00 p.m. (Calgary time) on October 3, 2022. The Lender's commitments and agreements herein will expire at such time in the event the Lender has not received such executed counterpart from the Borrower and Guarantor in accordance with the immediately preceding sentence.

[Signature Page Follows]

Signature Page

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The Borrower authorizes the Lender to collect, use and disclose information for the purposes of verification, assessing our credit worthiness, and contract administration. The Borrower agrees that this information may be collected from any third parties, including current employees, credit bureaus and other persons or organization with whom we have or had financial dealings.

CONNECT FIRST CREDIT UNION LTD., as Lender

Ajibola (AJ) Omo-Loto

Manager, Special Loans and Collections

Name

Title

DocuSigned by:

AJ Omo-Loto

October 14, 2022

Signed

Signature Page

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Accepted this 14 day of October, 2022

SUGARBUD CRAFT GROWERS CORP. as Borrower

Dan Wilson CEO
Name Title

Dan Wilson
Signed
I have authority to bind the Corporation

Trichome Holdings Corp., as Guarantor

Dan Wilson CEO
Name Title

Dan Wilson
Signed
I have authority to bind the Corporation

1800905 Alberta Ltd., as Guarantor

Dan Wilson CEO
Name Title

Dan Wilson
Signed
I have authority to bind the Corporation

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**SCHEDULE A
DEFINED TERMS**

“Account Debtor”	means any party which owes any amount under invoices owing to the Borrower.
“Approval and Vesting Order”	means an order (or reverse vesting order) of the Court approving the sale of all or substantially all of the assets, properties and undertakings of the Borrower or the Guarantors.
“BIA”	means the <i>Bankruptcy and Insolvency Act</i> (Canada), as amended.
“BIA Proposal Proceedings”	means the proceedings in Estate Nos: 25-2868949, 25-2868952, 25-2868957 whereby the Borrower and the Guarantors have sought to restructure pursuant to the BIA.
“Business Day”	Any day that is not a Saturday or Sunday or a day recognized as a statutory holiday in the Province of Alberta, Canada or the country of Canada. If a required payment falls on a non -business day, then such payment shall be made on the next Business Day.
“CCAA”	means the Companies’ Creditors Arrangement Act (Canada).
“CCAA Proceedings”	means the proceedings to be commenced by the Borrower and Guarantors pursuant to the CCAA.
“Change of Control”	means either (i) the assignment, sale, transfer or other disposition of (A) all or substantially all of the assets and business of the Borrower or a Guarantor, (B) any material business of any Obligor, (C) a material portion of the Collateral (in each case whether in a single transaction or a series of transactions), or (ii) any transaction or series of transactions whereby any Person or group of Persons, acting jointly or otherwise in concert, acquire the right, by contract or otherwise, to direct the management and activities of the Borrower.
“Control”	means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise, and “ Controlling ” and “ Controlled ” have meanings correlative thereto.
“Court”	means the Alberta Court of King’s Bench.
“Credit Documents”	means, collectively, this Term Sheet, the Security, and all other

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documents contemplated by this Term Sheet and the Security.

“Environmental Activity”

means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater.

“Environmental Laws”

means all applicable laws relating to the environment or occupational health and safety, or any Environmental Activity.

“Event of Default”

Means, the occurrence of any one or more of the following:

- (a) if the Borrower at any time shall fail to pay or perform with regard to the obligation to repay the principal and interest on any Loan Advance, to pay for any adjustment, or to make any remittance on the date required by the Credit Documents for such payment;
- (b) if the Borrower ceases or threatens to cease carrying on its business or if a petition shall be filed, an order shall be made or an effective resolution shall be passed for the winding up or liquidation of the Borrower;
- (c) if a the Borrower commits an act of bankruptcy (other than under the BIA Proposal Proceedings);
- (d) if the Borrower fails to meet any of the Milestone Dates and the Lender does not agree to amend or extend any such Milestone Dates;
- (e) if a Change of Control occurs, other than as contemplated in the SISP;
- (f) if any encumbrancer, lien holder or Person acting on its behalf shall take possession of the Collateral or any material part thereof;
- (g) excluding amounts that are subject to the stay of proceedings under the Initial Order, if the Borrower permits any sum which has been admitted as due by the Borrower or is not disputed to be due by it and which forms or is capable of being made a charge on any Collateral in priority to the Interim Lender's Charge to remain unpaid after proceedings have been taken to enforce such charge;

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- (h) if any representation or warranty made by the Borrower or any of its officers, employees or agents to the Lender shall be false or inaccurate in any material respect and such representation and warranty is not thereafter made true and correct within three (3) Business Days of the Borrower becoming aware of it being false or inaccurate;
- (i) if there will have occurred any event of circumstance that has resulted in, or could reasonably be expected to result in, a Material Adverse Change;
- (j) if any amount of proceeds of any Collateral is deposited to any bank account of the Borrower that is not subject to the Security;
- (k) if any license, permit or approval required by any law, regulation or governmental policy or any governmental authority for the operation by the Borrower of its business shall be withdrawn, materially altered in a manner materially detrimental to the business of such license holder, or cancelled and all such appeal periods have expired; or
- (l) if a final judgment, execution, writ of seizure and sale, sequestration or decree for the payment of money in an amount, individually or in the aggregate, of at least \$1,500,000 (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall have been obtained or entered against the Borrower, unless such judgment, execution, writ of seizure and sale, sequestration or decree is and remains vacated, discharged or stayed pending appeal within the applicable appeal period.

“Initial Order”

means the order of the Court to be issued on September 29, 2022 issued under the BIA Proposal Proceedings in respect of the Borrower, in form and substance satisfactory to the Lender and its counsel.

“Initial CCAA Order”

means the proposed initial order of the Court to be issued on October 18, 2022 under the CCAA proceedings, a draft form of which is attached to the Application of the Borrower dated October 7, 2022

“Initial Financing Order”

means an order of the Court approving the Term Sheet and Credit Facility and granting the Interim Lender’s Charge, in form and substance satisfactory to the Lender and its counsel.

“Lien”

means any security interest, mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or

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otherwise), charge against or interest in property or other priority or preferential arrangement of any kind or nature whatsoever, in each case to secure payment of a debt or performance of an obligation, including any conditional sale or any sale with recourse.

“Material Adverse Change” means any event, circumstance or change that could be expected to result, individually or in the aggregate, in a material adverse effect, in any respect, on (a) the legality, validity or enforceability of any of the Credit Documents or any of the security interests provided for thereunder, (b) the right or ability of the Borrower to perform any of its obligations under any of the Credit Documents, in each case to which it is a party, or to consummate the transactions contemplated under any of the Credit Documents, (c) the financial condition, assets, business or prospects of the Borrower, taken as a whole, (d) any Material Permit, (e) the Borrower’s ability to retain, utilize, exploit or comply with its obligations under any Material Permit, or (f) the rights or remedies of the Lender under any of the Credit Documents; provided that, the commencement and continuation of the BIA Proposal Proceedings will not constitute a Material Adverse Change.

“Material Permits” means all cannabis licences issued by Health Canada to the Borrower or the Guarantor which are required to legally conduct its business.

“Milestone Dates” means the dates set out in Schedule B.

“Monitor” means Alvarez & Marsal Canada Inc., the licensed insolvency trustee who is appointed as monitor under the Initial CCAA Order.

“NOI” means the notices of intention to make a proposal filed by the Borrower and the Guarantors under the BIA.

“Parties” means the Lender, the Borrower, and the Guarantors and the term **“Party”** shall mean any one of such Parties.

“Permitted Encumbrances” means, collectively:

- (a) Liens granted under the Initial Order;
- (b) Liens granted in favor of the Lender pursuant to the Credit Documents and the Interim Lender’s Charge;
- (c) Subordinated Liens;
- (d) Liens granted in favor of a lessor of vehicles, provided that such Liens attach only to such leased vehicles and the proceeds thereof and do not attach to any other Collateral and such lien has been expressly approved and consented to by the Lender;
- (e) existing equipment leases and related arrangements;
- (f) liens for taxes, rates, assessments or other

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governmental charges or levies not yet due, or for which instalments have been paid based on reasonable estimates pending final assessments, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person;

- (g) undetermined or inchoate liens, rights of distress and charges incidental to current operations that have not at such time been filed or exercised and of which none of the Lender has been given notice, or that relate to obligations not due or payable, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person;
- (h) reservations, limitations, provisos and conditions expressed in any original grant from the Crown or other grants of real or immovable property, or interests therein, that do not materially affect the use of the affected land for the purpose for which it is used by that Person;
- (i) the right reserved to or vested in any governmental authority by the terms of any lease, licence, franchise, grant or permit acquired by that Person or by any statutory provision to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;

security given to a public utility or any governmental authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of its business;

- (j) a Lien created by a judgment of a court of competent jurisdiction, as long as the judgment is being contested diligently and in good faith by appropriate proceedings by that Person and does not result in an Event of Default; and
- (k) a Lien in favour of a financial institution to secure indebtedness under letters of credit, corporate credit cards and/or other cash management.

“Permitted Indebtedness” shall include:

- (a) intercompany indebtedness owing by the Borrower to any Guarantor, or by any Guarantor to the

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Borrower or another Guarantor; and

(b) existing indebtedness owing pursuant to:

(i) commitment letter dated December 24, 2021 issued by the Lender to the Borrower and accepted by the Borrower on December 30, 2021; and

(ii) funds advanced by the Lender to the Borrower prior to the NOI filing, to a maximum aggregate amount of \$84,000.

(c) Liens in respect of Priority Obligations, but only until the Borrower commences the CCAA proceedings and obtains the Initial CCAA Order.

“Person”

means an individual, a corporation, a limited partnership, a general partnership, a trust, a joint stock company, a joint venture, an association, a syndicate, a bank, a trust company, a governmental authority and any other legal or business entity.

“Priority Obligations”

Means, in respect of the Borrower, all claims of His Majesty the King in right of Canada, as represented by the Minister of National Revenue pursuant to subsection 227 (41.) of the *Income Tax Act*, subsection 23(4) of the Canada Pension Plan, and subsection 86(2.1) of the *Employment Insurance Act* as source deduction claims, excluding interest and penalties, on such claims.

“Real Estate Collateral”

means the real property located at 5822 52 Street, Stavelly, Alberta and legally described as Plan 0812160; Block 4; Lot 3 held in the name of 1800905 Alberta Ltd.

“SISP”

means the sales and investment solicitation process to be undertaken by the Borrower and the Guarantors pursuant to the Initial Order.

“Subordinated Lien”

means any Lien for which the holder thereof has agreed, pursuant to a subordination agreement in form satisfactory to the Lender, that such Lien shall at all times be subordinated and postponed in favor of the Liens granted in favor of the Lender.

“Trustee”

means Alvarez & Marsal Canada Inc., the licensed insolvency trustee who filed the NOI in the BIA Proceedings.

SCHEDULE B
MILESTONE DATES

The following events are to occur by the dates set forth below, unless otherwise agreed to by the Lender and the Borrower in writing:

September 26, 2022	NOI filed
September 29, 2022	Issuance of Initial Order, including Interim Financing Charge and Approval of the SISP
October 5, 2022	Proposal Trustee to create list of Known Potential Bidders and distribute Teaser Letters and NDAs to Known Potential Bidders
October 7, 2022	Proposal Trustee to prepare and have available for Potential Bidders the CIM and Data Room
October 21, 2022	Deadline for conversion of NOI to CCAA Proceedings
November 4, 2022	Phase I Bid deadline
December 9, 2022	Phase II Bid deadline
December 28, 2022	Transaction Approval Application Hearing
January 19, 2023	Closing of transaction(s) approved by Approval and Vesting Order(s) (subject to extension to a date consented to by the Lender in the event the sole outstanding condition precedent to closing is regulatory approval)

Capitalized terms used in this Schedule B not otherwise defined in this Term Sheet have the meanings ascribed thereto in the SISP.

THIS IS EXHIBIT "15"

REFERRED TO IN THE AFFIDAVIT OF

AJIBOLA (AJ) OMO-LOTO

Sworn before me this 13th day of July, 2023



**A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF ALBERTA**

**Afshan Naveed
Barrister & Solicitor**

COURT FILE NUMBER 2201 - 11655

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

MATTER IN THE MATTER OF THE COMPANIES CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED, AND IN THE MATTER OF SUGARBUD CRAFT GROWER CORP., TRICHOME HOLDINGS CORP., and 1800905 ALBERTA LTD.

APPLICANTS: SUGARBUD CRAFT GROWER CORP., TRICHOME HOLDINGS CORP., and 1800905 ALBERTA LTD.

DOCUMENT: **APPROVAL AND VESTING ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT: MLT AIKINS LLP
2100 Livingston Place
222 - 3rd Avenue S.W.
Calgary, AB T2P 0B4
Solicitor : Ryan Zahara
Phone Number: 403-693-5420
Email: rzahara@mltaikins.com
File No.: 0158011/00003



I hereby certify this to be a true copy of the original Order

Dated this 16 day of May 2023

Hermosa Goh
for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: MAY 9, 2023

LOCATION OF HEARING OR TRIAL: CALGARY, ALBERTA

JUSTICE WHO MADE THIS ORDER: HONOURABLE JUSTICE C.J. FEASBY

UPON the application of Sugarbud Craft Growers Corp., Trichome Holdings Corp. and 1800905 Alberta Ltd. (collectively, the **"Applicants"**) for an Order approving the sale transaction (the **"Transaction"**) contemplated by the Asset Purchase Agreement, as defined herein, appended to the Monitor's Fifth Report dated May 2, 2023 (the **"PSA"**), and which contemplates vesting in the purchaser, Connect First Credit Union Ltd. (or its nominee) (the **"Purchaser"**) the Applicants' right, title and interest in and to the Purchased Assets (as hereinafter defined);

AND UPON having read the CCAA Initial Order granted October 18, 2022 (the **"Initial Order"**); the Application dated May 2, 2023; the Affidavit of Daniel T. Wilson sworn May 2, 2023

(the “**Sixth Wilson Affidavit**”); and the Fifth Report of the Monitor, Alvarez & Marsal Canada Inc.; **AND UPON** hearing counsel for the Applicants and all other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today.

DEFINED TERMS

2. Capitalized terms used herein but not otherwise defined shall have the same meaning as given to such terms in the Sixth Wilson Affidavit.

APPROVAL OF TRANSACTION

3. The PSA is hereby approved and execution of the PSA by the Applicants and the Monitor is hereby authorized and approved, with such minor amendments as the Applicants and the Monitor may deem necessary. The Applicants and the Monitor are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets (as defined below) to the Purchaser (or its nominee).

VESTING OF PROPERTY

4. In this Order, the purchased assets are the following:

PLAN 0812160

BLOCK 4

LOT 3

EXCEPTING THEREOUT ALL MINES AND MINERALS, AREA: 1.636 HECTARES
(4.04 ACRES) MORE OR LESS

and all Equipment set out in Schedule “A” of the PSA (collectively, the “**Purchased Assets**”).

5. Upon delivery of a Monitor's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Monitor's Closing Certificate**"), all of the Applicants' right, title and interest in and to the Purchased Assets shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Initial Order;
- (b) any charges, security interests or claims evidenced by registrations pursuant to the Personal Property Security Act (Alberta) or any other personal property registry system;
- (c) any liens or claims of lien under the Builders' Lien Act (Alberta); and
- (d) those Claims listed in **Schedule "B"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "C"** (collectively, "**Permitted Encumbrances**");

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting, or relating to the Purchased Assets are hereby expunged, discharged, and terminated as against the Purchased Assets.

6. Upon delivery of the Monitor's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Monitor's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge

statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

(a) the Registrar of Land Titles ("**Land Titles Registrar**") for the lands defined below shall and is hereby authorized, requested, and directed to forthwith:

(i) cancel existing Certificates of Title No. 141 344 707 for those lands and premises municipally described as 5822 – 52nd Street, Stavelly, Alberta, and legally described as:

PLAN 0812160

BLOCK 4

LOT 3

EXCEPTING THEREOUT ALL MINES AND MINERALS, AREA: 1.636 HECTARES (4.04 ACRES) MORE OR LESS

(the "**Lands**"),

(ii) issue a new Certificate of Title for the Lands in the name of the nominee of the Purchaser, namely 1549081 Alberta Ltd.;

(iii) transfer to the New Certificate of Title the existing instruments listed in **Schedule "C"**, to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in **Schedule "C"**; and

(iv) discharge and expunge the Encumbrances listed in **Schedule "B"** to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the PSA against the existing Certificate of Title to the Lands;

7. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the PSA. Presentment of this Order and the Monitor's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but

excluding Permitted Encumbrances.

8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets from and after delivery of the Monitor's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Applicants shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court.
9. No authorization, approval, or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery, and performance by the Monitor of the PSA.
10. Upon delivery of the Monitor's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Monitor in its capacity as Monitor of the Applicants and not in its personal capacity.
11. Except as expressly provided for in the PSA, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Applicants.
12. Upon completion of the Transaction, the Applicants and all persons who claim by, through or under the Applicants in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall

stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

13. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Applicants, or any person claiming by, through or against the Applicants.
14. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Applicants or the Monitor in respect of the Purchased Assets.
15. The Monitor is directed to file with the Court a copy of the Monitor's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

MISCELLANEOUS MATTERS

16. Notwithstanding:
 - (a) the pendency of these proceedings and any declaration of insolvency made herein;
 - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the Bankruptcy and Insolvency Act, R.S.C. 1985, c.B-3, as amended (the "BIA"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
 - (c) any assignment in bankruptcy made in respect of the Debtor; and
 - (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants and shall not be void or voidable by creditors of the Applicants, nor shall it

constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

17. The Applicants, the Monitor, the Purchaser (or its nominee), and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
18. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Monitor and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Monitor, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.
19. Service of this Order shall be deemed good and sufficient by:
 - (a) Serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
 - (iv) the Purchaser or the Purchaser's solicitors.

and service on any other person is hereby dispensed with.

20. Service of this Order may be effected by facsimile, electronic mail, personal delivery, or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

A handwritten signature in black ink, appearing to be 'JMS', is written above a horizontal line.

Justice of the Court of King's Bench of Alberta

Schedule "A"

Form of Monitor's Certificate

COURT FILE NUMBER	2201 - 11655	<div style="border: 1px solid black; padding: 10px; text-align: center;">Clerk's Stamp:</div>
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
MATTER	IN THE MATTER OF THE COMPANIES CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED, AND IN THE MATTER OF SUGARBUD CRAFT GROWER CORP., TRICHOME HOLDINGS CORP., and 1800905 ALBERTA LTD.	
APPLICANTS:	SUGARBUD CRAFT GROWER CORP., TRICHOME HOLDINGS CORP., and 1800905 ALBERTA LTD.	
DOCUMENT:	MONITOR'S CERTIFICATE	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT:	MLT AIKINS LLP 2100 Livingston Place 222 - 3rd Avenue S.W. Calgary, AB T2P 0B4 Solicitor : Ryan Zahara Phone Number: 403-693-5420 Email: rzahara@mltaikins.com File No.: 0158011/00003	

RECITALS

1. Pursuant to an Order of the Court of King's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated **October 18, 2022**, Alvarez & Marsal Canada Inc. was appointed as the monitor (the "**Monitor**") of the undertakings, property and assets of the Applicants.
2. Pursuant to an Order of the Court dated **May 9, 2023**, the Court approved the agreement of purchase and sale of certain real and personal property of the Applicants (the "**PSA**") between the Applicants and Connect First Credit Union Ltd. (or its nominee) (the "**Purchaser**") and provided for the vesting in the Purchaser of the Applicants' right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the

Purchased Assets and (ii) the Transaction has been completed to the satisfaction of the Monitor.

3. Unless otherwise indicated herein, capitalized terms have the meanings set out in the PSA:

THE MONITOR CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Applicants have received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the PSA; and
2. The Transaction has been completed to the satisfaction of the Monitor.
3. This Certificate was delivered by the Monitor at _____[Time] on _____[Date].

Alvarez & Marsal Canada Inc., in its capacity as Monitor of the undertakings, property and assets of the Applicants and not in its personal capacity.

Per: _____
Name:
Title:

Schedule "B"
Encumbrances

Instrument No.	Registration Date	Registration
201 104 947	10/06/2020	Mortgage
201 104 949	10/06/2020	Postponement
201 118 654	07/07/2020	Mortgage
201 125 288	20/07/2020	Postponement
211 021 281	25/01/2021	Amending Agreement
211 021 283	25/01/2021	Postponement
211 021 284	25/01/2021	Postponement
221 006 541	13/01/2022	Amending Agreement
221 006 543	13/01/2022	Postponement
221 006 544	13/01/2022	Postponement
221 083 817	23/04/2022	Amending Agreement
221 083 818	23/04/2022	Caveat
221 083 819	23/04/2022	Postponement
221 083 820	23/04/2022	Postponement
231 024 734	25/01/2023	Mortgage
231 024 735	25/01/2023	Postponement
231 115 225	18/04/2023	Amending Agreement

Schedule "C"

Permitted Encumbrances

1. Capitalized terms in this Schedule C have the meaning ascribed to them in the PSA.
2. The reservations, limitations, exceptions, provisos and conditions, if any, expressed in any original grants from the Crown, including, without limitation, the reservation of any mines and minerals in the Crown or in any other person and any implied conditions set out in s.61 of the Land Titles Act (Alberta) as amended, replaced or restated from time to time;
3. Encumbrances given as security to a public utility or any Governmental Authority when required in the ordinary course of business but only insofar as they relate to any obligations or amounts not due as at the Closing Date;
4. All rights reserved to or vested in any Governmental Authority pursuant to Applicable Law to control or regulate the Lands in any manner, including any unregistered, undetermined or inchoate liens, levies or claims in favour of the Crown, any province or municipality or any Governmental Authority;
5. Rights of expropriation, access or use or any similar right conferred or reserved by or in any statute of Alberta or Canada;
6. Applicable municipal by-laws, development agreements, subdivision agreements, site plan agreements, servicing agreements, cost sharing reciprocal agreements and building and zoning restrictions and other similar agreements;
7. Any easements, servitudes, rights-of-way, licences, agreements, restrictions that run with the land (including easements, rights-of-way and agreements for railways, sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);
8. The following specific instruments registered against the title(s) to the Lands:

<u>Instrument Number</u>	<u>Particulars</u>
751 035 480	Utility Right of Way
191 169 775	Caveat

THIS IS EXHIBIT "16"

REFERRED TO IN THE AFFIDAVIT OF

AJIBOLA (AJ) OMO-LOTO

Sworn before me this 13th day of July, 2023



**A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF ALBERTA**

**Afshan Naveed
Barrister & Solicitor**

SugarBud Craft Growers Corp., Trichome Holdings Ltd. and 1800905 Alberta Ltd. (collectively "Sugarbud" or the "Debtors")

List of Creditors

Please note the following:

- 1 The list of creditors has been prepared from information contained in the books and records of Sugarbud
- 2 The amounts included in this list of creditors do not take into consideration any un-invoiced amounts, nor have the amounts been adjusted for any amounts that may also be receivable from creditors
- 3 This list of creditors has been prepared without admission as to the liability for, or quantum of, any of the amounts shown

Secured Creditors	Address	City	Province	Postal Code	Country	Balance Due
Alt Kind Door Services Ltd.	1459-34 Avenue SE	Calgary	AB	Canada	T2G 4Y1	6,847.15
Canadian Natural Resources	2100 855 2nd Street	Calgary	AB	Canada	T2P 4J8	1.00
Canada Revenue Agency - Payroll	9755 King George Blvd	Surrey	BC	Canada	V3T 5E1	263,000.00
COMPUTERSHARE TRUST COMPANY OF CANADA	800, 324 8th Ave SW	Calgary	AB	Canada	T2P 2Z2	25,801.97
Connect First Credit Union	200 2850 Sunridge Blvd NE	Calgary	AB	Canada	T1Y 6G2	7,129,696.12
Ford Credit Canada Leasing	PO Box 2400	Edmonton	AB	Canada	T5J 5C7	1.00
Grand HVAC Leasing	3430 South Service Rd, Suite 200	Burlington	ON	Canada	L7N 3T9	259,323.69
Meridian OneCap	PO Box 30597 RPO Madison	Burnaby	BC	Canada	V5C 6J5	2,526.70
ODYSSEY TRUST COMPANY	1230 - 300 5 Ave SW	Calgary	AB	Canada	T2P 3C4	34,756.21
TRITECHCA INC.	Suite 700, 1816 Crowchild Trail NW	Calgary	AB	Canada	T2M 3Y7	1.00
Workers' Compensation Board Alberta	9912 107 Street	Edmonton	AB	Canada	T5K 1G5	10,324.83
Total Secured Creditors						7,732,279.67

Unsecured Creditors	Address	City	Province	Postal Code	Country	Balance Due
1926248 Alberta Inc.	Unknown	Unknown	AB	Canada	A1A 2B2	8,584.00
3SIXTY SECURE CORP	21 McDonald St.	Smiths Falls	ON	Canada	K7A 5L5	36,653.39
680144 Alberta Ltd						0.00
A & L CANADA LABORATORIES	2136 Jetstream Road	London	ON	Canada	N5V 3P5	548.10
A&A GLOBAL IMPORTS	3359 E. 50th Street	Vernon	CA	United States	90058	0.00
ACKLANDS GRAINGER						380.73
Ainsworth Inc	Bay V, 1338 36 Ave N.E	Calgary	AB	Canada	T2E 6T6	0.00
Ajeta Jargaliya						1.00
Alberta Auto Glass & Accessories Ltd	PO Box 3025 #9 South Sask Cres	Clareholm	AB	Canada	T0L 0T0	0.00
ALBERTA GAMING, LIQUOR AND CANNABIS	50 Coniveau Avenue	St Albert	AB	Canada	T8N 3T5	0.00
Alberta Securities Commission	Suite 600, 250 5TH ST SW	Calgary	AB	Canada	T2P 0R4	1,000.00
ALCHEMY TRAINING TECHNOLOGIES INC	5301 Riata Park Court, Building F, Suite 100	Austin	TX	United States	78727	4,594.51
Alejandro Williams						1.00
ALTUS GROUP LIMITED	2020 4th Street SW Suite 310	Calgary	AB	Canada	T2S 1W3	3,025.00
AMPLE ORGANICS INC	290 Caiden Rd, Unit 2015A	Vaughan	ON	Canada	L4K 4J4	12,640.00
Andrew Smith						1.00
AQUATECH PLUMBING & HEATING LTD	PO Box 764	Fort Macleod	AB	Canada	T0L 0Z0	267.75
Argus Controls Systems Ltd	18445 53 Ave	Surrey	BC	Canada	V3S 7A4	201.09
ARTHUR J GALLAGHER CANADA LIMITED	Lockbox #C9582CPO Box 9582, Station M	Calgary	AB	Canada	T2P 5L8	30,274.00
ASSOCIATED CAB (ALTA) LTD	307 41 Ave NE	Calgary	AB	Canada	T2E 2N4	243.26
AVANTOR	2360 Argenta Rd	Mississauga	ON	Canada	L5N 5Z7	447.49
B&B ENERGY SERVICES LTD	PO Box 399, 5601 52nd Street	Slavely	AB	Canada	T0L 1Z0	283.50
BEQAA VENTURA INC	19 Hooke Road SW	Calgary	AB	Canada	T2V 3K6	5,971.15
BIOBEST CANADA LTD	2020 Fox Run Road	Leamington	ON	Canada	N8H 3V7	1,428.42
Boomer Logistics	115 Miranda Avenue	York	ON	Canada	M6B 3W8	8,553.51
BSI ENTROPY SOFTWARE	C/O TH1056PO Box 4283 Station A	Toronto	ON	Canada	M5W 5W6	10,395.00
BUGLE FORKLIFT SALES & RENTAL LTD	105, 4919-72 Avenue SE	Calgary	AB	Canada	T2C 3H3	1,916.36
CALTRONICS COMMUNICATIONS	4410-50th Ave S E	Calgary	AB	Canada	T2B 3R4	756.00
CALYX CONTAINERS	500 Lincoln St,	Allston	MA	United States	02134	34.27
CANADA LIFE (FORMERLY GWL)	100 Osborne St N	Winnipeg	MB	Canada	R3C 1V3	94,101.83
CANADA REVENUE AGENCY - EXCISE TAX	275 Pope Road	Summerside	PE	Canada	C1N 6A2	1,113,925.35
CANADA REVENUE AGENCY - GST	9755 King George Blvd	Surrey	BC	Canada	V3T 5E1	877,011.64
Canadian Bank Note Company Limited	145 Richmond Road	Ottawa	ON	Canada	K1Z 1A1	0.00
Canna Supplies / Consolidated Bottle	77 Union Street	Toronto	ON	Canada	M6N 3N2	31,771.62
CannaGreen Packaging	2927 Kingsview Blvd SE	Airdrie	AB	Canada	T4A 0C9	8,423.30
Carlos Ponton						1.00
CARO Analytical Services	#110 4911 Viking Way	Richmond	BC	Canada	V6V 2K9	6,556.50
Caslerland	3020, 2600 Portland St SE	Calgary	AB	Canada	T2G 4M6	0.00
Cattlemen's Corner	PO Box 1090	Nanton	AB	Canada	T0L 1R0	490.28
CDS CLEARING & DEPOSITORY SERVICES INC	100 Adelaide St W, Suite 300	Toronto	ON	Canada	M5H 1S3	2,362.50
CDW CANADA	5735 7St NE #300	Calgary	AB	Canada	T2E 8W6	1,509.83
CERIDIAN CANADA LTD	242 Hargrave St, 3rd Floor	Winnipeg	MB	Canada	R3C 0T8	26.00
Charmi Patel						1.00
CHECKER CABS LTD	316 Meridian Rd SE	Calgary	AB	Canada	T2A 1X2	52.00
Chris Moulson						183,333.29
CINTAS	1235 23rd Ave. SE	Calgary	AB	Canada	T2G 5S5	10,918.55
CIP OFFICE TECHNOLOGY	940a-11 Avenue SW	Calgary	AB	Canada	T2R 0E7	1,717.35
CLEARIT CANADA	5375 Pare, Suite 100	Montreal	QC	Canada	H4P 1P7	0.00
ClearLeaf Inc	2107 - 1001 Homer St	Vancouver	BC	Canada	V6B 1M9	8,825.00
CNW	RBC WATERPARK PLACESUITE 3000, 86 QUEENS QUAY WEST	Toronto	ON	Canada	M5J 0B8	8,550.48
Connect Logistics Services Inc	2 Boudreau Rd #1	St. Albert	AB	Canada	T8B 6K3	0.00
Connected Supply Chain Solutions Ltd	#110-302 Beaver Lake Road	Kelowna	BC	Canada	V4V 1S5	43,021.33
Convertible Debentures - Public Offering (c/o ComputerShare)	800, 324 8th Ave SW	Calgary	AB	Canada	T2P 2Z2	630,834.00
CROSSROAD ENERGY SOLUTIONS INC	Bay#1-137 Columbia Drive, Box 2588	Clareholm	AB	Canada	T0L 0T0	25,703.72
Culligan of Lethbridge	3219 1 Ave, S	Lethbridge	AB	Canada	T1J 4H1	320.00
Custom Cones USA	7059 S 190th St	Kent	WA	United States	98032	73.43
DA ELECTRIC	220 31 Street North	Lethbridge	AB	Canada	T1H 3Z3	5,969.19
DANIEL WILSON						75,000.00
Daryl Doyle						1.00
David Remillard						1.00
DBK Engineering Ltd	Unit 1, 5605 1 Street SE	Calgary	AB	Canada	T2H 2W9	6,699.00
DCM	9195 Torbram Rd	Brampton	ON	Canada	L6S 6H2	32,579.97
DEE JAY HARDWARE LTD	118-50th Avenue, West, Box 998	Clareholm	AB	Canada	T0L 0T0	3,201.21
DELROSE MOYER						2,100.00

Derek Shaw
Desna Controls & Weighing Inc
Diane Lauzon
DIRECT ENERGY REGULATED SERVICES
DISPLAY DYNAMIC
DONNELLEY FINANCIAL SOLUTIONS CANADA CORPORATION
Drae Longmuir
DUMP GUMP INC
ECOLAB
EECOL Electric
EMC Executive Marketing Consultants Inc
EMCO CORPORATION
ENVIRONMENTAL 360 SOLUTIONS
EPAC FLEXIBLE PACKAGING
EPCOR
ETEROS
FEDEX
FIRST CALGARY MASTERCARD
FIRST CALGARY MASTERCARD
FLIPP ADVERTISING INC
FOUR ZERO FOUR REFRIGERATION & HVAC SERVICES
G T Electrical Ltd
Global Governance Advisors
GLOBAL INDUSTRIAL CANADA
Green Line Hose & Fittings
GRODAN/ROCKWOOL, NA
GS1 CANADA
Hannah Shields
Harish Gangi
HAWTHORNE CANADA LTD
HEALTH CANADA
HOMWOOD HEALTH INC
Hope Radakovitch
HORTI INTERNATIONAL SERVICES LTD
HUDSON ENERGY
HUSKY LANDSCAPE
Hydrotek Hydroponics
Hygiene Canada Limited
IAN MILLER
Ideon Packaging
IMPAK Corporation
IncrediGrow Garden Centre - 1551519 Alberta Ltd
Independant Supply Company
Indigo Instruments
INNOVATION, SCIENCE & ECONOMIC DEVELOPMENT CANADA
INTEGRA TIRE
INTRADO DIGITAL MEDIA CANADA, INC
ISOLOCITY
ITG (Independant Trading Group)
ITM Instruments Inc
JANICE COMEAU
Jasmine Jones
Jeffery Madarang
Jenny Hoang
Jesseca Liedeman
JOANNE LEUNG
Joel Padulin
John
John Kondrosky
Jonathan Brehaut
JOSEPH DIETRICH
JoyFay International LLC
K & T SECURITY LTD
KALUX Commercial Plant Nutrition
Kanelink Ltd
Katherine Witt
Kelsey Berryman
KJN EXCAVATING & TRUCKING
Koppert Canada Limited
KPMG LLP
Krisly Reynolds
Latoplast
LAUREL HILL ADVISORY GROUP COMPANY
LETHBRIDGE MOBILE SHREDDING
Liam Kirk
LINDE (PRAXAIR)
Lisa Hoepfner
LLOYD SADD INSURANCE BROKERS
Lucas Middleton
LUCID CANNABIS SK INC
Luke Edey
MACDONALD & COMPANY LAWYERS
MC CARTHY TETRAULT LLP
MCKERCHER LLP
MEDIANT COMMUNICATIONS INC
MEMORY EXPRESS
METER Group, Inc USA
METTLER TOLEDO
Michael Samways
MICROSOFT
MID-WEST SUPPLY
Mitchell Cady
MNP LLP
Mountain View Printing & Graphics Ltd
Nanton Water & Soda Ltd
ORKIN CANADA
OTC MARKETS GROUP INC
PARAGON MECHANICAL
Pauline Zuffa
PG-CANADA
PLANET COFFEE COMPANY LTD
PROSOURCE SCIENTIFIC
Pure Pressure

412 Manitou Road SE	Calgary	AB	Canada	T2Q 4C4	1 00
PO Box 1520, Stn Main	Calgary	AB	Canada	T2P 5R6	658 35
#15, 777 - 84TH AVE SE	Calgary	AB	Canada	T2H 2C3	1 00
525 8th Ave SW	Calgary	AB	Canada	T2P 1G1	413 00
Po Box 427	Stavely	AB	Canada	T0L 1Z0	756 00
5105 Tomken Road	Mississauga	ON	Canada	L4W 2K5	1,530 90
11004-48 Street SE	Calgary	AB	Canada	T2C 3E1	0 00
19073 63 AVE	Surrey	BC	Canada	V3S 8G7	3,184 68
Bay C-4415 72 Ave SE	Calgary	AB	Canada	T2C 2G5	1,209 32
Po Box 64028	Calgary	AB	Canada	T2K 6J1	1,045 83
1750 Coast Meridian Rd, Unit 101	Port Coquitlam	BC	Canada	V3C 6R8	11,360 16
PO Box 500	Edmonton	AB	Canada	T5J 3Y3	125,648 02
202-17665 66A Ave	Surrey	BC	Canada	V3S 2A7	224 50
PO Box 4626	Toronto	ON	Canada	MSW 5B4	114 24
2720-700 9th Ave SW	Calgary	AB	Canada	T2P 3V4	65,883 60
#450, 110-9TH AVE SW	Calgary	AB	Canada	T2P 0T1	8,809 15
Suite 630 - 602, 12th Ave SW	Calgary	AB	Canada	T2R 1J3	7,701 05
PO Box 351	Champion	AB	Canada	T0L 0R0	288 59
PO Box 523	Stavely	AB	Canada	T0L 1Z0	1,029 00
10th Floor Bankers Hall, West Tower88 3rd St SW	Calgary	AB	Canada	T2P 5C5	262 50
110-35 Staples Avenue	Richmond	ON	Canada	L4B 4W6	17,632 60
4830-61 Avenue SE Foothills Industrial Park	Calgary	AB	Canada	T2C 4T1	0 00
8024 Esquensing Line	Milton	ON	Canada	L9T 6W3	13,036 24
1500 Don Mills Road Suite 800	Toronto	ON	Canada	M3B 3K4	6,581 00
2468 192nd Street, Units 104-106	Surrey	BC	Canada	V3S 3X1	1 00
161 GOLDENROD DRWY	Ottawa	ON	Canada	K1A 0K9	4,269 24
Suite 800, 1050 West Pender St.	Vancouver	BC	Canada	V6E 3S7	1 00
31471 Ponderosa Place	Abbotsford	BC	Canada	V2T 5G3	824 25
CX2516C PO Box 2591 Station M	Calgary	AB	Canada	T2P 0A3	117,992 24
80 Esna Park Dr, Ste 19	Markham	ON	Canada	L3R 2R6	493 50
Unit 107-19110 24th Ave	Surrey	BC	Canada	V3S 3S9	228 80
2650 Meadowdale Boulevard(Unit 14)	Mississauga	ON	Canada	L5N 6M5	11,072 30
11251 Dyke Road	Richmond	BC	Canada	V7A 0A1	62,102 90
13700 S Broadway	Los Angeles	CA	United States	90061	13,360 64
103-7500 MacLeod Trail	Calgary	AB	Canada	T2H 0L9	499 97
1216-26 Avenue S E	Calgary	AB	Canada	T2G 5S2	0 00
169 Lexington Court, Unit I	Waterloo	ON	Canada	N2J 4R9	0 00
220 4th Avenue SE, Suite 478	Calgary	AB	Canada	T2G 4X3	502 80
PO Box 342	Nanton	AB	Canada	T0L 1R0	0 00
155 University Ave Suite 1100	Toronto	ON	Canada	M5H 3B7	10,449 60
5-200 Green Lane East, Suite 303	East Gwillimbury	ON	Canada	L9N 0Z7	525 00
370 King St. W. Suite 701	Toronto	ON	Canada	M5V 1J9	45,000 00
4615 112 Ave SE #209	Calgary	AB	Canada	T2C 5J3	645 02
1200 E 55th St Ste C	Cleveland	OH	United States	44103	120,000 00
7064 Temple Drive Northeast	Calgary	AB	Canada	T1Y 4E5	1 00
1600 Sky Park Drive #213	Medford	OR	United States	97504	1 00
PO Box 80081	Burlington	ON	Canada	L7L 3B1	0 00
PO Box 493	Stavely	AB	Canada	T0L 1Z0	0 00
3-40 Ironside Crescent	Scarborough	ON	Canada	M1X 1G4	0 01
Suite 3100 Bow Valley Square II205 - 5TH Ave SW	Calgary	AB	Canada	T2P 4B9	339,266 10
1661 Finfar Court	Mississauga	ON	Canada	L5J 4K1	1 00
70 University Ave Suite 1440	Toronto	ON	Canada	M5J 2M4	1,421 23
3536 32nd Avenue North	Leithbridge	AB	Canada	T1H 7B4	34,830 60
PO Box 2531 STN M	Calgary	AB	Canada	T2P 0S6	48 30
521 - 3 Ave SW, Unit 350	Calgary	AB	Canada	T2P 3T3	1 00
304-10240 124 Street NW	Edmonton	AB	Canada	T5N 3W6	7,051 13
200 - 204 Lambert Street	Whitehouse	YT	Canada	Y1A 1Z4	1 00
Suite 4000, 421-7th Ave SW	Calgary	AB	Canada	T2P 4K9	7,051 13
#800 - 1801 Hamilton St.	Regina	SK	Canada	S4P 4B4	42,349 99
400 Regency Forest Dr, Suite 200	Cary	NC	Canada	27518	1 00
3333-34th Avenue NE	Calgary	AB	Canada	T1Y 6H2	1,421 23
2365 NE Hopkins Court	Pullman	WA	United States	99163	34,830 60
2915 Argenta Road, Unit 6	Mississauga	ON	Canada	L5N 8G6	48 30
One Microsoft Way	Redmond	WA	United States	98052-6399	1 00
#101, 7211-8 St NE	Calgary	AB	Canada	T2E 8A2	279 61
1500 640 5 Ave SW	Calgary	AB	Canada	T2P 3G4	1,079 40
3658 60th Avenue SE	Calgary	AB	Canada	T2C 2C7	1 00
1915 23rd Street, PO Box 1041	Nanton	AB	Canada	T0L 1R0	3,426 25
5840 Falbourne St	Mississauga	ON	Canada	L5R 4B5	0 00
300 Vesey St. (One North End Ave)12th Floor	New York	NY	United States	10282	400 00
Bay 16, 10672-46 St SE	Calgary	AB	Canada	T2C 1G1	2,790 90
22 Frederick Street, 7th Floor	Kitchener	ON	Canada	N2H 6M6	9,677 40
Bay F 7058 Farrell Road SE	Calgary	AB	Canada	T2H 0T2	3,360 00
5370 Canotek Road unit 11	Ottawa	ON	Canada	K1J 9E7	1 00
2625 South Santa Fe Dr, Unit 1-J	Denver	CO	United States	80223	0 00

PUROLATOR INC	PO Box 4800, Stn. Main	Concord	ON	Canada	L4K 0K1	4,188.33
QUALITY WHOLESALE LTD	7575 North Fraser way	Burnaby	BC	Canada	V5J 4Z3	603.75
RANDY CHOW						27,386.23
Rao Dharamoni						1.00
Richard Woermann						1.00
RJ Chemicals	210-360 Waterloo Avenue	Guelph	ON	Canada	N1H 8K7	0.00
Rocky Mountain Mobile Hearing Testing Ltd	Box 11057 Seton PO	Calgary	AB	Canada	T3M 1Y6	1,470.00
ROWAY REFRIGERATION & RESTAURANT SUPPLY	#9-7139 40th Street SE	Calgary	AB	Canada	T2C 2H7	0.00
ROLLED	24 Laing Blvd	St. Thomas	ON	Canada	N5P 4B5	18,645.00
ROSEDALE SHEET METAL	2610 3 Avenue NE	Calgary	AB	Canada	T2A 2L5	0.00
Ruth Sherry						1.00
Ryan Oltrop						1.00
Ryan Senecal						1.00
SANI MARC / WoodWyant	3030 15th Street NE	Calgary	AB	Canada	T2E 7A3	2,171.88
Saskatchewan Liquor and Gaming Authority	PO Box 5054, 2500 Victoria Ave	Regina	SK	Canada	S4P 3M3	1,500.00
Scott Parker						22,916.66
Sean Clarke						1.00
SEGRA BIOGENESIS CORP	108-21300 Gordon Way	Richmond	BC	Canada	V6W 1M2	41,638.25
Sensitech Canada Inc	1 Valleywood Drive, Unit 6	Markham	ON	Canada	L3R 5L9	0.00
Shalen Iron Shirt						1.00
Shane Slevin						1.00
SHAW - SHAW BUSINESS - 031-2405-6471	PO Box 2468 Stn Main	Calgary	AB	Canada	T2P 4Y2	131.20
SHAW BUSINESS	PO Box 1607, Station M	Calgary	AB	Canada	T2P 2L7	12,143.89
SHAW TOLL SERVICE C/O IVRNET INC	1338B - 36 AVENUE N E SUITE 222	Calgary	AB	Canada	T2E 6T6	383.54
SOUTHERN IRRIGATION	511-41 Street North	Lethbridge	AB	Canada	T1H 7B8	6,042.17
Southern Scale Company Inc	4546 14th Street NE	Calgary	AB	Canada	T2E 6T7	1,237.40
SPIFFY INC	592 Richmond St W	Toronto	ON	Canada	MSV 1Y9	4,237.50
Staples Professional	C/O C25043C PO Box 252 STN M	Calgary	AB	Canada	T2P 1B1	558.81
STEPHEN MARTIN						120,000.00
STERIGENICS	1425 Kabet Way	Port Coquitlam	BC	Canada	V3C 8L3	0.00
Stewart Todd						1.00
STIKEMAN ELLIOTT	4300 Bankers Hall West 888 - 3RD ST SW	Calgary	AB	Canada	T2P 3C5	230,163.67
STOCKHOUSE PUBLISHING LTD	Suite 1100 609 West Hastings St	Vancouver	BC	Canada	V6B4W4	31,500.00
STONHARD	95 Sunray Street	Whitby	ON	Canada	L1N 8C9	9,502.50
STRATUS ELECTRICAL & INSTRUMENTATION	4720 - 78 Ave SE	Calgary	AB	Canada	T2P 0S4	608.24
Sycorp Environmental Inc	188 - 21300 Gordon Way	Richmond	BC	Canada	V6W 1M2	0.00
TD WATERHOUSE - TD WATERHOUSE CANADA INC	505 2 St SW	Calgary	AB	Canada	T2P 1N8	3,906.26
TELUS	PO Box 7575	Vancouver	BC	Canada	V6B 8N9	740.81
Tenaquip	10505 48 St SE	CALGARY	AB	Canada	T2C 2B7	0.00
Teresiah Maina						1.00
TerraLink Horticulture Inc	Unit 105 18 Highland Park Way NE	Airdrie	ab	Canada	T4A 0R1	0.00
The Cary Company	1195 W. Fullerton Ave	Addison	IL	Canada	60101	0.00
The Original Resinator	3620 Allway Dr	Santa Rosa	CA	Canada	95403	0.00
Thompson Dorfman Sweatman	242 Hargrave Street, Suite 1700	Winnipeg	MB	Canada	R3C 0V1	1,610.67
Trevor Gerelus						36,401.88
TSX VENTURE EXCHANGE	Telus Sky Building Suite 2110, 685 Centre St SW	Calgary	AB	Canada	T2G 1S5	6,630.75
TYCO INTEGRATED FIRE & SECURITY	District #813 3215-16 Ave North Unit C	Lethbridge	AB	Canada	T1H 5E8	89.93
Tyrell Beverly Collins						1.00
ULINE	3333 James Snow Parkway North	Milton	ON	Canada	L9T 8L1	0.00
UNIFIRST	5702 60TH STREET	Taber	AB	Canada	T1G 2B3	28,553.67
UNIVAR	9800 Van Home Way	Richmond	BC	Canada	V6X 1W5	483.33
UPS CANADA	P O. Box 4900, Station A	Toronto	ON	Canada	MSW 0A7	171.28
Velvet Management Inc	1100 Avenue Atwater - Suite 2000	Westmount	QC	Canada	H3Z 2Y4	149,995.22
Victor El-Araj						5,833.33
Vivek Erramreddy						1.00
VWR International	2360 Argenta Rd	Mississauga	ON	Canada	L5N 5Z7	447.49
WE SHARE SUPPLY SERVICES	425 Herbert St	Ganarque	ON	Canada	K7G 1R2	9,617.07
Western Generator Sales & Rentals	3 East Lake Way NE	Airdrie	AB	Canada	T4A 2J4	10,487.50
WestJet Cargo	8063 22 St NE	Calgary	AB	Canada	T2E 7Z6	0.00
Workers' Compensation Board - Alberta	PO Box 2323	Edmonton	AB	Canada	T5J 3V3	4,794.55
WORKING CAPITAL CORP	PO Box 782	Coleman	AB	Canada	T0K 0M0	0.00
XEROX CANADA LTD	5616 80 Ave SE	Calgary	AB	Canada	T2C 4N5	459.63
Y'S IT CONSULTING INC	89 Simcoe Circle SW	Calgary	AB	Canada	T3H 4S5	1,198.75
Zach Strauss						1.00
Zakary Leidl						1.00
ZUNICH CAPITAL CORP	711 - 50TH AVE SW	Calgary	AB	Canada	T2S 1H7	105,000.00
Total Unsecured Creditors						6,048,456.07
Total						13,780,735.74