

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
FIGR BRANDS, INC., FIGR NORFOLK INC.
AND CANADA'S ISLAND GARDEN INC.**

Applicants

APPLICATION RECORD

(Volume 3 of 3)

January 21, 2021

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This is Exhibit “J” referred to in the

affidavit of Michael Devon

sworn before me, this 21st

day of January, 2021

A COMMISSIONER FOR TAKING AFFIDAVITS

LEASE OF OFFICE SPACE

DATE: June 18, 2019

BETWEEN:

**Dorsay Development Corporation
and ONTARI Holdings Ltd.**

("Landlord")

AND

FIGR Inc.

("Tenant")

PREMISES: Atria III, 2225 Sheppard Avenue East, Suite No. 900, Toronto, ON. M2J 5C2

LANDLORD AND TENANT, in consideration of the covenants herein contained, hereby agree as follows:

ARTICLE 1.00 DEFINITIONS

1.01 Definitions

In this Lease:

- (a) "Annual Rent" means in respect of the following period(s), the following annual amount(s), monthly installment(s) and annual rates calculated on the basis of the Square Feet in the Premises:

<u>Period</u>	<u>Annual Amount</u>	<u>Monthly Installment</u>	<u>Annual Square Foot Rate</u>
Month 1 to Month 60	\$125,400.00	\$10,450.00	\$16.50

- (b) "Article" means an article of this Lease.
- (c) "Carbon Offset Costs" means the cost of purchasing tradeable units, denominated in tonnes of CO₂, or the CO₂ equivalent using the global warming potential of other Greenhouse Gases, where the purchase of such tradeable units is necessary to ensure compliance of the Building with any required target Greenhouse Gas emission level or energy consumption level as prescribed by applicable laws.
- (d) "Carbon Offset Credits" means tradeable units, denominated in tonnes of CO₂ or other Greenhouse Gas, or the CO₂ equivalent using the global warming potential of other Greenhouse Gases, the tradeability of which may be permitted voluntarily in a given market or legislatively by any governmental authority, and which tradeable units may be created as a result of activities undertaken by either the Landlord or the Tenant which cause, directly or indirectly, measurable Greenhouse Gas emission reductions within or in respect of the Building and that have financial or exchange value in the regulatory or voluntary trading market.
- (e) "Carbon Tax" means the aggregate of all taxes, rates, duties, levies, fees, charges and assessments whatsoever, imposed, assessed, levied, confirmed, rated or charged against or in respect of the consumption by the Landlord in or at the Building of electricity, natural gas, propane or any other fossil fuel used to produce energy, such as heat, light or electricity, for the Building or any part of it or levied in lieu thereof, and levied against the Landlord or the Building by any governmental authority.
- (f) "CO₂" means carbon dioxide.
- (g) "Commencement Date" means the first day of the Term.
- (h) "Environmental Management Plan" means those provisions set forth in Schedule E attached hereto.

- (i) "Environmental Objectives" means those objectives more particularly set forth in Section 1.2 of Schedule E attached hereto.
- (j) "Fiscal Year" means the period ending on December 31st (all or part of which falls within the Term) or such other period from time to time determined by Landlord.
- (k) "Greenhouse Gases" means any or all of CO₂, methane (CH₄), nitrous oxide (N₂O), Sulphur Hexafluoride (SF₆), Perfluoromethane (CF₄), Perfluoroethane (C₂F₆), Hydrofluorocarbons (HFC's), any substance designated as a greenhouse gas by Applicable Law or any other substance that is the subject of reporting obligations pursuant to any governmental authority and "Greenhouse Gas" means any one of them.
- (l) "Lease" means this lease, Schedules A, B, C and, if applicable, D to this Lease, and every properly executed instrument which by its terms amends, modifies or supplements this Lease.
- (m) "Leasehold Improvements" means the alterations, fixtures and improvements in or serving the Premises made from time to time by or on behalf of Tenant or any prior occupant of the Premises with the exception only of furniture and equipment not in the nature of fixtures.
- (n) "Operating Costs" means the amounts determined in accordance with section 2.02 of Schedule B.
- (o) "Other Charges" means amounts payable to Landlord under Article 4.04.
- (p) "Premises" means the area on the **9th floor** of the Building shown hatched on Schedule A-1 and A-2 and shall extend from the upper surface of the structural sub-floor to the lower surface of the suspended ceiling within the boundaries of the Premises as described in Section 3.00 of Schedule B.
- (q) "Prime" means the rate of interest per annum from time to time announced by The Toronto Dominion Bank or its successors and reported to the Bank of Canada as its prime rate for Canadian dollar loans.
- (r) "Rent" means the aggregate of all amounts payable by Tenant pursuant to any provision of this Lease except under Article 4.03.
- (s) "Rental Taxes" means any tax or duty imposed upon either Landlord or Tenant which is measured by or based in whole or in part directly upon the Rent payable under this Lease or in respect of the rental or rental value of premises under this Lease whether existing at the date hereof or hereafter imposed by any governmental authority including, without limitation, goods and services taxes, harmonized sales tax, value added tax, business transfer tax, sales tax, federal sales tax, excise taxes or duties or any tax similar to the foregoing.
- (t) "Rules and Regulations" means the rules and regulations from time to time made by Landlord and consisting as of the Commencement Date of those listed in Schedule C.
- (u) "Square Feet in the Premises" means **approximately 7,600 square feet (Suite 900 consisting of 5,546 square feet and a portion of Suite 903 consisting of 2,054 square feet, to be known as Suite 900) subject to Tenant's final space plans and Landlord's certificate of measurement**, and to be determined by Landlord in accordance with Section 3.00 of Schedule B.
- (v) "Tenant's Proportionate Share" means the amount determined in accordance with section 2.01(c) of Schedule B.
- (w) "Term" means the period of time set out in Article 3.01.

ARTICLE 2.00 GRANT OF LEASE

2.01 Grant

Landlord hereby demises and leases the Premises to Tenant, and Tenant hereby, **subject to Landlord's Work**, leases and accepts the Premises from Landlord, in a "then as is" condition, to have and to hold during the Term, subject to the terms and conditions of this Lease. Landlord hereby grants to Tenant a non-exclusive licence throughout the Term subject to control of Landlord and to Landlord's right to alter them in accordance with this Lease to use those parts of the Common Areas providing access to or, in the case of the area above the suspended ceiling to the lower surface of the structural ceiling, servicing the Premises.

2.02 Quiet Enjoyment

If Tenant pays Rent, fully performs all its obligations under this Lease and there has been no default, Tenant shall be entitled to peaceful and quiet enjoyment of the Premises for the Term without interruption or interference by Landlord or any person claiming through Landlord.

2.03 Covenants of Landlord and Tenant

Landlord covenants to observe and perform all of the terms and conditions to be observed and performed by Landlord under this Lease. Tenant covenants to pay the Rent when due under this Lease and to observe and perform all of the terms and conditions to be observed and performed by Tenant under this Lease.

2.04 Net Lease

Tenant acknowledges and agrees that it is intended that the Lease and the Rent payable hereunder are completely net and carefree to Landlord.

ARTICLE 3.00 TERM AND POSSESSION

3.01 Term

Notwithstanding Articles 3.02 and 3.03, the Term of this Lease shall be **Five (5) years beginning on the 1st day of September 2019 and ending on the last day of the month of August 2024**, unless terminated earlier or extended as provided in this Lease.

3.02 Early Occupancy

If Tenant begins to conduct business in all or any portion of the Premises before the Commencement Date, Tenant shall pay to Landlord on the Commencement Date a rental in respect thereof for the period from the date Tenant begins to conduct business therein to the Commencement Date, which rental shall be that proportion of the Rent payable in the first twelve (12) months of the Term which the number of days in such period bears to three hundred and sixty five (365). All the provisions of this Lease shall be applicable during the early occupancy period.

3.03 Delayed Possession

If Landlord is for any reason delayed in delivering possession of the Premises to Tenant on the Commencement Date, then Tenant shall take possession of the Premises on the date when Landlord delivers possession thereof, which date shall be conclusively established by Landlord by notice to Tenant. This Lease shall not be void or voidable nor shall Landlord be liable to Tenant for any loss or damage resulting from any delay in delivering possession of the Premises to Tenant. If such delay is not principally caused by or attributable to Tenant, no Rent shall be payable by Tenant for the period prior to the date on which Landlord can so deliver possession of the Premises. If Landlord is for any reason delayed in delivering only part of the Premises, the provisions of this Article shall apply, making necessary changes, to such part.

3.04 Acceptance of Premises

Taking possession of all or any part of the Premises by Tenant shall be conclusive evidence as against Tenant that the Premises or such part thereof are in satisfactory condition.

ARTICLE 4.00 RENT, OPERATING COSTS AND TAXES

4.01 Annual Rent

Tenant shall pay to Landlord as Annual Rent the amount(s) set out in Article 1.01(a), payable in advance and without notice in monthly installments as set out in Article 1.01(a), on the Commencement Date and on the first day of each calendar month thereafter during the Term.

4.02 Operating Costs, Taxes and Utilities

Tenant shall pay to Landlord, at the times and in the manner provided in Article 4.07, Taxes, utilities and Tenant's Proportionate Share of Operating Costs all as determined under this Lease including Schedule B.

4.03 Rental Taxes

Tenant shall pay to Landlord all Rental Taxes applicable from time to time. Landlord shall calculate the amount of Rental Taxes payable by Tenant in accordance with the applicable legislation and Tenant shall pay such amount together with monthly installments of Rent. The amount payable by Tenant under this Article 4.03 shall be deemed not to be Rent for the purpose of such calculation but in the event of a failure by Tenant to pay under this Article 4.03, Landlord shall have the same rights and remedies as it has in the event of default by Tenant in the payment of Rent.

4.04 Other Charges

Tenant shall pay to Landlord, at the times and in the manner provided in this Lease or, if not so provided, upon demand by Landlord, all amounts (other than those payable under Articles 4.01, 4.02, and 4.03) that are payable by Tenant under this Lease.

4.05 Payment of Rent - General

All amounts payable by Tenant under this Lease, except that payable under Article 4.03, shall be deemed to be Rent and shall be payable and recoverable as Rent in the manner herein provided, and Landlord shall have all rights against Tenant for default in any such payment as in the case of arrears of Rent. Tenant shall pay to Landlord Rent, in legal tender of the jurisdiction in which the Building is located, without deduction or set-off, as a covenant independent of all other covenants of Landlord or Tenant in this Lease. At Landlord's request, Tenant will make all payments under this Lease by way of electronic funds transfer from Tenant's bank account and will execute and deliver either concurrently with this Lease or from time to time within three (3) business days following request therefor, such documentation as may be required by Landlord and its bank in order to effect all payments under this Lease by electronic funds transfer. Tenant's obligation to pay Rent shall survive the expiration or earlier termination of this Lease.

4.06 Rent - Adjustment

If the Term begins on a day other than the first day of a calendar month or ends on a day other than the last day of a calendar month, the Rent payable for such month shall be prorated on a per diem basis using a three hundred and sixty five (365) day period.

4.07 Payment - Operating Costs and Taxes

- (a) Prior to the Commencement Date and the beginning of each Fiscal Year thereafter, Landlord shall compute and deliver to Tenant a bona fide estimate of Taxes and Tenant's Proportionate Share of Operating Costs for the appropriate Fiscal Year and without further notice Tenant shall pay to Landlord in monthly installments one-twelfth (1/12th) of such estimate simultaneously with Tenant's payments of Annual Rent.
- (b) Landlord shall deliver to Tenant within one hundred twenty (120) days after the end of each Fiscal Year a written statement (the "Statement") setting out in reasonable detail the amount of Operating Costs and Taxes for such Fiscal Year and certified by a representative of Landlord. If the amount of Taxes and Tenant's Proportionate Share of Operating Costs actually paid by Tenant to Landlord during such Fiscal Year differs from the amount of Taxes and Tenant's Proportionate Share of Operating Costs payable for such Fiscal Year, Tenant shall pay such difference or Landlord shall credit Tenant's account (as the case may be), without interest within thirty (30) days after the date of delivery of the Statement. Failure of Landlord to render any statement under this section shall not prejudice Landlord's right to render such Statement thereafter or with respect to any other period, or relieve Tenant from its obligations hereunder.
- (c) If Tenant disputes the accuracy of any Statement, Tenant shall nevertheless make payment in accordance with the Statement, but the disagreement shall be referred by Landlord for prompt decision to an independent professional consultant, who is qualified by education and experience to make such decision and who shall be

deemed to be acting as an expert and not an arbitrator. The consultant's signed determination shall be final and binding on both Landlord and Tenant. Any adjustment required to any previous payment made by Tenant or Landlord by reason of any such determination shall be made within fourteen (14) days thereof, and the party required to pay such adjustment shall bear all costs of the consultant, except that if the amount to be paid is three percent (3%) or less of the amount in dispute, Tenant shall pay all such costs.

- (d) Tenant may only dispute a Statement and claim a re-adjustment by notice given to Landlord within six (6) months after the date of delivery of the Statement to Tenant.

4.08 Carbon Offset Credits and Carbon Offset Costs

The Landlord shall be entitled to all Carbon Offset Credits that may be created, credited or recoverable as a result of activities conducted within the Premises or the Building, excluding Carbon Offset Credits to which the Tenant is entitled in accordance with applicable laws. The Landlord shall be entitled to allocate, acting reasonably, to the tenants of the Building, Carbon Offset Credits (net of all costs of aggregating, auditing and certifying same, not otherwise included in Operating Costs) created with the participation of the Tenant and/or other tenants in the Building. Where the Landlord is required to incur a Carbon Offset Cost, such Carbon Offset Cost shall be included in Operating Costs and recoverable pursuant to the provisions of this Lease.

ARTICLE 5.00 USE OF PREMISES

5.01 Use

The Premises shall be used and occupied only as a general business office and other ancillary uses required by the Tenant, as initially conducted in the Premises. Tenant shall operate the business office in a first-class, reputable manner befitting the reputation and image of the Building. For greater certainty, there shall be no storage or sale of cannabis or cannabis related products permitted at the Premises.

5.02 Compliance with Laws

Tenant shall use and occupy and shall cause the Premises to be used and occupied in a safe, careful and proper manner so as not to contravene any present or future governmental or quasi-governmental laws in force or regulations or orders, including without limitation all applicable environmental laws, regulations or orders. If due primarily to Tenant's use or occupancy of the Premises, improvements are necessary to comply with any of the foregoing or with the requirements of insurance carriers, Tenant shall pay to Landlord the entire cost thereof. Tenant will immediately advise Landlord in writing of (i) any and all governmental or regulatory notices, orders and/or actions instituted, completed, or threatened affecting the Premises; and (ii) all claims made or threatened by any third party against Tenant, Landlord or the Premises arising out of Tenant's use or occupancy of the Premises and the Land.

5.03 Abandonment

Tenant shall not vacate or abandon the Premises.

Notwithstanding the above, the Tenant shall not abandon the Premises; however, the Tenant shall not be required to actually physically occupy the Premises, provided Tenant continues to pay all Rent as if it were in occupancy, and performs all of its obligations as set out in the Lease.

5.04 Nuisance

Tenant shall not cause or maintain any nuisance in or about the Premises, and shall keep the Premises free of debris or anything kept in a manner which attracts rodents, vermin and anything of a dangerous, noxious or offensive nature or which could create a fire hazard (through undue load on electrical circuits or otherwise) or undue vibration, heat or noise.

5.05 Extraordinary Installations

Tenant shall not install anything that might affect the integrity or capacity of either the structure or the systems of the Building.

5.06 Jeopardy of Insurance

Tenant shall neither do nor omit to do anything that might result in any increase in the premiums for insurance maintained by Landlord in respect of the Building or which might result in the actual or threatened reduction or cancellation of or material adverse change in such insurance. If the premiums for such insurance are increased as a result of the use or occupancy of the Premises or any article kept on the Premises or any act or omission of Tenant or any person for whom Tenant is in law responsible or any subtenant of the Premises, or if any such insurance is actually, or threatened to be, either cancelled, reduced or materially adversely changed by an insurer by reason of the use or occupancy of the Premises, and if Tenant fails to remedy the condition or the use or occupancy giving rise to such actual or threatened cancellation, reduction or change within twenty four (24) hours after notice thereof, Landlord may, without limiting its other remedies for the default, either:

- (a) re-enter and take possession of the Premises forthwith upon notice by Landlord to Tenant of its intention to do so; or
- (b) enter upon the Premises and remedy the condition, use or occupancy giving rise to such actual or threatened cancellation, reduction or change, and Tenant shall pay to Landlord its cost of doing so forthwith on demand. No such entry by Landlord shall be deemed a re-entry or a breach of Article 2.02 and Landlord shall not be liable for any damage to either the Premises or any property located on the Premises as a result of such entry.

5.07 Environmental Management Plan

Tenant shall comply with the provisions of the Environmental Management Plan for the Building.

ARTICLE 6.00 SERVICES, MAINTENANCE, REPAIR AND ALTERATIONS BY LANDLORD

6.01 Operation of Building

Subject to Tenant performing its obligations under this Lease, Landlord shall operate and maintain the Building in accordance with all applicable laws and regulations and with standards from time to time prevailing for similar office buildings in the area in which the Building is located, subject, however, to the limitations occasioned by the design and age of the Building and the capacity of its systems and shall provide the services set out in Articles 6.02, 6.03 and 6.04, subject to such limitations, and shall be entitled to make the alterations set out in Article 6.06. Landlord's costs associated with this Article 6.00 that are properly includable in Operating Costs shall be included.

6.02 Services to Premises

Landlord shall provide in the Premises:

- (a) heat, ventilation and cooling as required for the comfortable use and occupancy of the Premises during Normal Business Hours;
- (b) janitor services, as reasonably required to keep the Premises in a clean and tidy condition, provided that Tenant shall leave the Premises in a reasonably tidy condition at the end of each business day;
- (c) electric power for lighting and small business office equipment (but not lighting or equipment using amounts of power disproportionate to that used by typical office tenants); and
- (d) replacement of the standard fluorescent tubes, light bulbs and ballasts used in the Building as required from time to time as a result of normal usage.

6.03 Building Services

Landlord shall provide in the Building:

- (a) domestic running water and necessary supplies in washrooms sufficient for the normal use thereof by occupants in the Building;

- (b) elevator or escalator service if included in the Building;
- (c) heat, ventilation, cooling, lighting, electric power, domestic running water, and janitor service in those areas of the Building from time to time designated by Landlord for use during Normal Business Hours by Tenant in common with all tenants and other persons in the Building but under the exclusive control of Landlord;
- (d) a general directory board on which Tenant shall be entitled to have its name shown, provided that Landlord shall have exclusive control thereof and of the space thereon to be allocated to each tenant; and
- (e) maintenance, repair, and replacement as set out in Article 6.04.

6.04 Maintenance, Repair and Replacement

Landlord shall operate, maintain, repair and replace the systems, facilities and equipment necessary for the provision of services of Landlord under Articles 6.02 and 6.03 and shall maintain and repair the foundations, structure and roof of the Building and repair damage to the Building which Landlord is obligated to insure against under Article 9.00, provided that:

- (a) if all or part of such systems, facilities and equipment require maintenance or inspections or are destroyed, damaged or impaired, Landlord shall have a reasonable time in which to complete the necessary repair or replacement, and during the period of repair or replacement shall only be required to maintain such services as are reasonably possible in the circumstances;
- (b) Landlord shall use reasonable diligence in carrying out its obligations under this Article 6.04, but shall not be liable in any circumstances for any direct, indirect or consequential damages to Tenant or any other person or property for any failure to do so;
- (c) no reduction or discontinuance of such services or loss of use of the Premises shall be construed as an eviction of Tenant or (except as specifically provided in this Lease) release Tenant from any obligation under this Lease; and
- (d) nothing contained herein shall derogate from the provisions of Article 16.00.

6.05 Additional Services

- (a) If from time to time requested in writing by Tenant and to the extent that Landlord is reasonably able to do so, Landlord may elect to provide in the Premises services in addition to those set out in Article 6.02, provided that Tenant shall within ten (10) days of receipt of any invoices for any such additional service pay Landlord therefor at such reasonable rates as Landlord may from time to time establish plus an administration fee of fifteen (15%) percent of the amount payable.
- (b) Tenant shall not without Landlord's written consent install in the Premises equipment which generates sufficient heat to affect the temperature otherwise maintained in the Premises by the air conditioning system as normally operated. Landlord may install supplementary air conditioning units, facilities or services in the Premises, or modify its air conditioning system, as may in Landlord's reasonable opinion be required to maintain proper temperature levels, and Tenant shall pay Landlord within ten (10) days of receipt of any invoice for the cost thereof, including installation, operation and maintenance expense plus fifteen percent (15%) of such costs for overhead.
- (c) If Landlord shall from time to time reasonably determine that the use of electricity or any other utility or service in the Premises is disproportionate to the use of other typical office tenants, Landlord may separately charge Tenant for the excess costs attributable to such disproportionate use calculated on a reasonable basis.
- (d) Landlord may install and maintain at Tenant's expense, metering devices for measuring the use of any utility or service in the Premises. Tenant shall pay Landlord within ten (10) days of receipt of any invoice for the cost of installation and maintenance of such device plus fifteen percent (15%) of such cost on account of Landlord's overhead.

6.06 Alterations by Landlord

Landlord may from time to time:

- (a) make repairs, replacements, changes or additions to the structure, systems, facilities and equipment in the Building (including the Premises) where necessary to serve the Premises or other parts of the Building;
- (b) make changes in or additions to any part of the Building not in or forming part of the Premises;
- (c) terminate or amend Tenant's right of use of any of the Common Areas or eliminate or change the location and size of any of the Common Areas or their facilities;
- (d) retain contractors and employ all personnel, including supervisory personnel and managers, that Landlord considers necessary for the effective maintenance, repair, operation, management and control of the Building; and
- (e) do and perform such other acts in and to the Building or any of its component parts as Landlord considers reasonable for the proper and efficient maintenance, repair, operation, management and control of the Building,

provided that in the course of Landlord's exercise of its rights hereunder, access to the Premises will not be interrupted. Landlord shall provide reasonable notice to Tenant of any planned maintenance and work affecting Tenant's enjoyment of the Premises and shall perform all of its work as expeditiously as is reasonably possible so as to interfere as little as is reasonably possible with Tenant's use of the Premises. Provided Landlord acts in accordance with this Article 6.06, it shall be deemed not to have re-entered the Premises nor to have breached Article 2.02.

6.07 Access by Landlord

Tenant shall permit Landlord, its agents and consultants to enter the Premises outside Normal Business Hours, and during Normal Business Hours if such entry is necessitated by an emergency or will not unreasonably disturb or interfere with Tenant's use of the Premises, to inspect, to provide services or make repairs, replacements, changes or alterations as set out in this Lease, to take such steps as Landlord may deem necessary for the safety, improvement or preservation of the Premises or the Building, to remedy any nuisance in the Premises, to show the Premises to mortgagees, prospective mortgagees, purchasers, and prospective purchasers and, during the last twelve (12) months of the Term, to prospective tenants. Except in cases of emergency, Landlord shall give Tenant reasonable prior notice to any entry, but no such entry shall constitute a re-entry by Landlord or an eviction or entitle Tenant to any abatement of Rent.

6.08 Energy, Conservation, Safety and Security Policies

Landlord shall be deemed to have observed and performed the terms and conditions to be performed by Landlord under this Lease, including those relating to the provision of utilities and services, if in so doing it acts in accordance with any directive, policy or request of any governmental or quasi-governmental authority in respect of any energy, conservation, safety or security matter. Tenant shall at the request of Landlord comply with any such directive, policy or request.

ARTICLE 7.00 MAINTENANCE, REPAIR, ALTERATIONS AND IMPROVEMENTS BY TENANT

7.01 Condition of Premises

Except to the extent that Landlord is specifically responsible therefor under this Lease, Tenant shall maintain and repair the Premises and all Leasehold Improvements therein and keep them in good order and condition, including:

- (a) repainting and redecorating the Premises and cleaning window coverings and carpets in each case at reasonable intervals; and
- (b) making repairs, replacements and alterations as needed, including those necessary to comply with the requirements of any governmental or quasi-governmental authority having jurisdiction.

7.02 Failure to Maintain Premises

If Tenant fails to perform any obligation under Article 7.01, then Landlord shall provide notice to Tenant identifying any breaches and allowing Tenant a remedy period of not less than ten (10) days. If Tenant does not remedy or commence to remedy the breach within the time frame provided, Landlord may enter the Premises and perform such obligation without liability to Tenant for any loss or damage to Tenant thereby incurred, and Tenant shall pay Landlord the cost thereof plus twenty percent (20%) of such cost for overhead and supervision, within ten (10) days of its receipt of Landlord's invoice therefor.

7.03 Alterations by Tenant

Tenant may from time to time at its own expense install Leasehold Improvements and alter existing Leasehold Improvements (the "Tenant's Work") provided that:

- (a) the Tenant's Work shall not commence without the prior written approval of Landlord;
- (b) Tenant shall have furnished Landlord with two (2) complete sets of professionally prepared working drawings (which shall include any architectural, structural, electrical, mechanical, computer system wiring and telecommunication plans) of the proposed Tenant's Work. Landlord requires that Tenant retain Landlord's base building mechanical, electrical and structural engineering consultants to ensure compatibility of base building systems and the Tenant's Work. If Tenant uses other consultants for the preparation of Tenant's working drawings, then Landlord may elect to retain architects and engineers to review such working drawings for the purpose of approving the proposed Tenant's Work (it being understood that notwithstanding such approval, Landlord shall have no responsibility with respect to the adequacy of such working drawings). Tenant shall pay on demand to Landlord the costs for the examination of such drawings by either Landlord or an outside consultant plus an amount equal to fifteen percent (15%) of such costs for overhead;
- (c) In addition to any other payment contained in this Article, Tenant shall pay to Landlord, on demand, a fee equal to the lesser of: \$0.80 cents per square foot of the Square Feet in the Premises, and 10% of the cost of completing the Tenant's Work (as evidenced by a sworn statement as to cost accompanied by receipted invoices) for coordination services provided by Landlord during Tenant's construction of its Tenant's Work. Notwithstanding the foregoing, the Landlord agrees to limit the construction coordination fee for initial Tenant's Work to be completed before the end of December 2019 to Landlord's actual out of pocket costs in relation to review, approval and coordination of Tenant's Work;
- (d) Landlord shall have approved, prior to commencement of the Tenant's Work, the contractors and subcontractors and their respective labour affiliations;
- (e) Tenant shall have provided prior to the commencement of the Tenant's Work, proof of workers compensation, all risks, builders' risk, and contractors' public liability and property damage insurance coverage, with Landlord and any mortgagee, as required by Landlord to be named as additional insureds, in amounts with insurers, and in form reasonably satisfactory to Landlord, which shall remain in effect during the entire period in which the Tenant's Work will be carried out;
- (f) Tenant will deliver a complete list identifying every contractor and sub-contractor, accompanied by an up-to-date valid clearance certificate for each of them issued by the appropriate worker compensation, safety and insurance authority and Tenant will not use any contractor or permit the use of any sub-contractor that is not identified on the list;
- (g) Tenant acknowledges that certain Tenant's Work may require modification and interfacing with the base building and its systems and structure. If any proposed Tenant's Work could affect the structure, the exterior walls or the systems of the Building, Landlord may require that any such Tenant's Work be performed by either Landlord or its contractors in which case Tenant shall pay Landlord's cost and fifteen percent (15%) thereof for overhead;
- (h) Tenant shall have provided to Landlord a copy of the contract for the Tenant's Work and evidence satisfactory to Landlord as to the existence of all necessary permits;

- (i) Tenant shall perform the Tenant's Work or cause the Tenant's Work to be performed: (i) in accordance with any construction methods and procedures manual for the Building; (ii) in accordance with the plans and specifications submitted to and approved by Landlord; (iii) in accordance with any conditions, regulations, procedures or rules imposed by Landlord; (iv) in compliance with all applicable laws (including occupational health and safety, and workplace hazardous materials information system requirements and legislation); and (v) in a good and workmanlike and expeditious manner using new materials;
- (j) Landlord may inspect construction as it proceeds (the onus being on Tenant to advise Landlord whenever any phase has been completed so that an inspection can be made);
- (k) upon completion of the Tenant's Work, Tenant shall provide Landlord with a complete set of "as built" drawings for the Tenant's Work; and
- (l) if Tenant fails to observe any of the requirements of this Article, Landlord may require that construction stop and that the Premises be restored to their prior condition failing which Landlord may do so and Tenant shall pay Landlord's cost plus fifteen percent (15%) thereof for overhead.

Any increase in Operating Costs or Taxes attributable to such Tenant's Work shall be borne by Tenant.

7.04 Telephone and Computer Systems

- a) Tenant may utilize a telecommunication service provider of its choice, subject to the provisions of this Lease, including but not limited to the following:
 - i) the service provider shall execute and deliver Landlord's standard form of license agreement which shall include a provision for Landlord to receive reasonable compensation for the use of the space for the service provider's equipment and materials;
 - ii) Landlord shall incur no expense or liability whatsoever with respect to any aspect of the provision of telecommunication services, including without limitation, the cost of installation, service, materials, repairs, maintenance, and interruption or loss of telecommunication service;
 - iii) Landlord must first reasonably determine that there is sufficient space in the risers of the Building for the installation of the service provider's equipment and materials; and
 - iv) if the service provider chosen by Tenant begins to provide service to the Building as the result of the Tenant's choosing the service provider, Tenant shall indemnify and hold harmless Landlord for all losses, claims, demands, expenses, and judgements against Landlord caused by or arising out of, either directly or indirectly, any acts or omissions by the service provider, its contractors and those for whom they are responsible at law.
- b) As part of the Tenant's Work, Tenant shall be responsible for the costs associated with the supply and installation of telephone, computer and other communications equipment and systems and related wiring within the Premises to the boundary of the Premises for hook up or other integration with telephone and other communications equipment and systems of a telephone or other communications service provider,
- c) Landlord shall supply space in risers in the Building and space on the floor(s) of the Building in which the Premises are located, the location of which shall be designated by Landlord in its sole discretion, to telecommunication service providers who have entered into Landlord's standard form of license agreement for the purpose, without any cost or expense to Landlord therefor, of permitting installation in such risers and on such floor(s) of telephone and other communications services and systems (including data cable patch panels) to the Premises at a point designated by Landlord.
- d) Landlord shall have the right to assume control of the cables and other telecommunication equipment in the Building and may designate them as part of the Common Areas.
- e) Tenant releases Landlord from all claims for loss or damage which it might suffer as the result of any interruption of telecommunication service regardless of how it occurs and regardless of negligence on the part of Landlord, any contractor of Landlord, and any person for whom they are responsible at law, and Tenant will indemnify Landlord against all claims by third parties related to interruption of telecommunication services with Tenant, or any other

occupant of the Premises, regardless of how caused and regardless of negligence on the part of the Landlord, its contractors and those for whom they are responsible at law.

- f) If required by Landlord, Tenant will change its service provider if the license agreement referred to above is terminated or expires without being renewed. Landlord has no obligation to ensure continuation of service by Tenant's service provider.

7.05 Liens

Tenant shall pay before delinquency all costs for work done in the Premises which could result in any lien or encumbrance on the Land or Building, shall keep the title to the Land and the Building free and clear of any lien or encumbrance and shall indemnify and hold harmless Landlord from and against any claim, loss, cost, demand and legal or other expense, whether in respect of any lien or otherwise, arising from the supply of material, services or labour for such work or otherwise. Tenant shall immediately notify Landlord of any such lien or encumbrance of which it has or reasonably should have knowledge, and shall cause the same to be removed or vacated within five (5) days failing which Landlord may take such action as Landlord deems necessary to remove or vacate the same and Tenant shall pay to Landlord on demand the entire cost thereof plus an administration fee of fifteen percent (15%) of such cost. Tenant shall not mortgage, charge, grant a security interest in or otherwise encumber any Leasehold Improvements.

7.06 Signs

Any sign, lettering or design in the Premises that is visible from the exterior of the Premises shall be subject to approval by Landlord and shall conform to the uniform pattern of identification signs for tenants in the Building as prescribed by Landlord. Tenant shall not inscribe or affix any sign, lettering or design which is visible from the exterior of the Building.

7.07 Removal of Leasehold Improvements - Expiration or Termination of Term

Subject as hereinafter provided, immediately prior to the expiration of the Term, or immediately following the termination thereof, Tenant shall remove all Leasehold Improvements, personal property and any signs, restore the Premises to the then current base building standard of the Building and repair any damage to the Building or the Premises occasioned by such installation, removal and restoration. Landlord may by notice prior to the expiration of the Term stipulate which Leasehold Improvements are not to be removed. Landlord may also, by notice given prior to the expiration of the Term, or immediately following the termination thereof, elect to remove some or all of the Leasehold Improvements and Tenant shall pay Landlord's cost on account thereof plus an administration fee of fifteen percent (15%) of the cost. Upon the expiration or earlier termination of the Term, all personal property of Tenant remaining in the Premises shall at the option of Landlord become its property, and may be appropriated, sold, removed, destroyed or otherwise disposed of by Landlord without notice or obligation to compensate Tenant or to account to Tenant, and Tenant shall pay to Landlord on demand all costs incurred by Landlord in connection therewith, plus an administration fee of fifteen percent (15%) of the costs.

Notwithstanding Article 7.07 above, upon the expiration or earlier termination of the Term, Tenant shall be required to, or Landlord may, by notice given prior to the expiration of the Term, or immediately following the termination thereof, remove and restore to the Landlord's then current base building standard only non-standard Leasehold Improvements, including but not limited to, cabling, raised or re-enforced flooring, hard ceilings and flooring, private washrooms, transformers, non-standard drop ceilings, UPS systems, antennae and generators and repair any damage to Premises or Building occasioned by such installations or removal of same. Notwithstanding the foregoing, the Landlord confirms that the existing leasehold improvements currently in place are not considered non-standard.

ARTICLE 8.00 TAXES

8.01 Landlord's Taxes

Landlord shall pay before delinquency (subject to Tenant's obligation to pay Operating Costs and Taxes under Article 4.02) every real estate tax, assessment, licence fee and other charge, excepting Tenant's taxes under Article

8.02, which is imposed, levied, assessed or charged by any governmental or quasi-governmental authority having jurisdiction upon or on account of the Land or the Building.

8.02 Tenant's Taxes

Tenant shall pay to the appropriate authority before delinquency every tax, assessment, licence fee, excise and other charge, however described, which is imposed, levied, assessed or charged by any governmental or quasi-governmental authority having jurisdiction upon or on account of:

- (a) operations at, occupancy of, or conduct of business in or from the Premises by or with the permission of Tenant; and
- (b) Leasehold Improvements and all property in the Premises that is not owned by Landlord,

provided that if Landlord so elects by notice to Tenant, Tenant shall pay to Landlord any amounts payable under this Article 8.02 in monthly installments and Landlord shall remit such amounts to the appropriate authorities.

8.03 Right to Contest

Tenant shall not contest the validity or amount of any tax, assessment, licence fee, excise fee and other charge payable under Article 8.01. Tenant shall have the right to contest the validity or amount of any tax, assessment, licence fee, excise fee and other charge payable under Article 8.02, provided that no contest by Tenant may involve the possibility of forfeiture, sale or disturbance of Landlord's interest in the Premises or result in any increase in taxes paid by other tenants in the Building or taxes under Article 8.01 and that upon the final determination of any contest by Tenant, Tenant shall immediately pay the amount found to be due, together with any costs, penalties and interest. Tenant shall indemnify Landlord for any costs, expenses, liabilities or damages, including without limitation increases in taxes which are or may be suffered by Landlord directly or indirectly as a result of such contest.

ARTICLE 9.00 INSURANCE

9.01 Landlord's Insurance

Landlord shall maintain (Landlord's cost of compliance with this Article 9.01 being included in Operating Costs) liability insurance, all risk property insurance, boiler and pressure vessel insurance, and other insurance on the Building and all property and interest of Landlord in the Building as determined by Landlord with coverage and in amounts that are comparable to coverages typically maintained by the owners of similar buildings in the vicinity of the Building.

9.02 Tenant's Insurance

Tenant shall maintain:

- (a) all risk property insurance in amounts sufficient to fully cover, on a replacement cost basis without deduction for depreciation, all Leasehold Improvements and all property, including without limitation Tenant's inventory, furniture and movable equipment, in the Premises which is not owned by Landlord;
- (b) if applicable, comprehensive boiler and machinery insurance covering all boilers, mechanical, electrical and electronic equipment, on a replacement cost basis to cover Leasehold Improvements and all property in the Premises that is not owned by Landlord;
- (c) liability insurance on an occurrence basis, against claims for bodily injury, personal injury and property damage in or about the Premises, contractual liability, tenant's legal liability, non-owned automobile liability, and owner's and contractors' protective liability, in amounts which are from time to time acceptable to a prudent tenant in the community in which the Building is located, but not less than \$5,000,000.00 in respect of each occurrence;
- (d) business interruption insurance including loss of profits; and
- (e) any other form of insurance, in such amounts and against such risks, as Landlord may in its discretion require.

Policies for such insurance shall (i) be in a form, on terms and with an insurer approved by Landlord, (ii) require at least thirty (30) days' written notice to Landlord of termination or material alteration during the Term, (iii) waive any right of subrogation against Landlord and those for whom Landlord is at law responsible, (iv) contain a standard mortgage clause as required by any mortgagee, (v) contain a provision that Tenant's insurance is primary, (vi) not call into contribution any other insurance available to Landlord, (vii) contain a severability of interests clause and a cross-liability clause, where applicable and shall not contain a co-insurance clause, and (viii) add Landlord, its managing agent and its mortgagees as additional insureds. If requested by Landlord, Tenant shall from time to time promptly deliver to Landlord certified copies or other evidence satisfactory to Landlord of such policies, and evidence satisfactory to Landlord that all premiums thereon have been paid and the policies are in full force and effect.

9.03 Tenant's Failure To Insure

Should Tenant fail to maintain the insurance required in Article 9.02, in addition to its rights under Article 19.03, Landlord may elect to obtain the required insurance. Tenant shall upon demand pay to Landlord, as Rent, Landlord's cost of obtaining such insurance.

ARTICLE 10.00 INJURY TO PERSON OR PROPERTY

10.01 Indemnity by Tenant

Tenant shall indemnify Landlord against any claim, loss, cost, demand, damage, cause of action, judgment, expense and legal fees and disbursements on a solicitor and client basis, relating to death, injury or loss of use of or damage to the person or property of any other tenants in the Building, or to all and any of the following persons or entities (referred to in this Article 10.00 as "Other Persons"): Tenant's agents, servants, employees, customers, contractors or any other person for whom Tenant is in law responsible or to any other person in or about the Premises, Building or Land, arising from:

- (a) any breach of this Lease by Tenant;
- (b) the operations of or any act or omission of Tenant and its agents, servants, employees or anyone for whom at law it is responsible, in the Premises or anywhere in the Building or on the Land;
- (c) interference with or obstruction of deliveries to or from the Premises or interruption of utilities or services, including but not limited to telecommunication or similar services, whether or not resulting from any fault, default, negligence, gross negligence, wilful action or omission of Landlord, its agents, servants, employees or anyone for whom at law it is liable; and
- (d) any cause not specified above, if the death, injury or damage is caused by any reason other than the gross negligence or wilful misconduct of Landlord, its agents, servants, employees or those for whom at law it is liable.

10.02 Landlord's Liability

Landlord, regardless of negligence or omission of Landlord, shall not be liable for and is hereby released from any liability or claim related to any bodily injury or death of, or loss or damage to, or loss of use of any property belonging to Tenant or the Other Persons or to any other person or entity, in, or about the Building or the Premises or the Land. Without limiting the foregoing Landlord shall not be liable for any injury, death, loss or damage which is caused by moisture, mould, steam, water, rain, or snow which may be found, or which may leak into, issue or flow from part of the Building or the Land including the Premises or from the pipes or plumbing works thereof, or from any other place or quarter or for any damage caused by or attributable to the condition or arrangement of any electric or other wiring. Tenant acknowledges that, without limiting the generality of the foregoing, in no event shall Landlord be liable for:

- (a) any damages caused by anything done or omitted to be done by any other tenant, occupant or user of the Building;
- (b) any act or omission (including theft, malfeasance, negligence, gross negligence, fault, default or wilful act or omission) on the part of any agent, contractor or person from time to time employed by Landlord to perform janitorial services, security services, supervision or any other work in or about the Premises or the Building;

- (c) any loss or damages, however caused, to books, records, files, money, securities, negotiable instruments, or papers or computer disks or other electronic files or other valuables of Tenant, the Other Persons, or any other person such that all property situated or stored within the Premises or elsewhere about the Building or Land by Tenant or the Other Persons or any other person shall be at Tenant's sole risk and Tenant shall indemnify Landlord in respect of same;
- (d) any loss or damage arising from interruption of utilities or services, including but not limited to telecommunication or other similar services; or
- (e) any other direct or indirect or consequential damages including but not limited to loss of profit.

10.03 Extended Meaning

Any and all release and indemnity clauses which are included in the Lease for the benefit of Landlord are intended also to benefit the mortgagees and property managers and asset managers of Landlord and the officers, directors, shareholders, employees, and agents of each one of them, and, for the purposes of such clauses, Landlord is hereby acting as agent or trustee on behalf of and for the benefit of the persons or entities mentioned above.

Any and all exculpatory provisions, releases and indemnities included in this Lease for the benefit of the Landlord are intended also to benefit any mortgagee or lenders of the Landlord, any owner or lessor with an interest in the Building prior to the Landlord and property managers of the Landlord and the officers, directors, shareholders, employees, agents of each one of them and, for the purposes of such provisions, the Landlord is acting as agent or trustee on behalf of and for the benefit of the persons mentioned above. Notwithstanding that a mortgagee, lender or a property manager is not a party to this Lease, it shall be entitled to rely upon and enforce the provisions of this Lease which are stated to be for its benefit and, without limitation, the mortgagee, lender or property manager shall be entitled to act as agent for the Landlord to the extent necessary to enforce any such provisions.

ARTICLE 11.00 ASSIGNMENT, SUBLETTING AND OTHER TRANSFERS

11.01 Transfer

"Transfer" means all or any of the following, whether by conveyance, written agreement or otherwise, and whether or not by operation of law: an assignment of this Lease by Tenant or any interest in this Lease, in whole or in part, any mortgage, charge, debenture (floating or otherwise), or encumbrance of this Lease or Tenant's interest in this Lease, in whole or in part, a sublease, or sharing or parting with possession of all or any part of the Premises, a change in a partnership if the change results in a change in the effective control of Tenant and, a transfer or other dealing in respect of all or part of the corporate shares of Tenant or an affiliate of Tenant that results in a change in the effective voting control of Tenant. "Transferor" and "Transferee" have meanings corresponding to this definition of "Transfer" and in the case of a Transfer involving corporate shares, or partnership interests, the "Transferor" is the person or entity with effective control, or voting control before the Transfer and the Transferee is the person or entity with effective control, or voting control after the Transfer.

11.02 Landlord's Consent

Tenant will not effect or attempt to effect a Transfer without the prior written consent of Landlord which shall not be unreasonably withheld unless Landlord elects to terminate the Lease pursuant to Article 11.04. Landlord shall be deemed to be acting reasonably in withholding its consent if:

- (a) the Transfer would violate any covenant or restriction given to any other tenant of the Building;
- (b) in Landlord's opinion:
 - (i) either the financial background or the business history and capability of the proposed Transferee is not satisfactory; or
 - (ii) the nature or character of the proposed business of the proposed Transferee is such that it might harm Landlord's business or reputation or reflect unfavourably on the Building, Landlord, or other tenants of the Building, or the image of any of them, or is unethical, immoral or illegal;

- (c) the proposed Transferee or any principal of the proposed Transferee or any principal shareholder of the proposed Transferee has a history of defaults under other commercial leases or does not have a satisfactory history of compliance with laws;
- (d) Landlord at the time has, or will have in the next ensuing three (3) month period, other premises in the Building suitable for leasing to the proposed Transferee;
- (e) intentionally deleted;
- (f) the proposed Transfer is in favour of any existing tenant or occupant of the Building or of any other building owned or operated by Landlord or any of its affiliates within the city in which the Building is situated;
- (g) intentionally deleted;
- (h) the proposed Transfer is a mortgage, charge or other encumbrance of Tenant's rights or interest under this Lease;
- (i) an event of default on the part of Tenant hereunder has occurred and is continuing;
- (j) the proposed Transfer is a sublease by an existing sublessee of the Premises or any part thereof;
- (k) Landlord does not receive sufficient information to enable it to make a determination concerning the matters set out above; or
- (l) there is any other reasonable ground not stated above for withholding consent.

11.03 Public Corporations

A Transfer that occurs as the result of a change in control of a Tenant will not require the consent of Landlord if the shares are listed and traded on any recognized stock exchange in Canada or the United States.

11.04 Landlord's Termination Right

If Tenant requests Landlord's consent to a Transfer it will provide full particulars concerning the Transfer including without limitation, copies of any written offer, agreement or draft agreement pertaining to the Transfer, payments and any other consideration to be made or provided by the proposed Transferee in consideration for the Transfer, and any other information concerning the proposed Transfer or the financial and business history of the proposed Transferee that Landlord may require. Landlord will within fifteen (15) days after its receipt of the request for consent and all such information, notify Tenant that either (i) it consents to the Transfer, or (ii) it elects to cancel this Lease as to the whole or part of the Premises affected by the proposed Transfer, or (iii) it does not consent to the Transfer. If Landlord elects to terminate this Lease, Tenant may, by notice to Landlord given within seven (7) days after receipt of Landlord's notice, withdraw its request for Landlord's consent. In that case, Landlord's election to terminate this Lease will be void. If Tenant fails to withdraw its request for Landlord's consent, Tenant will deliver, in accordance with the provisions of this Lease, vacant possession of the whole or the part, as the case may be, of the Premises affected by the termination on the date specified in Landlord's notice, which date will not be less than thirty (30) days nor more than one hundred and twenty (120) days after the date the notice is given or at the Landlord's option on the date the proposed Transfer is to take effect. If Tenant is required to deliver possession of a part only of the Premises, Tenant will pay all costs incurred in connection with rendering that part functionally separate and suitable for separate use and occupancy, including partitioning and providing entrances and services, plus a sum equal to fifteen percent (15%) of the costs as an administration fee.

11.05 Acceptance of Rent

After a Transfer, Landlord may collect Rent from the Transferee and apply the net amount collected to the Rent payable hereunder but no acceptance by Landlord of any payments by a Transferee constitutes a waiver of the requirement for Landlord's consent to the Transfer or an acceptance of the Transferee nor will it release Tenant from its covenants and obligations under this Lease. Any documents evidencing a Transfer may, at Landlord's option, be prepared by Landlord or its solicitors.

11.06 Conditions of Consent

Any consent by Landlord to a Transfer will be subject to the following conditions:

- (a) Tenant will pay to Landlord **50% of** any money or other consideration (including without limitation, any amount payable by the Transferee to Tenant in excess of the Annual Rent payable by Tenant under Article 4.01) from time to time paid by any Transferee to Tenant in connection with the Transfer **(excluding any amounts which Tenant can demonstrate for real estate commission and leasing costs incurred by the Tenant)**;
- (b) if Landlord requires, the Transferee shall execute an agreement directly with Landlord agreeing to be bound by this Lease, and in the case of a sublease the Transferee shall waive any right to obtain relief from forfeiture, to obtain a direct lease from Landlord or to become the tenant of Landlord notwithstanding any statute or law that would otherwise give those rights to sub-tenants;
- (c) Tenant and each Transferee will be bound by this Lease and any amendment of this Lease throughout the Term and any renewal or extension of the Term regardless of whether or when an amendment of this Lease is made; whether agreed to by Tenant or a Transferee, and regardless of any surrender and new lease that is deemed at law to occur as the result of any amendment of this Lease. The liability of Tenant and each Transferee will continue as though Tenant and each subsequent Transferee had signed each amendment of this Lease;
- (d) Tenant shall pay any legal costs incurred by Landlord in connection with documents relating to a Transfer or Landlord's consent together with Landlord's reasonable administrative charge for considering a request to consent and, as a condition of considering a request for consent, Landlord may require payment of a reasonable deposit of at least five hundred dollars (\$500.00) on account of its costs;
- (e) if this Lease is disaffirmed, disclaimed, terminated, repudiated, or surrendered (each of these transactions being referred to as an "Early Termination") by any trustee in bankruptcy of a Transferee, by any court appointed officer, or by a Transferee in connection with any insolvency proceedings, Tenant and any Transferee (except the bankrupt or insolvent Transferee) will be considered, on notice from Landlord given within thirty (30) days after the Early Termination, to have entered into a lease with Landlord on the same terms and conditions as are contained in this Lease except that the term of the lease shall commence on the date of the Early Termination and shall expire on the date this Lease would have expired but for the Early Termination; and
- (f) no consent to a Transfer will be considered as a waiver of the requirement for Landlord's consent in respect of a subsequent Transfer.

11.07 Permitted Transferee

Notwithstanding the foregoing, Tenant shall not require Landlord's consent, but Tenant shall provide Landlord thirty (30) days prior written notice of a Transfer, to:

- (i) any corporation which is an affiliate (within the meaning of the Canada Business Corporations Act), a parent, a subsidiary or related company of the Tenant collectively, the "Related Entity"). In the event the Related Entity ceases to be an affiliate, a parent, a subsidiary or a related company of the Tenant (as applicable), a Transfer shall be deemed to have occurred for which the consent of Landlord is required; or
- (ii) a corporation formed as a result of a merger or amalgamation (within the meaning of the Canada Business Corporations Act) of Tenant with another corporation or corporations, provided the resulting entity has the same or greater financial capacity as that of the Tenant on the Commencement Date of this Lease;

in each case so long as:

- (1) Tenant shall furnish Landlord with copies of all articles and additional information that Landlord may reasonably require to satisfy itself concerning relevant information pertaining to the requirement or non-requirement for Landlord's consent for a transaction referred to in this Article;
- (2) the assignee or sublessee shall carry on in the Premises only the use permitted under this Lease;
- (3) there is a continuity of the existing management of Tenant and of its business practices and policies and mode and style of operation notwithstanding the Transfer; and

(4) all of the provisions of Section 11.02(a) and 11.06 shall apply.

Each assignee and subtenant referred to in paragraphs (i) and (ii) above is referred to in this Lease as a "Permitted Transferee". In the event the Transfer to a Permitted Transferee would constitute a breach of another existing lease of space in the Building such Transfer will be void ab initio.

ARTICLE 12.00 SURRENDER

12.01 Possession

Upon the expiration or other termination of the Term, Tenant shall immediately quit and surrender vacant possession of the Premises in substantially the condition in which Tenant is required to maintain the Premises excepting only reasonable wear and tear, damage covered by Landlord's insurance under Article 9.01 and the obligation of Tenant to remove Leasehold Improvements and repair damage to the Premises in accordance with Article 7.07. Upon such surrender, all right, title and interest of Tenant in the Premises shall cease.

12.02 Merger

The voluntary or other surrender of this Lease by Tenant or the cancellation of this Lease by mutual agreement of Tenant and Landlord shall not work as a merger, and shall at Landlord's option either terminate any and all subleases or operate as an assignment to Landlord of all or any subleases or subtenancies. Landlord's option hereunder shall be exercised by notice to Tenant and all known subtenants in the Premises or any part thereof. If this Lease is surrendered by operation of law or otherwise, Tenant will indemnify Landlord against all claims by subtenants or others claiming by or through Tenant in respect of any interest in this Lease.

12.03 Payments After Termination

No payments of money by Tenant to Landlord after the expiration or other termination of the Term or after the giving of any notice (other than payment in full of arrears of Rent and any accelerated Rent before termination of the Term, when a notice of default has been given) by Landlord to Tenant, shall reinstate, continue or extend the Term or make ineffective any notice given to Tenant prior to the payment of such money. After the giving of notice or the commencement of a suit, or after final judgment granting Landlord possession of the Premises, Landlord may receive and collect any sums of Rent and other amounts payable by Tenant under this Lease, and the payment thereof shall not make ineffective any notice, or in any manner affect any pending suit or any judgment theretofore obtained.

12.04 Survival of Obligations

If Tenant has failed to perform any of its obligations under this Lease, such obligations and the rights of Landlord in respect thereto shall survive the expiration or other termination of the Term.

ARTICLE 13.00 HOLDING OVER

13.01 Month-to-Month Tenancy

If without Landlord's consent or with Landlord's written consent, which consent Landlord may withhold in its sole discretion, Tenant remains in possession of the Premises after the expiration or other termination of the Term, Tenant shall occupy the Premises, as a month-to-month tenant at a monthly rental equal to 150% of the Rent determined in accordance with Article 4.00 or such other rental and on such other terms as may be stated in such consent, and such tenancy may be terminated by Landlord at any time upon notice of termination to Tenant.

13.02 General

Any overholding by Tenant shall be subject to all other terms and conditions of this Lease except any right of renewal, any exclusive use or other restriction, any option to lease, any right of first refusal and any other pre-emptive or collateral right, and nothing contained in this Article 13.00 shall be construed to limit or impair any of Landlord's rights of re-entry or eviction or other rights and remedies or constitute a waiver thereof.

ARTICLE 14.00 RULES AND REGULATIONS

14.01 Purpose

The Rules and Regulations are for the safety, benefit and convenience of all tenants and other persons in the Building.

14.02 Observance

Tenant shall at all times comply with, and shall cause its employees, agents, licensees and invitees to comply with, the Rules and Regulations.

14.03 Modification

Landlord may from time to time, for the purposes set out in Article 14.01, amend, delete from, or add to the Rules and Regulations, provided that any such modification shall be (i) not inconsistent with any other provision of this Lease; (ii) reasonable and have general application to substantially all tenants in the Building; and (iii) effective only upon delivery of a copy thereof to Tenant at the Premises.

14.04 Non-Compliance

Landlord shall use its reasonable efforts to secure compliance by all tenants of the Building and other persons with the Rules and Regulations from time to time in effect, but shall not be responsible to Tenant for failure of any person to comply with such Rules and Regulations.

ARTICLE 15.00 EXPROPRIATION

15.01 Expropriation

Landlord and Tenant will co-operate with each other regarding any expropriation of the Premises or the Building or any part of them so that each receives the maximum award to which it is entitled at law. To the extent any part of the Building or the Land other than the Premises is expropriated, the full proceeds accruing or awarded as a result thereof belong to Landlord and Tenant will abandon or assign to Landlord any rights that Tenant may have or acquire by operation of law to those proceeds or awards and will execute any documents that Landlord requires to give effect thereto.

ARTICLE 16.00 DAMAGE BY FIRE OR OTHER CASUALTY

16.01 Limited Damage to Premises

If all or part of the Premises are rendered untenable by damage from fire or other casualty which, in the reasonable opinion of the Architect, can be substantially repaired under applicable laws and governmental regulations within one hundred eighty (180) days from the date of such casualty (employing normal construction methods without overtime or other premium), Landlord shall, to the extent of insurance proceeds which it receives and to the extent that any mortgagee(s) entitled to be paid such insurance proceeds consents to the use of same, forthwith repair such damage other than damage to Leasehold Improvements and any other property that is not the responsibility of or is not owned by Landlord.

16.02 Major Damage to Premises

If all or part of the Premises are rendered untenable by damage from fire or other casualty which, in the reasonable opinion of the Architect, cannot be substantially repaired under applicable laws and governmental regulations within one hundred eighty (180) days from the date of such casualty (employing normal construction methods without overtime or other premium), then Landlord and in the final two (2) years of the Term the Tenant, may elect to terminate this Lease as of the date of such casualty by notice delivered to the other not more than ten (10) days after receipt of the Architect's opinion, failing which Landlord shall, to the extent of insurance proceeds which it receives and to the extent that any mortgagee(s) entitled to be paid such insurance proceeds consents to the use of same, forthwith repair such damage other than damage to Leasehold Improvements and any other property that is not the

responsibility of or is not owned by Landlord. In executing repairs under this Article 16.00, Landlord may use new plans and specifications provided that the location, access to, size and quality of the Premises as they existed prior to the damage is not adversely affected.

16.03 Abatement

If Landlord is required to repair damage to the Premises under Articles 16.01 or 16.02, the Annual Rent payable by Tenant shall be proportionately reduced to the extent that the Premises are rendered unusable by Tenant in its business, from the date of the casualty until five (5) days after completion by Landlord of the repairs to the Premises or until Tenant again uses the Premises (or the part thereof rendered untenable) in its business, whichever first occurs.

16.04 Major Damage to Building

If the Building or its systems are damaged to such an extent that its operation is affected, or if twenty-five percent (25%) or more of the Square Feet in the Building are damaged or destroyed, Landlord may elect to terminate this Lease as of the date of such damage (or on the date of notice if the Premises are unaffected by such casualty) by notice given to Tenant not more than sixty (60) days after the date of such casualty.

16.05 Limitation on Landlord's Liability

Except as specifically provided in this Article 16.00, there shall be no reduction of Rent and Landlord shall have no liability to Tenant by reason of any injury to or interference with Tenant's business or property arising from fire or other casualty, howsoever caused, or from the making of any repairs resulting therefrom in or to any portion of the Building or the Premises. Notwithstanding anything contained herein, Rent payable by Tenant hereunder shall not be abated if the damage is caused by any act or omission of Tenant, its agents, servants, employees or anyone for whom Tenant is responsible at law, or any other person entering upon the Premises under express or implied invitation of Tenant.

ARTICLE 17.00 TRANSFERS BY LANDLORD

17.01 Sale, Conveyance and Assignment

Nothing in this Lease shall restrict the right of Landlord to sell the Building or transfer, assign or otherwise deal with its title thereto or any interest therein, subject to the rights of Tenant under this Lease.

17.02 Effect of Sale, Conveyance or Assignment

A sale, transfer or assignment of the Building or the title thereto or any interest therein shall operate to release Landlord from liability under this Lease, from and after the effective date thereof except as such may relate to the period prior to such effective date, and Tenant shall thereafter look solely to Landlord's successor in interest. The obligations of Tenant under this Lease shall not be affected by any such sale, transfer or assignment, and Tenant shall attorn to Landlord's successor in interest.

17.03 Subordination

At the option of any mortgagee, chargee or other encumbrancer of the Lands ("Mortgagee"), or Landlord, this Lease shall be prior to, or shall be subject and subordinate in all respects to, any and all mortgages and deeds of trust now or hereafter placed on the Building or the Land. Tenant, on request by Landlord or Mortgagee and without cost to Landlord or Mortgagee, shall execute and deliver any and all instruments further evidencing such priority or subordination. If Tenant fails to execute and deliver the required instrument or instruments to further evidence such priority or subordination, such failure shall constitute an event of default under the Lease .

17.04 Attornment

Subject to Article 17.05, if the interest of Landlord is transferred to any person (herein called a "Purchaser") by reason of foreclosure or other proceedings for enforcement of any mortgage or deed of trust, or by delivery of a deed in lieu of such foreclosure or other proceedings, or if any Mortgagee shall take possession of the Building or the Premises Tenant shall, at the option of Purchaser or Mortgagee, immediately attorn to Purchaser or Mortgagee.

Landlord may require Tenant, at Tenant's cost, to enter into an agreement in the form reasonably required by any Purchaser or Mortgagee to attorn to Purchaser or Mortgagee in order to give effect to what is stated above and such failure shall constitute an event of default under the Lease.

17.05 Effect of Attornment

Upon attornment under Article 17.04 the obligations of Tenant under this Lease shall continue in full force and effect upon all the same terms, conditions and covenants in this Lease except that, after such attornment, Purchaser or Mortgagee shall not be:

- (a) liable for any act or omission of Landlord;
- (b) subject to any offsets or defenses which Tenant might have against Landlord; or
- (c) bound by any prepayment by Tenant of more than one month's installment of Rent, save and except for the Security Deposit as stated in Article 21.08 in Schedule D of this Lease, or by any previous modification of this Lease, unless such prepayment or modification shall have been approved in writing by Purchaser or Mortgagee or any predecessor in interest except Landlord.

ARTICLE 18.00 NOTICES, ACKNOWLEDGEMENTS, AUTHORITIES FOR ACTION

18.01 Notices

Any notice from one party to the other hereunder shall be in writing and shall be deemed duly given if delivered, if mailed by registered or certified mail or if sent by facsimile to Tenant at the Premises (whether or not Tenant has departed from, vacated or abandoned the same); or to Landlord, as the case may be, at the property management office for the Building, as designated from time to time, and addressed to the attention of the Property Manager. Any notice shall be deemed to have been given at the time of delivery or, if mailed, three (3) days after the date of mailing thereof or if made or given by facsimile, on the next business day following the transmittal thereof, as evidenced by confirmation of receipt. Either party shall have the right to designate by notice, in the manner above set forth, a different address to which notices are to be mailed. No notice given by email or by other similar electronic means will be considered to have been given in writing.

18.02 Acknowledgements

Tenant shall at any time and from time to time upon not less than ten (10) days' prior notice from Landlord execute, acknowledge and deliver a written statement certifying:

- (a) that this Lease is in full force and effect, subject only to such modifications (if any) as may be set out therein;
- (b) that Tenant is in possession of the Premises and paying Rent as provided in this Lease;
- (c) the dates (if any) to which Rent is paid in advance;
- (d) that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed; and
- (e) as to such other matters relating to Tenant, this Lease or the Premises, as any building purchaser or mortgage lender, actual or prospective, may reasonably request.

Any such statement may be addressed to and relied upon by any such purchaser or lender. If Tenant fails to deliver such statement, Tenant shall be deemed to have acknowledged that this Lease is in full force and effect, without modification except as may be represented by Landlord, and that there are no uncured defaults in Landlord's performance. **Upon Tenant's request, Landlord shall deliver a similar status certificate to Tenant.**

18.03 Authorities of Action

Landlord may act in any matter provided for herein by its property manager and any other person who shall from time to time be designated in writing by Landlord to Tenant. Tenant acknowledges that if this Lease has been executed for and on behalf of, in the name of and with the authority of Landlord by the property manager then the

covenants and agreements of Landlord are obligations of Landlord and its successors and assigns only and are not obligations personal to or enforceable against the property manager in its own right.

ARTICLE 19.00 DEFAULT

19.01 Interest and Costs

Tenant shall pay to Landlord upon Landlord's written demand interest at a rate equal to the lesser of Prime plus five percent (5%) per annum and the maximum rate permitted by applicable law, on all Rent required to be paid hereunder from the due date for payment thereof until the same is fully paid and satisfied. Tenant shall indemnify Landlord against all costs and charges (including legal fees and disbursements on a solicitor and his client basis) incurred in enforcing payment thereof, and in obtaining possession of the Premises after default of Tenant or upon expiration or other termination of the Term of this Lease, or in enforcing any covenant, proviso or agreement of Tenant herein contained. On each occurrence of default in the payment of Rent, Tenant shall pay to Landlord on demand in addition to the aforesaid interest a two hundred dollar (\$200) administration fee.

19.02 Right of Landlord to Perform Covenants

All covenants and agreements to be performed by Tenant under this Lease shall be performed by Tenant without any abatement of Rent. If Tenant fails to perform any act on its part to be performed hereunder, and such failure continues for ten (10) days after notice thereof from Landlord, Landlord may (but shall not be obligated so to do) perform such act without releasing Tenant from any of its obligations relative thereto. All sums paid or costs incurred by Landlord in so performing such acts under this Article 19.02, together with interest thereon at the rate set out in Article 19.01 and an administration fee of fifteen percent (15%) of all such costs, from the date each such payment was made or each such cost was incurred by Landlord, shall be payable by Tenant to Landlord on demand.

19.03 Events of Default

If and whenever:

- (a) the Rent hereby reserved is not paid in full when due, and such default continues for seven (7) days after receipt of Landlord's notice by email;
- (b) the Lease or any goods, chattels or equipment of Tenant is seized, taken or exigible in execution or in attachment or if a writ of execution or enforcement is issued against Tenant;
- (c) Tenant becomes insolvent or commits an act of bankruptcy or becomes bankrupt or takes the benefit of any statute that may be in force for bankrupt or insolvent debtors or becomes involved in voluntary or involuntary dissolution, winding-up or liquidation proceedings or if a receiver is appointed for all or part of the business, property, affairs or revenues of Tenant, or if Tenant makes a proposal, arrangement or compromise with creditors;
- (d) Tenant makes a bulk sale of its goods, moves or commences, attempts or threatens to move its goods, chattels and equipment out of the Premises (other than in the normal course of its business) or ceases to conduct business from the Premises;
- (e) Tenant fails to observe, perform and keep each of the covenants, agreements, provisions, stipulations and conditions herein contained to be observed, performed and kept by Tenant (other than its covenant to pay Rent) and persists in such failure after ten (10) business days' notice by Landlord requiring that Tenant remedy, correct, desist or comply (or if any such breach would reasonably require more than ten (10) days to rectify, unless Tenant commences rectification within the ten (10) business day notice period and thereafter promptly, effectively and continuously proceeds with the rectification of the breach); or
- (f) Tenant purports to effect a Transfer other than in compliance with the provisions of this Lease,

then and in any of such events, the full amount of the current month's and the next ensuing three (3) months' installments of Rent shall immediately become due and payable and Landlord may immediately distrain for the same, together with any arrears then unpaid and at the option of Landlord, Landlord may terminate this Lease by giving notice thereof, and Landlord may without notice or any form of legal process whatsoever forthwith re-enter the Premises, anything contained in any statute or at law to the contrary notwithstanding, and may expel all persons and remove all property from the Premises and such property may be removed and sold or disposed of by Landlord

as it deems advisable or may be stored in a public warehouse or elsewhere at the cost of Tenant without Landlord being considered guilty of trespass or conversion or becoming liable for any loss or damage which may be occasioned thereby, provided, however, that such termination shall be wholly without prejudice to the right of Landlord to recover arrears of Rent and damages for any default by Tenant hereunder. Should Landlord at any time terminate this Lease by reason of any such event, then, in addition to any other remedies it may have, it may recover from Tenant all damages it may incur as a result of such termination. If Landlord re-enters and terminates this Lease and Tenant fails to remove its property within ten (10) days after notice requiring it to do so is given, Tenant will be deemed to have abandoned its property and Landlord will be entitled to retain it or dispose of it for Landlord's benefit. Tenant expressly waives the provisions of Section 19(2) of the *Commercial Tenancies Act* (Ontario) and any successor or replacement legislation or any similar legislation of the province in which the Building is situated.

19.04 Waiver of Exemption and Redemption

Notwithstanding anything contained in any statute now or hereafter in force limiting or abrogating the right of distress, none of Tenant's goods, chattels or trade fixtures on the Premises at any time during the Term shall be exempt from levy by distress for Rent in arrears, and upon any claim being made for such exemption by Tenant or on distress being made by Landlord this agreement may be pleaded as an estoppel against Tenant in any action brought to test the right to the levying upon any such goods as are named as exempted in any such statute, Tenant hereby waiving all and every benefit that could or might have accrued to Tenant under and by virtue of any such statute but for this Lease. Tenant hereby also expressly waives any and all rights of redemption granted by or under any present or future laws if Tenant is evicted or dispossessed for any cause. In exercising its right to distrain, Landlord, in addition to the rights reserved to it, shall have the right:

- (a) to enter the Premises by force or otherwise without being liable for any prosecution therefor;
- (b) to change the locks on the Premises without re-entering the Premises or terminating this Lease in order to prevent the removal of the property to be distrained; and
- (c) to levy distress after sunset and before sunrise.

19.05 Payments

Notwithstanding any termination of this Lease, Landlord shall be entitled to receive Rent and all Rental Taxes up to the time of termination plus accelerated Rent as herein provided and damages including but not limited to (i) damages for the loss of Rent suffered by reason of this Lease having been prematurely terminated; (ii) the costs of reclaiming, repairing and re-leasing the Premises; and (iii) legal fees and disbursements on a solicitor and his client basis.

19.06 Remedies Cumulative

No reference to or exercise of any specific right or remedy by Landlord shall prejudice or preclude Landlord from exercising or invoking any other remedy in respect thereof, whether allowed at law or in equity or expressly provided for herein. No such remedy shall be exclusive or dependent upon any other such remedy, but Landlord may from time to time exercise any one or more of such remedies independently or in combination.

19.07 Collateral Rights

Tenant acknowledges that any right of first refusal, option to lease, right of first offer or other right to lease, and any exclusive use restriction or similar restriction granted to it under this Lease is collateral in nature and not fundamental to this Lease. The remedies of Tenant in connection with any breach of such rights are limited to an action in damages and will not entitle Tenant to treat any breach of such rights as a repudiation or fundamental breach of this Lease by Landlord.

ARTICLE 20.00 MISCELLANEOUS

20.01 Relationship of Parties

Nothing contained in this Lease shall create any relationship between the parties hereto other than that of landlord and tenant, and it is acknowledged and agreed that Landlord does not in any way or for any purpose become a partner of Tenant in any business, or a joint venturer or a member of a joint or common enterprise with Tenant.

20.02 Consent Not Unreasonably Withheld

Except as otherwise specifically herein provided, whenever the consent or approval of Landlord or Tenant is required under the terms of this Lease, such consent or approval shall not be unreasonably withheld or delayed. Tenant's sole remedy if Landlord unreasonably withholds or delays its consent or approval if it is not entitled hereunder to do so shall be an action for specific performance, and Landlord shall not be liable for damages. If either party withholds any consent or approval, such party shall on written request deliver to the other party a written statement giving the reasons therefor, unless it is Landlord who has done so in its discretion.

20.03 Name of Building

Landlord shall have the right, from time to time, to change the name, number or other designation of the Building.

20.04 Applicable Law and Construction

This Lease shall be governed by and construed under the laws of the jurisdiction in which the Building is located, and its provisions shall be construed as a whole according to their common meaning and not strictly for or against Landlord or Tenant. The words Landlord and Tenant shall include the plural as well as the singular. If this Lease is executed by more than one person as tenant, Tenant's obligations hereunder shall be joint and several obligations. Time is of the essence of this Lease. The captions of the Articles are included for convenience only and shall have no effect upon the construction or interpretation of this Lease.

20.05 Entire Agreement

This Lease contains the entire agreement between the parties hereto with respect to the subject matter of this Lease. Tenant acknowledges and agrees that it has not relied upon any statement, representation, agreement or warranty except such as are set out in this Lease.

20.06 Registration

Neither the Tenant nor anyone on the Tenant's behalf or claiming under the Tenant (including any Transferee) shall register this Lease or any Transfer against the Lands. The Tenant may register a notice or caveat of this Lease provided that: (a) a copy of the Lease is not attached; (b) no financial terms are disclosed; (c) the Landlord gives its prior written approval to the notice or caveat; and (d) the Tenant pays the Landlord's reasonable costs on account of the matter. The Landlord may limit such registration to one or more parts of the Lands. Upon the expiration or other termination of the Term the Tenant shall immediately discharge or otherwise vacate any such notice or caveat. If any part of the Lands which in the opinion of the Landlord are surplus is transferred, the Tenant shall forthwith at the request of the Landlord discharge or otherwise vacate any such notice or caveat as it relates to such part. If any part of the Lands are made subject to any easement, right-of-way or similar right, the Tenant shall immediately at the request of the Landlord postpone its registered interest to such easement, right-of-way or similar right.

20.07 Amendment or Modification

No amendment, modification, or supplement to this Lease shall be valid or binding unless set out in writing and executed by the parties hereto in the same manner as the execution of this Lease.

20.08 Construed Covenants and Severability

All of the provisions of this Lease are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate Article hereof. Should any provision of this Lease be or become invalid, void, illegal or not enforceable, it shall be considered separate and severable from this Lease and the remaining provisions shall remain in force and be binding upon the parties hereto as though such provision had not been included.

20.09 Planning Act

It is an express condition of this Lease that the provisions of the *Planning Act* (Ontario) and amendments thereto be complied with, if necessary or any successor replacement legislation or any similar legislation of the Province in which the Building is situated.

20.10 No Implied Surrender or Waiver

No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver is in writing signed by Landlord. Landlord's waiver of a breach shall not prevent a subsequent act, which would have originally constituted a breach, from having all the force and effect of any original breach. Landlord's receipt of Rent with knowledge of a breach shall not be deemed a waiver of any breach. Landlord's failure to enforce against Tenant or any other tenant in the Building any of the Rules and Regulations shall not be deemed a waiver thereof. Nothing done by Landlord shall be deemed to be an acceptance of a surrender of the Premises, and no agreement to accept a surrender of the Premises shall be valid, unless in writing signed by Landlord. The delivery of keys by Tenant to any of Landlord's agents or employees shall not operate as a termination of this Lease or a surrender of the Premises. No payment by Tenant, or receipt by Landlord, of a lesser amount than the Rent due hereunder shall be deemed to be other than on account of the earliest stipulated Rent, nor shall any endorsement or statement on any cheque or any letter accompanying any cheque, or payment as Rent, be deemed an accord and satisfaction, and Landlord may accept such cheque or payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other remedy available to Landlord.

20.11 Application of Payments

Regardless of any instruction from Tenant, or any written direction or any endorsement on any cheque, transmittal letter or any other form of communication purporting to direct otherwise, Landlord may apply any payment which it receives from Tenant against any amount owed to it by Tenant and if Landlord does not notify Tenant otherwise, each payment will be considered to be a payment on account of the Rent or Rental Taxes that have been unpaid the longest.

20.12 Successors Bound

Except as otherwise specifically provided, the covenants, terms, and conditions contained in this Lease shall apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto as limited by this Lease.

20.13 Liability of Landlord

In addition to the limitation on liability in Articles 16.05, 17.02 and elsewhere in this Lease, the liability of Landlord hereunder shall be limited to its interest in the Building from time to time. If there is more than one person constituting Landlord, the liability of each said person hereunder shall be several and be limited to its percentage interest in the Building.

20.14 Authorization

The Tenant hereby acknowledges and consents to the Landlord obtaining credit and financial information about the Tenant at any time during the Term, or any renewal of this Lease, from any credit reporting agency or any other agency, institution or bank (including the Tenant's principal bank) that provides similar information.

The Tenant agrees to provide the Landlord with such written authorizations as the Landlord may require, from time to time, to obtain such financial information about the Tenant.

20.15 Force Majeure

Notwithstanding any other provision of this Lease, if Landlord or Tenant is, in good faith, delayed or prevented from doing anything required by this Lease, because of a strike, labour trouble, inability to obtain materials or services, power failure, restrictive governmental laws or regulations, riots, insurrection, sabotage, rebellion, war, act of God, or any other similar reason, that is not the fault of the party delayed, the doing of the thing is excused for the period of the delay and the party delayed will do what was delayed or prevented within the appropriate period after the

delay. The preceding sentence does not excuse Tenant from payment of Rent or Landlord from payment of amounts that it is required to pay, in the amounts and at the times specified in this Lease.

IN WITNESS OF THIS LEASE Landlord and Tenant have properly executed it as of the date set out on page one.

LANDLORD:
Dorsay Development Corporation

Per: _____
Name:
Title:


Per: _____
Name:
Title:
I/We have the authority to bind the Corporation

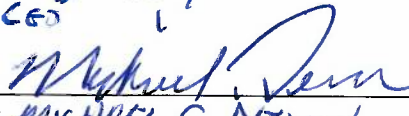
ONTARI Holdings Ltd.

Per: _____
Name:
Title:

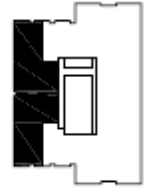
Per: _____
Name:
Title:
I/We have the authority to bind the Corporation

TENANT:
FIGR Inc.

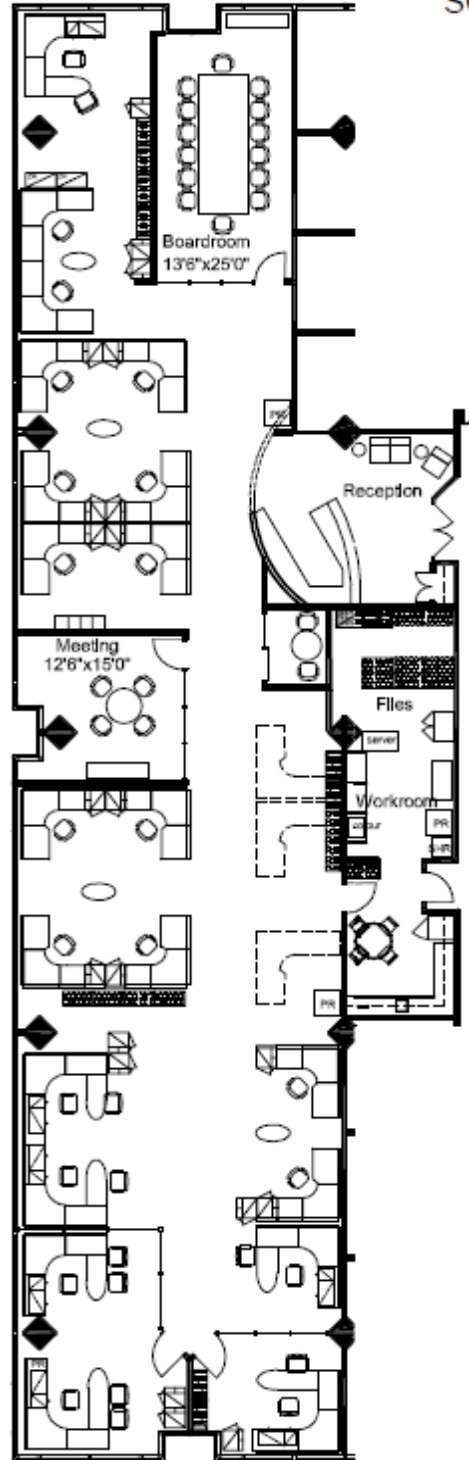
Per: 
Name: Anthony Cannon
Title: CEO

Per: 
Name: MICHAEL G. DELEON
Title: CFO
I/We have the authority to bind the Corporation

SCHEDULE A-1



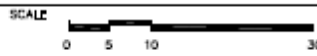
KEYPLAN



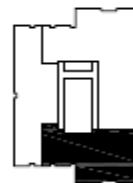
PROJECT NAME
ATRIA III
 2225 SHEPPARD AVE. E.
 TORONTO, ONTARIO

DRAWING NAME
SUITE 900

RENTABLE AREA:
5,546 SQ. FT.

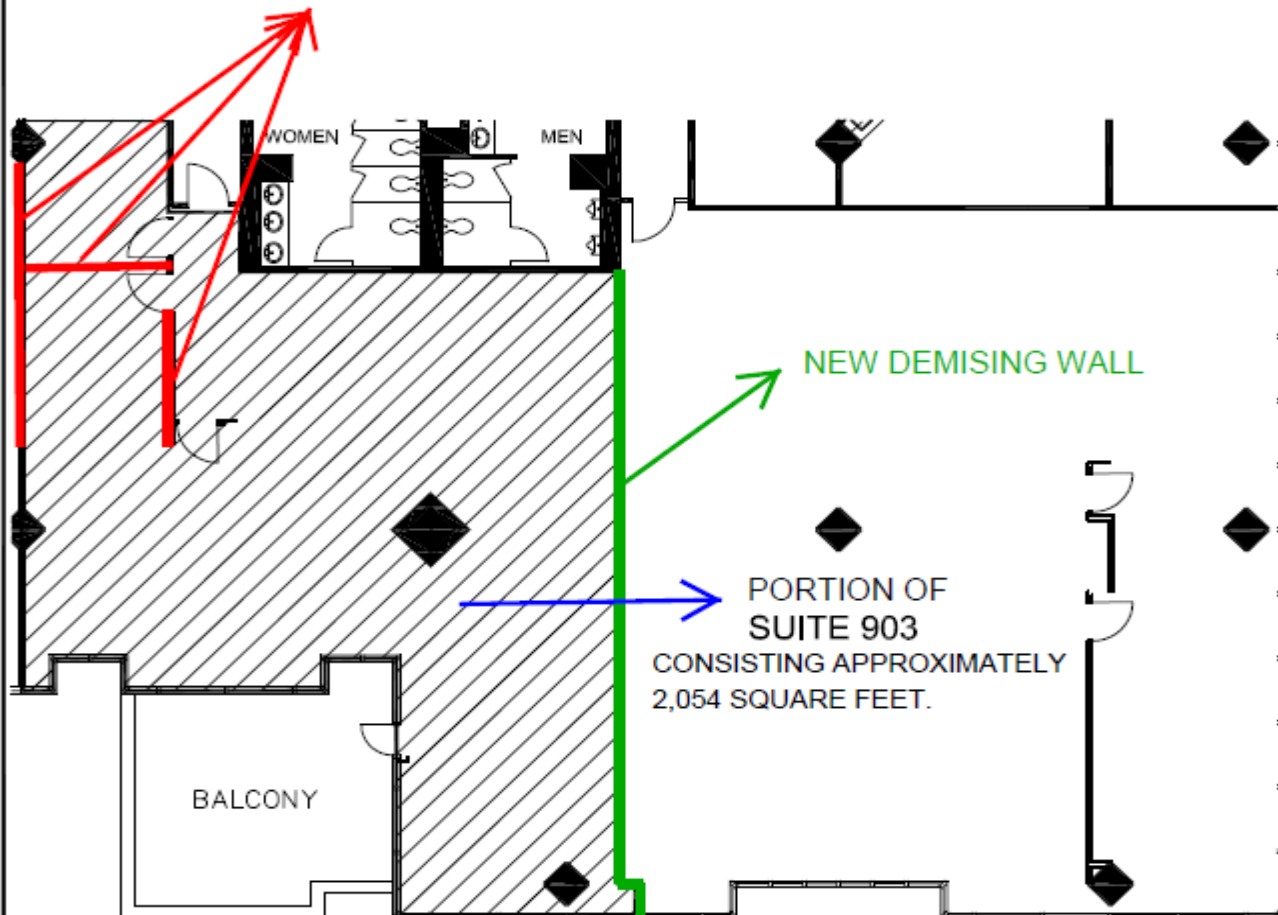


SCHEDULE A-2



KEYPLAN

DEMOLISH WALLS



NEW DEMISING WALL

PORTION OF SUITE 903
CONSISTING APPROXIMATELY
2,054 SQUARE FEET.

BALCONY



PROJECT NAME
ATRIA III
 2225 SHEPPARD AVE. E.
 TORONTO, ONTARIO



DRAWING NAME
SUITE 903

RENTABLE AREA:
4,982 SQ. FT.

DATE
28-JAN-09

SCHEDULE B

Atria III 2225 Sheppard Avenue East, Toronto

SECTION 1.00 WORDS AND PHRASES

1.01 Definitions

In this Lease, including this Schedule:

- (a) "Architect" means such firm of professional architects or engineers that Landlord may from time to time engage for the preparation of construction drawings for the Building or for general supervision of architectural and engineering aspects of it, and includes any consultant or consultants that Landlord, or the firm of professional architects or engineers Landlord engages, appoints, as long as the consultant or consultants act within the scope of their appointment and speciality.
- (b) "Building" means those developments and improvements from time to time constructed on the Land, and includes all portions of the development and improvements above or below grade.
- (c) "Capital Tax" means the amount determined by multiplying each of the "Applicable Rates" by the Capital and totalling the products. "Capital" is the amount of capital which Landlord determines, without duplication, is invested from time to time by Landlord, the owner(s) of the Building and the Land, any company related to Landlord or the owner(s) within the meaning of the *Income Tax Act* (Canada), or all of them, in doing all or any of the following: acquiring, developing, expanding, redeveloping and improving the Building and the Land. Capital will not be increased by any financing or re-financing except to the extent that the proceeds are invested in doing all or any of the foregoing. "Applicable Rate" is the capital tax rate specified from time to time under any law which imposes a tax in respect of the capital of corporations and for greater certainty includes Large Corporations Tax levied under the *Income Tax Act* (Canada) as amended from time to time. Each Applicable Rate will be considered to be the rate that would apply if each of Landlord, the owners of the Building and the Land and the related companies referred to above were taxable corporations that employed no capital outside the Province in which the Land is located.
- (d) "Common Areas" means at any time the total of those portions of the Land and Building designated by Landlord from time to time or not leased or designated for lease to tenants that Landlord provides for use in common by Landlord, Tenant, other tenants of the Building or their sublessees, agents, employees, customers, invitees or licensees, whether or not those areas are open to the general public or to all tenants of the Building, and includes, without limitation, the Delivery Facilities, the main entrance lobbies, passenger elevators, fire service and access corridors which are not exclusive to any tenant of the Building, the Parking Facilities, public washrooms and fixtures, chattels, systems, decor, signs, facilities or landscaping contained, maintained or used in connection with those areas, and are deemed to include city sidewalks abutting the Land and any pedestrian walkway system (either at, above or below grade), park or other facility open to the general public for which Landlord directly or indirectly is subject to obligations in its capacity as owner of the Land or Building, or both.
- (e) "Delivery Facilities" means at any time those portions, if any, of the Common Areas in the Building or on the Land on or below grade designated by Landlord from time to time as facilities to be used for the purposes of loading, unloading, delivering, dispatching and holding of letters, packages, merchandise, goods and materials of any kind entering or leaving the Building and giving vehicular access to such portions of the Building, (if any).
- (f) "Land" means those lands legally described as:

ALL AND SINGULAR those certain parcels and tracts of land and premises situate, lying and being in the City of North York, in the Municipality of Metropolitan Toronto, being composed of the whole of Blocks 1, 3 and 4 according to a plan registered in the Land Registry Office for the Land Titles Division of Metropolitan Toronto (No. 66) as Plan 66M-2144.

- (g) "Normal Business Hours" means, except as otherwise designated by Landlord from time to time, from 7:00 a.m. to 6:00 p.m., Monday through Friday, excluding days that are legal or statutory holidays in the municipality in which the Building is located.
- (h) "Parking Facilities" means those portions, (if any), of the Common Areas on or below street level designated by Landlord from time to time for vehicular parking.

SECTION 2.00 DETERMINATION OF OPERATING COSTS AND TAXES

2.01 Definitions

In this Lease:

- (a) "Square Feet in the Building" means, as determined in accordance with the method of measurement set forth in Section 3.00, the aggregate of the gross leasable office areas of the Building calculated on a full floor tenancy basis in accordance with 3.01, and the retail areas calculated in accordance with 3.03. If, from time to time, there is a material change in the gross leasable space in the Building, (except as caused by a change in the ratio of single tenancy floors to multiple tenancy floors) "Square Feet in the Building" shall, from the effective date of the change until any further change, mean the number of square feet in the Building determined on completion of that change on the basis set out in Section 3.00. **Notwithstanding the foregoing, the Square Feet in the Building shall exclude any mezzanine, storage or below grade space.**
- (b) "Taxes" means the aggregate of all taxes, rates, charges, levies and assessments payable by Landlord accruing in respect of the calendar year in which each Fiscal Year begins and imposed by any competent taxing or assessing authority upon or in respect of the Building, the Land and all improvements therein or thereon. In determining Taxes, any corporate, income, excess profits and business tax imposed upon the income of Landlord and any other impost of a personal nature charged or levied against Landlord shall be excluded, except to the extent that it is levied in lieu of taxes, rates, charges, levies or assessments in respect of improvements on the Land. Taxes shall in all instances be calculated on the basis of the Building being assessed as fully constructed, leased and occupied and taxed at the applicable occupied tax rates.
- (c) "Tenant's Proportionate Share" means an amount determined by multiplying Operating Costs for the Fiscal Year by a fraction having as its numerator the Square Feet in the Premises and having as its denominator the Square Feet in the Building.

2.02 Determination of Operating Costs

"Operating Costs" means the aggregate of all costs in a Fiscal Year, calculated as if the Building were one hundred percent (100%) occupied by tenants throughout such Fiscal Year, determined in accordance with the terms of this Lease, and without duplication and confirmed in a certificate of Landlord signed by a responsible representative thereof (without personal liability) equal to the sum of all direct and indirect costs reasonably incurred or charged by or on behalf of Landlord, whether or not paid, on either an accrual or cash basis, or in part on both, as Landlord may determine on account of the ownership, administration, operation, management, supervision, maintenance, repair and replacement of the Building and for services provided generally to tenants thereof, including, without limitation:

- (a) amounts paid to, or reasonably attributable to the remuneration of, all personnel (whether on or off-site and whether employed by Landlord or a management company) involved in the ownership, administration, operation, management, maintenance, repair, replacement, security, supervision or cleaning of the Building, including reasonable fringe benefits and other employment costs;
- (b) auditing, accounting, legal and other professional and consulting fees and disbursements incurred in connection with the maintenance and operation of the Building, including those incurred with respect to the preparation of the statements required under the provisions of the Lease and costs of minimizing, contesting, or appealing assessment of Taxes (whether or not successful);

- (c) the costs of:
 - (i) operating, maintaining, and repairing (major, minor or otherwise) the Building, and the systems, facilities and equipment serving the Building and of all replacements and modifications to the Building, and the systems, facilities and equipment serving the Building, including without limitation those made by Landlord in order to comply with laws or regulations or required by Landlord's insurance carrier or resulting from normal wear and tear to the Building, and the systems, facilities and equipment serving the Building;
 - (ii) providing, installing, modifying and upgrading energy conservation equipment and systems, life safety systems and telecommunication systems and equipment if any;
 - (iii) making alterations, replacements or additions to the Building intended to reduce Operating Costs, improve the operation of the Building and the systems, facilities and equipment serving the Building, or maintain their operation; and
 - (iv) replacing machinery or equipment which by its nature requires periodic replacement;
 all to the extent that such costs are fully chargeable in the Fiscal Year in which they are incurred;
- (d) depreciation or amortization of the costs referred to in part (c), if such costs have not been charged fully in the Fiscal Year in which they are incurred, all as determined by the Landlord;
- (e) interest on the undepreciated or unamortized balance of the costs referred to in part (d);
- (f) a management fee equal to the greater (in respect of each Fiscal Year) of four percent (4%) of the gross revenue received or receivable by Landlord in respect of the Building and the Land in such Fiscal Year (excluding revenues under this Section 2.02 (f)) and fifteen percent (15%) of Operating Costs in such Fiscal Year (excluding costs under this Section 2.02 (f) Taxes and interest);
- (g) Capital Taxes;
- (h) Taxes (excluding the amounts payable by Tenant pursuant to Section 2.08);
- (i) all insurance maintained by Landlord in respect of the Building and Land and its operation, including insurance for loss of Rent, and the amounts of losses incurred or claims paid below insurance deductible amounts;
- (j) market rental on all areas utilized by the Landlord or its manager for the operation and management of the Building;
- (k) Carbon Tax and Carbon Offset Costs; and
- (l) all costs incurred in the reduction of Operating Costs, utility consumption and/or Greenhouse Gas emissions with respect to the Lands and the Building, and all costs incurred in the furtherance of the Environmental Management Plan.

The cost for Operating Costs, Taxes and hydro is estimated to be \$18.91 per square foot of the Square Feet in the Premises per annum for the year 2019.

2.03 Limitation on Operating Costs

In determining Operating Costs, the cost (if any) of the following shall be excluded, except as specifically provided in Section 2.02;

- (a) major repairs that are required as a result of structural failure due to defective design or construction, but maintenance to the foundation, columns, structural elements of sub-floors, bearing walls and roof (including the roof membrane or weather covering) of the Building shall be included as part of Operating Costs;
- (b) interest on, and the capital retirement of debt;
- (c) expenses relating to decorating or redecorating or renovating rentable space for tenants or occupants of the Building and costs relating to tenant inducements, allowances or similar expenses;

- (d) all leasing expenses, real estate brokers fees, leasing commissions, advertising and space planner's fees;
- (e) changes made to accommodate specific requirements of specific tenants of the Building;
- (f) cleaning costs, garbage removal and other costs which are peculiar to the premises of the retail tenants of the Building;
- (g) repairs or maintenance done for the direct account of other tenants; and
- (h) any increase in insurance premiums resulting from any special uses in the Building by other tenants.

2.04 Allocation

Where this Lease provides for the allocation, or the like, of costs or expenses or where an allocation of a part of some total or aggregate cost or expense is to be made to the Premises or to Tenant, any such allocation, or the like, is to be made by Landlord on a reasonable basis.

2.05 When Services are Not Provided

Notwithstanding Section 2.02, when and if any service which is normally provided by Landlord to some tenants of the Building;

- (a) is not provided to Tenant under the specific terms of this Lease, in determining Operating Costs for the calculation of the Tenant's Proportionate Share, Landlord shall exclude the costs of that service, except as any such costs relate to the Common Areas; or
- (b) is not provided by Landlord in a significant portion of the Building, then in determining the Tenant's Proportionate Share, Landlord shall divide the cost of that service by the difference between the Square Feet in the Building and the number of square feet in the Building to which Landlord does not provide the service, both calculated on the basis set out in Section 3.00.

2.06 Shared Facilities, Services and Utilities

If any facilities, services or utilities:

- (a) for the operation, administration, management, repair and maintenance of the Building are provided from another building or other buildings owned or operated by Landlord or its manager; or
- (b) for the operation, administration, management, repair and maintenance of another building or other buildings owned or operated by Landlord or its manager are provided from the Building;

the net costs, charges and expenses therefor shall, for the purposes of Section 2.02, be allocated by Landlord, acting reasonably, between the Building and other building or buildings on a reasonable basis.

2.07 Partial Fiscal Year

If the Term commences after the beginning of a Fiscal Year or terminates before the end of it, any amount payable by Tenant to Landlord under Article 4.07 shall be adjusted proportionately and accordingly.

2.08 Taxes

If any portion of the Taxes are levied separately against the Premises by any competent taxing authority resulting in an allocation of a portion of the Taxes to the Tenant, whether payable by the Tenant or the Landlord, then the Tenant shall promptly pay such portion of the Taxes as directed by the Landlord together with any amounts payable under Section 2.02(h).

Notwithstanding the inclusion of certain Taxes in Operating Costs, if any of the Taxes are not levied separately against the Premises, then Landlord may in its sole and unfettered discretion, determine, allocate and adjust Taxes as among tenants and occupants of the Building. Nothing herein shall compel or require Landlord to adjust, continue to adjust or to make the same determination or allocation of Taxes from year to year or in any Fiscal Year.

SECTION 3.00 DETERMINATION OF SQUARE FEET IN PREMISES

3.01 Office Space - Single Tenancy Floors

The number of square feet of office space in the Premises on a single-tenancy floor in the Building (if any) shall be calculated from dimensioned Architect's drawings to the inside face of the glass in the permanent exterior building walls (whether or not the glass extends to the floor) or to the inside finish of those walls where they contain no glass. It shall include all space within exterior building walls, except for stairs (other than stair and duct shafts exclusively serving a tenant occupying offices on more than one floor), elevator shafts, flues, pipe shafts, vertical ducts, and other vertical risers which penetrate the floor and their enclosing walls. No deduction shall be made for washrooms, janitor rooms, air-conditioning rooms, fan rooms, or for electrical and telephone rooms, including vertical risers in these rooms within and servicing only the floor or servicing a single tenant on more than one floor, or for any other rooms, corridors or areas available to Tenant, columns located wholly or partially within the space, or for any enclosures around the periphery of the Building used for the purpose of heating, ventilating or cooling.

3.02 Office Space - Multiple Tenancy Floors

The number of square feet of office space in the Premises on a multiple tenancy floor in the Building (if any), whether above or below grade, shall be calculated from dimensioned Architect's drawings to the inside face of permanent exterior building walls or to the inside face of the glass as described in Section 3.01 for a single tenancy floor, to the face of permanent interior walls and to the center line of demising partitions, and includes a portion of unallocated space on the same floor(s) as the Premises, as determined by Landlord, acting reasonably, from time to time. No deduction shall be made for any columns located wholly or partially within the rentable space, or for any enclosures around the periphery of the Building used for the purpose of cooling, heating or ventilating.

3.03 Retail Space

The number of square feet of retail space in the Premises (if any), whether above or below grade, shall be calculated from dimensioned Architect's drawings to the inside face of permanent exterior building walls, to the face of permanent interior walls, to the center line of demising partitions, and to the center line of a pre-determined lease line (usually referred to as the storefront line) in the case of retail space facing onto either an interior public mall or corridor or onto a public street or lane. No deduction shall be made for vestibules inside the permanent exterior building walls or inside the pre-determined lease line, or for any columns located wholly or partially within the rentable space.

SECTION 4.00 LOADING AND DELIVERY

4.01 The delivering, dispatching, holding, loading and unloading of letters, correspondence, packages, merchandise, goods and materials of any kind to the Premises or from them shall be done only at those times, and in such manner and through those elevators, entrances and corridors as Landlord designates from time to time.

4.02 Landlord accepts no liability and is hereby relieved and released by Tenant in respect of the operation of the Delivery Facilities, or the adequacy thereof, or of the acts or omissions of any person or persons engaged in the operation thereof, or in the acceptance, holding, handling, delivery or dispatch of any goods for or on behalf of Tenant, or for any claim of Tenant by reason of damage, loss, theft or acceptance, holding, handling, delivery or dispatch, or any error, negligence or delay therein.

4.03 Landlord may from time to time make and amend regulations for the orderly and efficient operation of the Delivery Facilities and may require the payment of reasonable charges for delivery services and demurrage provided by Landlord.

SECTION 5.00 ELECTRICITY AND SERVICES

5.01 Notwithstanding Article 6.02(c) of this Lease, Tenant shall be solely responsible for all direct and indirect costs relating to the provision of, or arising under the contract for the supply of, all electricity required in the Premises, whether or not separately metered. Tenant agrees that it shall not engage any person to provide utility services to the Premises. Electricity required for such heating, ventilation, and cooling of the Premises as are provided by Landlord under Article 6.02(a) of the Lease shall be assessed and paid as a part of Operating Costs.

5.02 If electricity is not separately metered to the Premises but is supplied to Tenant through a meter common to other tenants (or group of tenants) in the Building, then Landlord shall pay the cost of that electricity and (subject to Article 6.02 of this Lease) apportion that cost among all tenants supplied through that common meter. Upon receipt of Landlord's statement of apportionment, Tenant shall reimburse Landlord for the amount for which Tenant is shown by the statement to be liable, provided that Landlord may elect at any time by notice to Tenant to estimate the amount for which Tenant will be liable and require Tenant to pay that amount in monthly instalments simultaneously with Tenant's payments of Rent, in which case the provisions of Article 4.05 of this Lease shall apply. Tenant shall also pay to Landlord an administration fee equal to fifteen percent (15%) of the amounts payable by it under this Section.

SECTION 6.00 REDEVELOPMENT AND DEMOLITION

6.01 Relocation - Common Areas

Landlord may from time to time relocate or eliminate any Common Areas in whole or in part and may increase or reduce their dimensions provided that access by Tenant to the Premises from the elevator lobbies remains available.

6.02 Relocation - Premises

Landlord shall have the right, from time to time, to relocate the Premises to other premises within the Building having approximately the same area and quality of Leasehold Improvements as the Premises provided that:

- (a) after the Commencement Date, such right shall be exercised by giving not less than ninety (**90**) days' notice in writing to Tenant;
- (b) if Landlord relocates the Premises prior to the Commencement Date, it shall reimburse Tenant for all expenses already incurred by Tenant in preparing to move into the Premises to the extent that such expenditure is for items or materials not usable in the alternate premises;
- (c) if Landlord relocates Tenant after the Commencement Date, Landlord shall reimburse Tenant for direct costs associated with the relocation, including, without limitation, packing and moving costs, reprinting of a limited supply of stationery and supplies and disconnection and reconnection of telephone and computer equipment and systems upon receipt of copies of receipted third party invoices for such costs. In no case will Tenant be reimbursed or compensated for indirect costs including overhead, overtime charges or loss of profits and Tenant will minimize costs by re-using all fixtures and trade fixtures from the Premises where it is feasible to do so in the relocated premises; and
- (d) all terms and conditions of this Lease shall apply with respect to the relocated premises for the remainder of the Term.

6.03 Redevelopment

Landlord may construct additional improvements on the Land or on any adjacent land, may renovate the Building and may add storeys to the Building. Neither the construction or the demolition by either Landlord or any other person of any improvement on either the Land or any land adjacent thereto or within the Building nor the noise, dust, vibration or other inconvenience or the reduction of light, air or view occasioned by such construction or demolition shall affect the obligations of Tenant or result in any liability of Landlord.

6.04 Demolition

Notwithstanding anything contained in this Lease, Landlord may terminate the Lease at any time if it is Landlord's intention to demolish or substantially renovate the Building. Landlord will give Tenant not less than twelve (12) calendar months' notice of such termination.

SCHEDULE C
RULES AND REGULATIONS

1. Security

Landlord may from time to time adopt appropriate systems and procedures for the security or safety of the Building, any persons occupying, using or entering the same, or any equipment, finishings or contents thereof, and Tenant shall comply with Landlord's reasonable requirements relative thereto.

2. Locks

Landlord may from time to time install and change locking mechanisms on entrances to the Building, common areas thereof, and the Premises, and (unless 24-hour security is provided by the Building) shall provide to Tenant a reasonable number of keys and replacements therefor to meet the bona fide requirements of Tenant. In these rules "keys" include any device serving the same purpose. Tenant shall not add to or change existing locking mechanisms on any door in or to the Premises without Landlord's prior written consent. If with Landlord's consent, Tenant installs lock(s) incompatible with the Building master locking system:

- (a) Landlord, without abatement of Rent, shall be relieved of any obligation under the Lease to provide any service to the affected areas which require access thereto,
- (b) Tenant shall indemnify Landlord against any expense as a result of forced entry thereto which may be required in an emergency, and
- (c) Tenant shall at the end of the Term and at Landlord's request remove such lock(s) at Tenant's expense.

3. Return of Keys

At the end of the Term, Tenant shall promptly return to Landlord all keys for the Building and Premises which are in possession of Tenant.

4. Windows

Tenant shall observe Landlord's rules with respect to maintaining window coverings at all windows in the Premises so that the Building presents a uniform exterior appearance, and shall not install any window shades, screens, drapes, covers or other materials on or at any window in the Premises without Landlord's prior written consent. Tenant shall ensure that window coverings are closed on all windows in the Premises while they are exposed to the direct rays of the sun.

5. Repair, Maintenance, Alterations and Improvements

Tenant shall carry out Tenant's repair, maintenance, alterations and improvements in the Premises only during times agreed to in advance by Landlord and in a manner which will not interfere with the rights of other tenants in the Building.

6. Water Fixtures

Tenant shall not use water fixtures for any purpose for which they are not intended, nor shall water be wasted by tampering with such fixtures. Any cost or damage resulting from such misuse by Tenant shall be paid for by Tenant.

7. Personal Use of Premises

The Premises shall not be used or permitted to be used for residential, lodging or sleeping purposes or for the storage of personal effects or property not required for business purposes.

8. Heavy Articles

Tenant shall not place in or move about the Premises without Landlord's prior written consent any safe or other heavy article which in Landlord's reasonable opinion may damage the Building, and Landlord may designate the location of any heavy articles in the Premises.

9. Carpet Pads

In those portions of the Premises where carpet has been provided directly or indirectly by Landlord, Tenant shall at its own expense install and maintain pads to protect the carpet under all furniture having casters other than carpet casters.

10. Bicycles, Animals

Tenant shall not bring any animals or birds into the Building, and shall not permit bicycles or other vehicles inside or on the sidewalks outside the Building except in areas designated from time to time by Landlord for such purposes.

11. Deliveries

Tenant shall ensure that deliveries of materials and supplies to the Premises are made through such entrances, elevators and corridors and at such times as may from time to time be designated by Landlord, and shall promptly pay or cause to be paid to Landlord the cost of repairing any damage in the Building caused by any person making such deliveries.

12. Furniture and Equipment

Tenant shall ensure that furniture and equipment being moved into or out of the Premises is moved through such entrances, elevators and corridors and at such times as may from time to time be designated by Landlord, and by movers or a moving company approved by Landlord, and shall promptly pay or cause to be paid to Landlord the cost of repairing any damage in the Building caused thereby.

13. Solicitations

Landlord reserves the right to restrict or prohibit canvassing, soliciting or peddling in the Building.

14. Food and Beverages

Only persons approved from time to time by Landlord may prepare, solicit orders for, sell, serve or distribute foods or beverages in the Building, or use the elevators, corridors stairwells, balconies or other common areas for any such purpose. Except with Landlord's prior written consent and in accordance with arrangements approved by Landlord, Tenant shall not permit on the Premises the use of equipment for dispensing food or beverages or for the preparation, solicitation of orders for, sale, serving or distribution of food or beverages.

15. Refuse

Tenant shall place all refuse in proper receptacles provided by Tenant at its expense in the Premises or in receptacles (if any) provided by Landlord for the Building, and shall keep sidewalks and driveways outside the Building, and lobbies, corridors, stairwells, ducts and shafts of the Building, free of all refuse.

16. Obstructions

Tenant shall not obstruct or place anything in or on the sidewalks or driveways outside the Building or in the lobbies, corridors, stairwells, balconies or other common areas of the Building, or use such locations for any purpose except access to and exit from the Premises without Landlord's prior written consent. Landlord may remove at Tenant's expense any such obstruction or thing (unauthorized by Landlord) without notice or obligation to Tenant.

17. *Dangerous or Immoral Activities*

Tenant shall not make any use of the Premises which involves the danger of injury to any person, nor shall the same be used for any immoral purpose.

18. *Proper Conduct*

Tenant shall not conduct itself in any manner which is inconsistent with the character of the Building as a first quality building or which will impair the comfort and convenience of other tenants in the Building.

19. *Employees, Agents and Invitees*

In these Rules and Regulations, Tenant includes the employees, agents, invitees and licensees of Tenant and others permitted by Tenant to use or occupy the Premises.

20. *ATM and Vending Machines*

The Tenant shall not have the right to install automatic teller machines (ATMs) or vending machines, other than those vending machines that are for the Tenant's personal use, in the Premises.

21. *Environmental Management*

- (a) The Tenant may be required to report to the Landlord or the Building manager as to whether items or equipment obtained for use within the Premises are Energy Star™, EcoLogo™, Green Seal™ or otherwise approved by a credible authority (as determined by the Landlord acting reasonably) as environmentally friendly.
- (b) Tenant shall place all refuse in proper receptacles provided by Tenant at its expense in the Premises or in receptacles (if any) provided by Landlord for the Building, and shall keep sidewalks and driveways outside the Building, and lobbies, corridors, stairwells, ducts and shafts of the Building, free of all refuse. Tenant shall participate in the Landlord's designated recycling program for the Building.
- (c) The Tenant shall ensure that no pesticides or herbicides are used within the Premises. The Tenant shall maintain any indoor plants and vegetation within the Premises in a healthy state, provided that any fertilizers used shall meet EcoLogo™, Green Seal™ or equivalent standards.

SCHEDULE D
SUPPLEMENTAL TERMS AND CONDITIONS

Article 21.01 Required Conditions

For the purposes of this Lease, Tenant agrees that the following shall constitute the required conditions (the "Required Conditions"):

- (a) Tenant has paid all Rent as and when due and punctually observed and performed the terms, covenants and conditions contained in the Lease throughout the Term to the applicable date; and
- (b) Tenant has not assigned the Lease or sublet the Premises except to a Permitted Transferee.

Article 21.02 Early Occupancy / Fixturing Period

Notwithstanding Article 3.02, provided Tenant has executed and delivered the Lease, the Premises are vacant, Landlord's Work has been substantially completed and Tenant has delivered to Landlord a certificate of insurance indicating that a policy of Tenant's insurance for the Premises, as described in the Lease, is in full force and effect, Tenant will be permitted non-exclusive access to the Premises within sixty (60) days following the date of the Lease execution (the "Possession Date") until the Commencement Date (the "Fixturing Period") to carry out Tenant's Work and/or conduct Tenant's business.

Tenant will not be responsible for Rent, Operating Costs and Taxes during this period, provided that the Tenant shall pay utilities and janitorial costs upon commencing to carry on business from the Premises but all other terms of the Lease shall apply.

For clarity, in no event will Tenant be permitted access to the Premises to commence its build out until the Lease is executed and delivered by Tenant in form acceptable to Landlord and the Commencement Date shall not be adjusted for any delays resulting from Tenant's failure to execute and deliver the Lease in a timely fashion unless said delay is caused by the Landlord.

Article 21.03 Annual Rent Free Period

Notwithstanding Article 1.01(a), Tenant shall not be required to pay Annual Rent for **months 1 to 5, months 13 to 17 and months 25 to 29 of the Term (being the months of September 2019 to January 2020; September 2020 to January 2021 and September 2021 to January 2022)**, but all other terms and conditions of the Lease shall apply.

During this period, the Tenant shall pay the Landlord its proportionate share of Operating Costs, Taxes and Utilities.

If at any time during the Term: (a) this Lease is terminated by reason of a default of Tenant; or (b) Tenant has become bankrupt or insolvent or has taken the benefit of any statute for bankrupt or insolvent debtors, or has filed a proposal, or has made an assignment for the benefit of creditors or any arrangement or compromise, then in such event, and without prejudice to any of Landlord's other rights and remedies available to it under this Lease and at law, the rent forgiven during the Annual Rent Free Period shall immediately become due and payable by Tenant to Landlord.

Article 21.04 Landlord's Work

Provided the Landlord and Tenant have executed the Lease, then on or before the Possession Date, the Landlord shall, at its cost, complete the Landlord's Work (the "Landlord's Work"), as outlined below:

- Ensure all blinds and lights are in good working order;
- Other than the Furniture (as hereinafter defined), remove all files, chattels, systems and equipment from the Premises;
- Leave all walls in a state of good repair, free of wall coverings;
- Ensure the Premises are in clean, broom swept condition and in a state of good repair, free of any hazardous substances, and in compliance with all applicable laws; and
- Provide all keys, codes and combinations to all furniture, doors, and other locked elements of the Premises.

Furthermore, the Landlord shall, within ninety (90) days of the date that the Lease has been fully executed, at its cost, complete the Landlord's Work, as outlined below:

- Demolish and remove the demising wall between Suites 900 and 903, as shown on Schedule A-2 attached hereto.
- Erect a demising wall in Suite 903, as approximately shown in Schedule A-2 and in compliance with the code, and ensure that it is primed and sanded, ready for application of Tenant's finish
- Balance the HVAC system in the Premises

Tenant shall use all reasonable efforts to assist Landlord in completing Landlord's Work in accordance with a schedule for completion of Landlord's Work as established by Landlord. Landlord shall not be responsible for, and the Commencement Date shall not be delayed due to, any delays caused by Tenant's failure to agree to or act in accordance with said schedule.

Article 21.05 Option to Extend

Provided the Required Conditions have been met, Tenant shall have the option to extend the Term for one (1) additional term of five (5) years upon giving Landlord not more than twelve (12) months and not less than nine (9) months notice prior to the expiration of the Term. The extension will be on Landlord's then current standard form of lease extension agreement and on the same terms and conditions as are contained in the Lease, provided that:

- (a) there shall be no further option to extend the Term beyond the one (1) option;
- (b) Annual Rent payable during the extension term shall be the then current Market Rent;
- (c) there shall be no Incentive Allowance, Landlord's Work, Leasehold Improvement Allowance or Lease Subsidy in connection with the Option to Extend.

Article 21.06 Market Rent

"Market Rent" means the rate of Annual Rent per square foot per annum for premises similar to the Premises located in the Building and in buildings similar to the Building in a comparable location as the Building for a five (5) year term, provided that, in no event shall the Market Rent be less than the Annual Rent per square foot payable in the last year of the Term or the previous extension period without regard to any temporary abatement.

1. Notice of Market Rent

At least 60 days prior to the date on which the Market Rent is to first become payable, Landlord shall give Tenant notice (the "Market Rent Notice") of its determination thereof.

2. Final Determination of Market Rent

- (a) Whether or not Tenant agrees with Landlord's determination of Market Rent, Tenant shall nevertheless pay to Landlord the amount set out in the Market Rent Notice from and after the date on which it first becomes payable and until the Market Rent has been finally determined. If Tenant does not so agree, Tenant shall give notice (the "Dispute Notice") to Landlord to that effect within 10 days of the giving of the Market Rent Notice. In the absence of a Dispute Notice, Tenant shall be deemed to have accepted Landlord's determination of Market Rent.
- (b) If Tenant has given Dispute Notice and Landlord and Tenant have not agreed in writing as to Market Rent within 10 days after the Dispute Notice is given, Market Rent shall be determined as follows:
 - i) Within fifteen (15) days of the date on which Tenant has given its Dispute Notice, Landlord and Tenant shall each appoint an independent and qualified person to determine the Market Rent and by notice advise the other of the identity of its appointee;
 - ii) If either Landlord or Tenant, having given notice of its appointee, considers the appointee of the other to be either not independent or not qualified, it may by notice to the other given within seven (7) days of the date on which the notice of the appointment is given protest such appointment with reasons;
 - iii) If within ten (10) days of the date on which the notice of protest is given the parties cannot agree as to an alternate appointee, the party whose appointee is the subject of the protest shall within the next 10-day period either give notice to the other of a new appointee or bring an action for a judicial determination as to whether its original appointee was either independent or qualified or both, according to the particulars of the protest;
 - iv) If such party elects to make a new appointment, the right of the other party to protest as aforesaid shall apply with respect to the new appointee; if it is judicially determined that an appointee was either not independent or

- unqualified, the party whose appointee was ineligible shall within ten (10) days of such determination give notice to the other of a new appointee whereupon the preceding provisions of this section shall again apply;
- v) If within the 15-day period set out in the subparagraph (i) of this subsection either Landlord or Tenant fails to make an appointment and so to identify its appointee, the Market Rent shall be determined by the appointee of the party which has made an appointment and so given notice thereof;
 - vi) Within thirty (30) days of the date on which the identity of either the single appointee or the two appointees has been ascertained, either the appointee or appointees, as the case may be, shall determine the Market Rent and each party, or the party making the only appointment, as the case may be, shall give notice of the determination made by its appointee to the other;
 - vii) If the appointee of either party fails to do so, or if either party fails to give notice to the other party of the determination of Market Rent within the time limit as aforesaid, the determination of Market Rent made by the appointee of the other party shall govern;
 - viii) If the determinations of Market Rent by the two appointees differs by less than 10%, then Market Rent shall be the average of the two determinations;
 - ix) If the determinations of Market Rent by the two appointees differ by 10% or more, then the two appointees will select a third independent and qualified person who will choose one or other of the determinations made as aforesaid and the rate so chosen will be Market Rent;
 - x) If the two appointees cannot agree on the selection of the third person, then the provisions of the Arbitrations Act shall apply for the appointment of a single arbitrator. The sole function of the person so appointed shall be to choose one or the other of the determinations made as aforesaid.
- (c) If Market Rent as determined pursuant to subsection (b) is greater than Tenant has paid in accordance with the Market Rent Notice, Tenant shall immediately pay to Landlord the difference and shall thereafter make the payments of minimum (basic) rent equal to the greater of Market Rent as so determined and the highest amount of Annual Rent payable during the Term. If the amount of Market Rent is less than that stipulated in the Market Rent Notice, Landlord shall immediately refund to Tenant any overpayment made by Tenant.
- (d) If Market Rent as determined pursuant to subsection (b) is less than 85% of the amount stipulated in the Market Rent Notice, Landlord shall pay the fees of all the appraisers and, if applicable, the arbitrator and if Market Rent as so determined is 85% or more of the amount so stipulated, Tenant shall pay all such fees.

Article 21.07 Deposit

Landlord acknowledges receipt of a deposit in the amount of **Fifty Thousand, Five Hundred and Thirty-six Dollars and Eighty Cents (\$50,536.80) includes HST**, which will be held without interest and credited, until exhausted, against Rent, Operating Costs and Taxes for the sixth (6th) and eighteenth (18th) months of the Term. Landlord will not be liable on account of the Deposit if it transfers it, or credits it, to a purchaser of the Building.

Article 21.08 Security Deposit

Landlord acknowledges receipt of a Security Deposit in the amount of **Fifty Thousand, Five Hundred and Thirty-six Dollars and Eighty Cents (\$50,536.80) includes HST**. The Security Deposit shall be maintained in its original amount by Tenant and held by Landlord throughout the Term, without liability for interest, as security for (i) damages incurred by Landlord as a result of any disclaimer or repudiation of the Lease, and (ii) the faithful performance by Tenant of all of the terms, covenants and conditions of the Lease. Landlord will not be liable on account of the Security Deposit if it transfers it, or credits it, to a purchaser of the Building.

In the event of any bankruptcy, insolvency, winding-up or other creditors' proceeding, the Security Deposit shall be the absolute property of Landlord and shall, at Landlord's option, be automatically appropriated and applied against any one or more of the following: (i) the Rent and any other amounts payable under the Lease or otherwise payable by Tenant to Landlord; (ii) the prompt and complete performance of all obligations contained in the Lease on the part of the Tenant to be kept, observed and performed; (iii) the performance of any obligation which Tenant would have been obligated to perform at the date of expiry of the Lease had the Lease not been Disclaimed or terminated or; (iv) the losses or damages suffered by Landlord as a result of the Lease being Disclaimed or terminated.

The rights of Landlord hereunder in respect of the Security Deposit shall continue in full force and effect and shall not be waived, released, discharged, impaired or affected by reason of the release or discharge of Tenant in any receivership,

bankruptcy, insolvency, winding-up or other creditors' proceedings, including, without limitation, any proceedings under the Bankruptcy and Insolvency Act (Canada) or the Companies Creditors Arrangement Act (Canada), or the surrender, disclaimer, repudiation or termination of the Lease (individually and collectively referred to herein as "Disclaimed") in any such proceedings and shall continue with respect to the periods thereto and thereafter as if the Lease had not been Disclaimed.

Article 21.09 Signage

The Tenant shall, at its sole cost, install a sign bearing the name of the Tenant on or near the entrance door of the Premises, in accordance with the Landlord's uniform scheme for identification signage.

The Landlord shall, at the request of the Tenant and at the expense of the Landlord, install one entry in the main directory board for the Building, provided that Landlord shall have exclusive control thereof and of the space thereon to be allocated to each Tenant, all in accordance with the Landlord's uniform scheme for such directory board, however, the cost for any changes made thereafter shall be at the Tenant's expense.

Article 21.10 Parking

Provided the Required Conditions have been met, Landlord shall make provision for and the Tenant shall take nineteen (19) unreserved parking stalls in the underground parking facility for the Building for the Term of the Lease and any extensions thereof. All parking costs will be consistent with then-current rates charged in the Building, except that for the first year of the Term, parking rates will be fixed at \$90.00 per month per unreserved stall (plus applicable taxes).

The Landlord shall also provide, and the Tenant shall take one (1) reserved parking stall in the underground parking facility for the Building at the Building standard reserved parking rates as they prevail from time to time, currently \$135.00 per month per reserved stall (plus applicable taxes). The location of the reserved parking stall shall be determined by the Landlord acting reasonably.

In order for the Tenant to validate its visitors parking costs, the Tenant will have the ongoing option of purchasing validation tickets directly from the Landlord's parking operator.

Article 21.11 Building Hours and After Hours HVAC

Subject to standard security procedures, force majeure, and the Building's rules and regulations, the Tenant shall have access to the Premises twenty-four (24) hours a day, three hundred and sixty-five (365) days a year except for unforeseen building emergencies. Tenant acknowledges and agrees that the Building's HVAC system is operational during normal HVAC hours only, as defined above. After normal building hours, HVAC is available upon prior notice to Landlord, the cost of which shall be billed to the Tenant at the Landlord's then prevailing rate, currently (\$51.76) per floor per hour, plus taxes.

Article 21.12 Guarantee

Tenant agrees to provide Landlord with a guarantee from **Alliance One International AG** on Landlord's standard form of Guarantee Agreement for the Term of the Lease so long as the Guarantor is the parent company of the Tenant. Should the Guarantor cease to be the parent company of the Tenant, this Guarantee Agreement will be of no further force and effect.

Article 21.13 Temporary Premises

Provided the Tenant has provided the Landlord with evidence of insurance in accordance with the terms of the Lease and the Lease has been executed by both parties and any deposit(s) have been received, the Landlord agrees to accommodate Tenant's immediate space requirement by allowing the Tenant to temporarily occupy Suite 1500 in the Building, commencing on Lease execution and ending on the day before the Commencement Date, free of any Annual or Additional Rent payment.

Article 21.14 Furniture

The Tenant will retain the furniture (the "Furniture") currently located in Suite 900 at no additional cost with the following exceptions:

- Fireproof filing cabinets; and
- All equipment, such as copier, printers, phone systems, servers, etc.

SCHEDULE E
ENVIRONMENTAL MANAGEMENT PLAN

SECTION 1 - ENVIRONMENTAL OBJECTIVES

1.1 Context

The provisions of this Environmental Management Plan have been designed to encourage and promote the implementation of certain environmental objectives on the part of each of the Landlord and the Tenant.

A breach by either the Landlord or the Tenant of any of the provisions of this Environmental Management Plan on the part of either the Landlord or the Tenant to be observed or performed, as the case may be, shall not constitute a default under this Lease, but the party committing such breach agrees, to the extent possible under the circumstances, to use commercially reasonable efforts to cooperate with the other party to remedy such breach. In addition to the foregoing, the Tenant and the Landlord agree to constructively consult with each other on: (i) enhancements that may achieve the Environmental Objectives and the Landlord and Tenant shall consider undertaking any such enhancements; and (ii) issues, events and circumstances likely to detract from achieving the Environmental Objectives.

1.2 Environmental Objectives

- (a) The Tenant acknowledges the Landlord's intention to operate the Building so as to provide for:
- (i) a comfortable, productive and healthy indoor environment;
 - (ii) reduced energy use and reduced production, both direct and indirect, of Greenhouse Gases;
 - (iii) reduced use of potable water and the use of recycled water where appropriate;
 - (iv) the effective diversion of construction, demolition, and land-clearing waste from landfill and incineration disposal, and the recycling of tenant waste streams;
 - (v) the use of cleaning products certified in accordance with EcoLogo™ (Canada), Green Seal™ (United States) or equivalent standards;
 - (vi) the facilitation of alternate transportation options for individuals attending at the Building where appropriate;
 - (vii) the avoidance of high VOC construction materials and improvements within the Building and individual tenant premises where appropriate; and,
 - (viii) the ability to gather environmental or social data to assess and improve the Building's performance.
- (b) The Tenant also acknowledges that the Building currently has achieved or qualifies for the following accreditations, ratings or certifications:
- (i) LEED Existing Building certified (*Silver*); and
 - (ii) ENERGY STAR rating of **73**; and
 - (iii) BOMA BEST rating of (**Gold**).

The Tenant agrees that the Landlord shall be entitled to operate, manage and maintain the Building so as to retain at least such level of accreditation, rating or certification.

- (c) The Tenant acknowledges the Landlord's intention to operate the Building so as to achieve and retain:
- (i) a LEED® for Existing Buildings: Operations and Maintenance ("EB:O&M") certified standard (*Silver*);
 - (ii) a top quartile ranking under BOMA BEST;

- (iii) a top quartile ranking under the ENERGY STAR program; and
 - (iv) *American Society of Heating, Refrigerating, and Air-Conditioning Engineers (“ASHRAE”)*
- (d) The Landlord shall be entitled from time to time during the Term, to seek such other and further building certifications as may be reasonably necessary, in the Landlord's sole opinion, to ensure the Building remains compliant with all Applicable Law (including modifications thereto) or the requirements of any governmental authority, as well as certifications prevalent in the marketplace or necessary to attract leading tenants from time to time.

1.3 **Regulatory Standards**

Notwithstanding the provisions of Section 1.2 herein, in the event that any governmental authority imposes a resource reduction target on the Building for any utility or resource otherwise than as set out in Sections 1.2 above, then the Environmental Objectives shall be deemed to have been amended so as to stipulate such resource reduction target and all changes required to be made by the Landlord to the Environmental Management Plan, or which are necessitated as a result of such mandatory resource reduction target, shall be deemed to be included and permitted, as the case may be, pursuant to the provisions of this Section and this Lease.

1.4 **Determination of Compliance Regarding Environmental Management Plan**

- (i) The decision of any Expert whenever provided for under this Lease and any certificate of an Expert in each case addressed to both parties shall be final and binding on the parties and there shall be no further right of dispute or appeal.
- (ii) Any issue in respect of the compliance of either party with the general objectives set out in Section 1.2 above shall be determined by an Expert as appointed by the Landlord, and the provisions of paragraph 1.4(i) above, shall apply to such Expert's determination. Such Expert shall advise, in respect of any question pertaining to the achievement of a specific objective of the Building or the Premises as to why the Building or the Premises, as the case may be, does not appear to be or have achieved such objective or target, the Expert's perspective on the allocation of responsibility for such non-performance, and recommendations for improvement or ways in which the prescribed objective or target could be achieved.

SECTION 2 - ENVIRONMENTAL MANAGEMENT PLAN IMPLEMENTATION

2.1 The Tenant agrees to conduct its operations in the Building and within the Premises in accordance with the following provisions:

(a) **Comfortable, Healthy and Productive Indoor Environment**

- (i) The Landlord shall be entitled at any time and from time to time to undertake indoor air quality (e.g. Greenhouse Gas production) monitoring and testing, including testing within the Premises, on reasonable notice to the Tenant and accompanied by a representative of the Tenant if required, which representative Tenant agrees to make available.
- (ii) The Tenant shall ensure that all work done within the Premises by the Tenant or its representatives shall be undertaken in accordance with the applicable provisions of this Lease and the Landlord's Design Criteria Manual for the Building. Notwithstanding the foregoing, the Tenant shall specify that all paints, sealants and adhesives used or to be used within the Premises meet EcoLogoM, Green Seal™, South Coast Air Quality Management District (“SCAQMD”) regulations, MPI Green Performance™ Standards or equivalent so as to ensure no or low emissions of VOCs within the Building. Landlord may from time to time conduct tests to measure VOCs within the Premises.
- (iii) The Tenant shall have regard to minimizing negative impact on the environment in the conduct of its business operations in the Premises.
- (iv) Should the Tenant be permitted to undertake its own cleaning of, or within, the Premises, the Tenant shall require that in any cleaning contracts granted directly by it, the cleaning contractor shall use cleaning products certified in accordance with EcoLogo™ Green Seal™ or equivalent. The Landlord shall reserve the right to approve, acting reasonably, any such Tenant cleaning contracts, but without liability. The Tenant shall ensure that any cleaning contracts entered into by it require the cleaning contractor to comply with elements of the Environmental Management Plan applicable to it and that the

cleaning contractor properly understands the maintenance of all specialized green facilities used in the Premises.

- (v) At the Landlord's option and sole discretion, but at the Tenant's sole cost and expense, the Landlord may purge Building air during a Tenant move in, in order to minimize off-gassing of wallpaper, carpet, paint, and furniture glues and dyes resulting from any Tenant's work or any installations completed by the Tenant.
- (b) **Reduce Indirect and Direct Energy Consumption and Greenhouse Gas Emissions**
- (i) At the Landlord's discretion, the Tenant agrees to the installation of electricity check meters or smart meters in respect of the Tenant's consumption of electricity within the Premises, at the Tenant's sole cost and expense, payable as Additional Rent under this Lease.
 - (ii) The Tenant shall take reasonable steps to minimize its electrical consumption within the Premises such as, by way of example only, adopting conservation practices (e.g. reducing its use of lighting where unnecessary); the use of Energy Star equipment; the types of lighting, lighting switches, sensors and zones as may be specified in the Design Criteria Manual for the Building.
 - (iii) The Landlord shall be entitled at any time or from time to time to acquire (A) all or part of the power for its Common Area and Facilities; or (B) shared electrical power from sources with low Greenhouse Gas emissions. In addition to the foregoing, where it is considered feasible to do so, the Landlord may install onsite generation capacity either to reduce peak load or to supplement base load requirements for the Building from time to time, and any incremental cost in so doing shall be included in Operating Costs. Without limiting the generality of the foregoing, the Tenant shall, where available on commercially reasonable terms, ensure that equipment purchased for the Premises is ENERGY STAR certified where available.
 - (iv) The Tenant shall be entitled at any time or from time to time to specify in writing that it wishes to have its electrical power consumption sourced or offset from renewable energy sources, and if it shall elect to do so, the cost of same shall be at the Tenant's sole cost and expense, either payable directly by it to the supplier so chosen, or recoverable by the Landlord if paid by the Landlord as Additional Rent.
 - (v) The Landlord shall be entitled to benchmark itself against any building rating system for electrical, natural gas, water or other resource consumption.
 - (vi) The Landlord shall operate Common Areas in accordance with, and use its reasonable efforts to cause other tenants to operate in conformity with, the Environmental Objectives.
- (c) **Reduce Water Consumption**
- (i) At the Landlord's discretion, the Tenant agrees to the installation of check meters or water meters in respect of the Tenant's consumption of water, at the Tenant's sole cost and expense, payable as Additional Rent under this Lease.
 - (ii) Where potable water usage is not a necessity, the Tenant acknowledges and consents to the use of treated recycled or treated natural water in washrooms and in other applications within and around the Building.
 - (iii) The Tenant consents to rainwater collection, treatment and reuse by the Landlord and wastewater collection, treatment and reuse by the Landlord from time to time. The Tenant consents to the use of water-saving appliances, such as waterless urinals, and other equipment as may be otherwise consistent with the Environmental Objectives.
 - (iv) The Tenant consents to the use of water-saving appliances, such as waterless urinals, and other equipment as may be otherwise consistent with the Environmental Objectives.
- (d) **Recycled Materials Usage**
- (i) Tenant shall be entitled to use recycled materials containing pre-consumer material content in its Leasehold Improvements and Alterations if so permitted either pursuant to the Design Criteria Manual, or as may be consented to by the Landlord, acting reasonably. The Tenant agrees to consider locally sourced materials where possible in the completion of Leasehold Improvements, consistent with the Design Criteria Manual.

- (ii) The Tenant agrees to recycle and request its contractor to recycle as much as possible any waste created in the permitted demolition of Leasehold Improvements or in Alterations within the Premises so as to minimize the amount of waste ending in landfill. The Landlord reserves the right to monitor and measure the amount of waste leaving the Building from the Premises and going to landfill from time to time. If available, the Landlord agrees to provide to the Tenant a staging area for the sorting and recycling of materials during construction.
 - (iii) The Landlord may refuse to collect or accept from the Premises waste that is not appropriately sorted into the appropriate recycling container and Landlord shall be entitled to charge Tenant for any costs Landlord incurs as a result of Tenant's failure to comply with the Building recycling program.
- (e) **Tenant Certifications**
- The Landlord will use commercially reasonable efforts to co-operate with the Tenant, at the Tenant's sole cost, in the certification of the Premises pursuant to any rating scheme, such as ASHRAE standard 189.1 LEED CI standard (as specified by the U.S. Green Building Council until adopted by the Canada Green Building Council) or equivalent standard as the Landlord may agree to, acting reasonably.
- (f) **External Environment**
- The Tenant shall ensure that any exterior work undertaken by it shall prevent loss of soil during construction, shall protect any soil stockpiled for re-use, shall minimize soil erosion from wind and water and shall prevent dust and air pollution due to wind blowing over any such soil or other construction materials.

SECTION 3 - ENVIRONMENTAL ASSESSMENT AND REPORTING

- 3.1** The Landlord and Tenant, acting reasonably and in good faith, agree to cooperate from time to time in determining compliance with the Environmental Objectives and in modifying such Environmental Objectives from time to time. The Landlord and the Tenant agree to meet as required by Landlord from time to time, acting reasonably (and not more than twice per year), in order to determine and discuss the achievement of the Environmental Objectives for the Building and the Premises and any further steps that could be taken to achieve the Environmental Objectives.
- 3.2** Tenant agrees to provide all reasonable information and/or data required by the Landlord consistent with the Environmental Management Plan, Environmental Objectives, and/or accreditation/certifications, in a form acceptable to the Landlord, acting reasonably, within an agreed upon timeline.

**Dorsay Development Corporation
and ONTARI Holdings Ltd.**

- AND -

FIGR INC.

**Atria III
2225 Sheppard Avenue East, Suite No. 900
Toronto, ON**

LEASE OF OFFICE SPACE

**LEASE OF OFFICE SPACE
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This is Exhibit **“K”** *referred to in the*
affidavit of Michael Devon
sworn before me, this 21st
day of January, 2021

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

GUARANTEE AGREEMENT

THIS AGREEMENT dated the 18th day of June 2019.

BETWEEN:

Alliance One International GmbH

(hereinafter called "Guarantor")

OF THE FIRST PART

-and -

**Dorsay Development Corporation
and ONTARI Holdings Ltd.**

(hereinafter called "Landlord")

OF THE SECOND PART

WHEREAS:

- A. FIGR Inc. ("Tenant") and Landlord have entered into a lease dated the 18th day of June 2019 ("Lease") respecting certain premises, known as Suite 903 comprising of 7,600 rentable square feet ("Premises") located on the 9th floor of the building municipally known as Atria III, 2225 Sheppard Avenue East, Toronto, ON. M2J 5C2; and
- B. To induce Landlord to enter into the Lease with Tenant, Guarantor has agreed to enter into this agreement with Landlord subject to the below conditions;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged by Guarantor, Guarantor makes the following agreement ("Agreement") with Landlord:

1. Guarantor hereby agrees with Landlord that it will, during the Term of this Agreement and provided that an Exempt Termination (defined below) has not occurred, upon written demand, following Tenant's failure to do so and the expiry of all applicable notice and cure periods, and without duplication, make the due and punctual payment of all amounts on account of Rent, monies, charges and other amounts of any kind whatsoever payable under the Lease by Tenant whether to Landlord or otherwise (the "Obligations") and whether or not a Disclaimer (defined below) has occurred. If at any time demand is made by Landlord to Guarantor for payment of any Obligation then, without the requirement of further action or notice, Guarantor shall be entitled (but not obligated) to exercise all of the rights and remedies of Tenant under the Lease and at law; provided for certainty that if the Lease has been terminated, Guarantor shall only be entitled to exercise such rights and remedies of Tenant to the extent such rights and remedies survive termination or are otherwise available at law. Guarantor's liability hereunder shall apply to all such Obligations during the Term of the Lease and shall survive the termination of the Lease, except where termination is attributable to a Landlord default, pursuant to a Tenant termination right contained in the Lease or at law, or agreed to in writing by Landlord and Tenant (in each case an "Exempt Termination"). For the purposes of this Agreement, the "Term" shall mean the Term of the Lease (as it may be renewed or extended).
2. This Agreement is absolute and unconditional and the obligations of Guarantor hereunder shall not be released, discharged, mitigated, impaired, or affected by: (i) any extension of time, indulgences or modifications which Landlord extends to or makes with Tenant in respect of the performance of any of



the Obligations; (ii) any waiver by or failure of Landlord to enforce any of the terms, covenants and conditions contained in the Lease; (iii) any assignment of the Lease by Tenant or by any trustee, receiver or liquidator, or any Transfer of all or any part of the Premises; (iv) any amendment to the Lease or any waiver by Tenant of any of its rights under the Lease; (v) any alterations to or changes in respect of the Premises; (vi) any Disclaimer (as defined below) of the Lease; or (vii) any loss of or in respect of any security received by Landlord from Tenant or any other person, firm or corporation, unless and to the extent contributed to, by or through the act, omission, default or neglect of Landlord; it being understood that nothing but payment and satisfaction in full of all Obligations shall release Guarantor of its obligations hereunder. For greater certainty, in the event of a Disclaimer, the provisions of this Agreement shall remain in full force and effect in accordance with its terms to the same extent as if this Agreement had been a separate agreement entered into between Landlord and Guarantor for due consideration and under seal.

3. Without limiting the generality of the foregoing, the liability of Guarantor under this Agreement shall continue in full force and effect and shall not be or be deemed to have been waived, released, discharged, impaired or affected by reason of: (i) the release or discharge of Tenant in any receivership, bankruptcy, insolvency, winding-up or other creditors' proceedings, including, without limitation, any proceedings under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada) or otherwise, in each case excluding Exempt Terminations; or (ii) the surrender (whether or not accepted by Landlord, unless specifically agreed to in writing), disclaimer, repudiation or termination of the Lease in any such proceedings described in (i) or otherwise, in each case excluding Exempt Terminations (collectively such matters described in (i) and (ii) hereinafter called "Disclaimer"), and shall continue with respect to the periods prior thereto and thereafter, for and with respect to the Term of this Agreement as if there had been no Disclaimer of the Lease. Further, if there is a Disclaimer of the Lease, Guarantor shall pay to Landlord: (i) all Obligations then accrued and payable to the date of such Disclaimer, and all Obligations that would have been payable under the Lease for the period to what would have been the date of expiry of the Term of this Agreement but for such Disclaimer; and (ii) the unamortized amount, as of the date of such Disclaimer, of all inducements given by Landlord to Tenant for Tenant to enter into the Lease, including, without limitation, all free rent periods, all inducement allowances and leasehold improvement allowances, and all loans, cost of work done by Landlord on the Premises, moving costs and the like, amortized on a straight line basis over what would have been the Term of this Agreement but for said Disclaimer, with interest at the lesser of (a) the prime rate of interest charged by Landlord's bank to its most creditworthy customers plus two (2%) percent per annum, (b) ten (10%) percent per annum or (c) the maximum amount chargeable at law. The liability of Guarantor shall not be affected by any repossession of the Premises by Landlord.
4. No action or proceeding brought or instituted under this Agreement and no recovery in pursuance thereof shall be a bar or defence to any further action or proceeding which may be brought under this Agreement by reason of any further default hereunder or in the performance and observance of the terms, covenants and conditions contained in the Lease.
5. No modification of this Agreement shall be effective unless the same is in writing and is executed by both Guarantor and Landlord.
6. All of the terms, covenants and conditions of this Agreement extend to and are binding upon Guarantor and its successors and assigns, as the case may be, and enure to the benefit of and may be enforced by Landlord and any mortgagee, chargee, trustee under a deed of trust or other encumbrancer of all or any part of the Premises and each of their successor and assigns.
7. This Agreement constitutes the complete agreement between Guarantor and Landlord and none of the parties hereto shall be bound by any representations or agreements made by any person which would in any way reduce or impair the obligations of Guarantor other than any which are expressly set out herein.



8. This Agreement is a continuing agreement and is irrevocable by Guarantor and will continue in full force and effect as long as there exists or may exist any Obligations or any unsatisfied consequences thereof, whether prior to, during or after the expiration of the Term of the Agreement, except for an Exempt Termination, including without limitation, such as may result from Tenant remaining in occupation of the Premises contemplated in the Lease after the expiration of the Term without the consent of Landlord.
9. This Agreement will remain in full force and effect notwithstanding any change of name, amalgamation, merger or change of status of Landlord, Tenant and Guarantor and notwithstanding any juridical acts or facts as a result of which the entity which is the creditor of any of the Obligations is or becomes someone other than Landlord and/or Landlord is replaced by any other entity as a party to the Lease and/or any party other than Tenant becomes the obligor of any of the Obligations. Moreover, if Landlord is replaced by any other entity as a party to the Lease, this Agreement will remain in full force and effect as regards Obligations arising both before and after such replacement.
10. This Agreement has been freely negotiated and approved by the parties and, notwithstanding any rule or maxim of law or construction to the contrary, any ambiguity or uncertainty will not be construed against either of the parties by reason of the authorship of any of the provisions of this Agreement.
11. Guarantor agrees to do, make and execute all such further documents, agreements, assurances, acts, matters and things and take such further action as may be reasonably required by Landlord in order to more effectively carry out the true intent of this Agreement.
12. The rights of Landlord hereunder shall be assignable by Landlord to a transferee concurrently with a permitted assignment of its interest in the Lease to such transferee, and such an assignment of the Lease shall constitute an assignment of the Obligations unless the said Obligations are specifically excepted from such assignment of the Lease.
13. Notwithstanding any amendments of the Lease or any alterations to the Premises (as provided by the Lease or otherwise), Guarantor shall continue to be bound by all of its obligations pursuant hereto to the extent of what would have been its obligations pursuant hereto had such amendments or alterations not been made.
14. Guarantor acknowledges receiving a copy of the Lease. Terms or expressions bearing initial capital letters where used in this Agreement but not separately defined herein, have the same meanings as they have in the Lease, to the extent to which the context permits.
15. All remedies afforded to Landlord by reason of this Agreement are separate and cumulative remedies and it is agreed that no one of such remedies, whether exercised by Landlord or not, shall be deemed to be in exclusion of any other remedy available to Landlord and shall not limit or prejudice any other legal or equitable remedy which Landlord may have.
16. If any provision of this Agreement or the application thereof to any person or circumstance shall to any extent be held void, unenforceable or invalid, then the remainder of this Agreement or the application of such provision to persons or circumstances other than those as to which it is held void, unenforceable or invalid shall not be affected thereby and each provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.
17. The laws of the Province of Ontario, Canada applicable to contracts made and to be performed wholly within the Province of Ontario, Canada shall govern and control the validity, interpretation, performance and enforcement of this Agreement and all disputes arising, directly or indirectly, out of or relating to this Agreement shall be dealt with and adjudicated in the courts of the Province of Ontario, Canada or the Federal courts of Canada and Guarantor hereby expressly and irrevocably attorns to and submits to the



jurisdiction of such courts in any suit, action or proceeding arising, directly or indirectly out of or relating to this Agreement. So far as is permitted under the applicable law, this consent to jurisdiction shall be self-operative and no further instrument or action, other than service of process in one of the manners specified in this Agreement, or as otherwise permitted by law, shall be necessary in order to confer jurisdiction upon Guarantor in any such court. Guarantor irrevocably consents to the service of any and all process in any such suit, action or proceeding by service of process to Guarantor in accordance with applicable law at the address of Guarantor as hereinafter provided (or if such address is subsequently changed, at such last known address), whether within or without the jurisdiction of any such courts of Ontario, Canada or the Federal courts of Canada.

18. If Landlord obtains an order or judgment of an Ontario court for the enforcement of this Agreement with all applicable appeal periods having expired, Guarantor shall consent to the enforcement of such order against Guarantor in any other jurisdiction as may be appropriate in the circumstances and Guarantor hereby waives any right to contest the enforcement of such order of an Ontario court in such jurisdiction.
19. Guarantor represents and warrants for the benefit of Landlord that: (i) Guarantor was duly incorporated and organized under the laws of Switzerland, and is a valid existing corporation with no limitation under its governing statute or its certificate or instrument of incorporation on the duration of its corporate existence; (ii) Guarantor has corporate power, authority, legal right and capacity to enter into, execute, deliver and perform its obligations under the Lease and the Agreement; and (iii) this Agreement has been properly authorized by all necessary corporate action of Guarantor and has been duly executed and delivered by Guarantor. Guarantor waives any right to, at any time, claim that this Agreement is not enforceable against it.
20. Any notice, request or demand provided for or given under this Agreement shall be in writing and shall be served in the manner specified in the Lease. The addresses for service of notice by registered mail shall be:

if to Landlord: Dorsay Development Corporation and ONTARI Holdings Ltd.
 c/o Epic Investment Services Inc.
 2225 Sheppard Avenue East, Suite 900
 Toronto, ON: M2J 5C2

 Attn: Vice President, Real Estate Management

if to Guarantor: Alliance One International GmbH.
 Hauptstrasse 53, PO Box 230
 4127 Birsfelden / Basel
 Switzerland

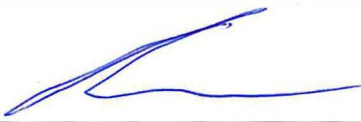
21. In the event of the Disclaimer of the Lease, then, at the option of either Landlord or Guarantor, which option may be exercised by either party in its sole discretion by issuing written notice of same to the other party within ten (10) days following such Disclaimer, and without derogating from Guarantor's obligations under this Agreement, Guarantor shall, or shall cause a corporation that is a holding body corporate, a subsidiary body corporate or affiliated body corporate of Guarantor (hereinafter called a "Replacement Tenant") to, enter into a written lease of the Premises between Landlord as landlord and the Replacement Tenant as tenant for a term commencing at the date of such Disclaimer, and expiring on the date on which the Lease would have expired if it had run its full term without default by Tenant and without such Disclaimer (a "New Lease"), which New Lease shall be accepted by Landlord, and Guarantor shall provide a guarantee in the same form as this one to such New Lease and shall, if required by Landlord, execute and deliver to Landlord a new Guarantee Agreement on the same terms and conditions as this Agreement. Such New Lease shall contain the same terms and conditions as are contained in the Lease which would apply to and be in force for that portion of the Term which by the original terms of the Lease would have

remained unexpired at the date of such Disclaimer subject to: (i) such amendments hereto to which Tenant had agreed at any time prior to such Disclaimer; (ii) the exception that Tenant will accept the Premises in "as is" condition (with no obligation on the part of Landlord to perform any work or provide any inducement or incentive whatsoever); and (iii) the exception that, so long as the Replacement Tenant does not take possession of the Premises pursuant to such New Lease, neither the Replacement Tenant nor Guarantor shall be obligated to maintain, operate, repair, replace or insure the Premises and the obligations of the Guarantor under such New Lease and new guarantee agreement shall be limited to the Obligations (as defined herein).


- 22. Notwithstanding any provision herein to the contrary, and for greater certainty, Landlord and Guarantor hereby acknowledge and agree that, unless Guarantor elects to take possession of the Premises pursuant to the Lease or a New Lease, as applicable, under no circumstances will Guarantor be required to assume or perform any primary obligations in respect of the Lease or a New Lease, as applicable, including without limitation the obligation to take possession, operate or maintain the Premises, or to perform any other obligation of the Tenant or a Replacement Tenant, as applicable, save and except for the secondary obligation to pay the Obligations in accordance with the terms hereof.
- 23. Notwithstanding any provision herein to the contrary, this Agreement will be in full force and effect so long as the Guarantor is the parent company of the Tenant. Should the Guarantor cease to be the parent company of the Tenant, this Agreement shall be null and void and of no further force and effect.


LANDLORD:
Dorsay Development Corporation

LANDLORD:
ONTARI Holdings Ltd.


Per: 
Authorized Signing Officer


Per: 
Authorized Signing Officer

Per: 
Authorized Signing Officer
Having authority to bind the corporation.

Per: 
Authorized Signing Officer
Having authority to bind the corporation.

GUARANTOR:
Alliance One International GmbH

Per: 
Name: SIMON GREEN
Title: MANAGING DIRECTOR

Per: 
Name: CARL REITZ
Title: Member of the Board
Having authority to bind the corporation.



This is Exhibit **“L”** *referred to in the*
affidavit of Michael Devon
sworn before me, this 21st
day of January, 2021

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

Jan 1/21 June 30/21

OFFER TO LEASE

THIS Offer is made as of Jan 1 2021 between Twinprop Investments Inc. (the "Landlord") and Canada's Island Garden Inc. (the "Tenant"), pursuant to which the Tenant hereby offers to lease from the Landlord the premises more particularly described in section 1(a) on the terms and conditions set out in this Offer. In consideration of the mutual covenants and agreements contained in this Offer and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the parties) the parties covenant and agree as follows:

1. Premises

(a) The premises to be leased by the Landlord to the Tenant shall be those certain premises located within the industrial development located at 23 Fourth Street, Charlottetown, P.E.I. (the "Development") and contains approximately 14,000 square feet as shown outlined in red on Schedule "A" attached hereto (the "Premises").

(b) The Tenant acknowledges and agrees that it has examined the Premises and that it accepts the Premises on an "as is" basis.

(c) The Tenant shall undertake, carry out and provide, at its sole cost and expense, all work and equipment required to be performed or provided in order to render the Premises complete, ready and suitable to open for business.

(d) The Tenant shall have the non-exclusive right to use such parts of the common areas of the Development as may be designated from time to time by the Landlord as being available for general use by tenants, their customers, guests, invitees and others entitled thereto.

2. Term

The term of the Lease (the "Term") shall be seven 6 1/2 months commencing on Jan 1 2021 (the "Commencement Date") (subject to the below) and expiring on June 30, 2021 (subject to the below), unless sooner terminated or extended as provided for in this Offer or the Lease. Should the Tenant be delayed by any fault of the Landlord or any other reason (other than the fault of the Tenant) in taking possession of the Premises on the Commencement Date, then and only then shall the Commencement Date and the Term be postponed for the same number of days that the Tenant is delayed in taking possession of the Premises. The Tenant acknowledges and agrees that such postponement shall be full settlement for any claims it might have against the Landlord for such delay.

The Tenant has no right to remain in possession of the Premises after the end of the Term. If the Tenant remains in possession of the Premises after the end of the Term or any extension term(s) with the consent of the Landlord but without entering into a new lease or other agreement then, notwithstanding any statutory provisions or legal presumption to the contrary, there shall be no tacit renewal of this Offer or the Term or any extension term(s) and the Tenant shall be deemed to be occupying the Premises as a tenant from month to month (with either party having the right to terminate such month to month tenancy at any time on 30 days' notice, whether or not the date of termination is at the end of a rental period) at a monthly Gross Rent payable in advance on the first day of each month equal to 125% of the monthly amount of Gross Rent payable during the last month of the Term and otherwise upon the same terms, covenants and conditions as in this Lease insofar as these are applicable to a monthly tenancy.

3. Rent

(a) The Tenant will pay Gross Rent in the total amount of \$ 56,000 over the Term, payable in advance, in equal monthly instalments of 9,333.33 on the first day of each and every month throughout the Term. Upon

request by the Landlord, the Tenant shall deliver to the Landlord prior to the Commencement Date, a series of monthly post-dated cheques for the forthcoming year in an amount equal to the aggregate of the monthly payments of Gross Rent.

(b) All Rent shall be paid by the Tenant to the Landlord without notice or demand and without abatement, deduction or set off for any reason whatsoever. The Tenant shall pay to the Landlord all HST/GST payable as a result of the Tenant paying Rent, which payment shall be made at the same time as the Rent to which the HST/GST relates is to be paid in accordance with the terms of this Offer or the Lease.

4. Gross Lease

The Gross Rent shall be gross and includes the Tenant's contribution toward property taxes, utilities, common area maintenance and Landlord's insurance.

5. Use

The Tenant covenants to actively, diligently and continuously carry on business from the Premises during the Term and any extension thereof for the sole purpose of a staging area for the construction of a building and related components, in compliance with all applicable laws. No representation or warranty is made by the Landlord with respect to the Tenant being permitted to carry on such use from the Premises under applicable municipal by-laws.

6. Insurance

The Tenant shall, at its sole cost, take out and maintain throughout the Term and during any other period when it is in possession of the Premises, commercial general liability insurance (in an amount at least equivalent to \$5,000,000.00 per occurrence) respecting the Tenant's use of the Premises and 'all risks' property insurance over the Tenant's property and any leasehold improvements constructed by the Tenant within the Premises and such other reasonable coverages typically carried by tenants carrying on similar business to that of the Tenant as are dealt with in the Lease or otherwise required from time to time by the Landlord, with such endorsements and riders, as are reasonably determined by the Landlord from time to time as being appropriate for prudent industrial tenants in buildings similar to the Development. Landlord shall be named as an additional insured on the Tenant's commercial general liability policy set forth above. The Tenant will not be entitled to possession of the Premises until such time as it has taken out such policies of insurance and provides the Landlord with certificates showing such insurance coverage, such certificates to be in a form and contain such detail as may be satisfactory to the Landlord, acting reasonably.

7. Repairs/Installations

(a) The Tenant shall, at all times during the Term at its sole cost, keep and maintain the Premises in good order, first class condition and repair as would a reasonably prudent tenant.

(b) The Tenant shall not be entitled to make any leasehold improvements, repairs or alterations to or install any trade fixtures in the Premises unless it first obtains the Landlord's prior written consent. All leasehold improvements and alterations made to the Premises by or on behalf of the Tenant shall become the property of the Landlord upon their installation in the Premises. Upon the expiration or earlier termination of the term of the Lease, the Tenant shall remove such of the leasehold improvements and alterations which the Tenant installed, or caused to be installed, in the Premises as the Landlord may require to be removed and shall to the extent required by the Landlord restore the Premises to the condition in which they existed on the date that the Landlord provided possession of the Premises to the Tenant (reasonable wear and tear which would be accepted by a prudent owner excepted).

(c) The Landlord shall, at all times during the Term and any extensions thereof, at its sole cost, keep and

maintain the Development (excluding the Premises to the extent of the Tenant's maintenance and repair obligations hereunder and as otherwise expressed herein or in the Lease to be a Tenant obligation) in good order and repair as would a reasonably prudent landlord of a similar development in proximity to the Development, having regard to the size, age and location of the said Development.

8. Subordination/Non-Disturbance

The Tenant agrees that this Offer and the Lease and all the rights of the Tenant hereunder and thereunder are subject and subordinate to all mortgages and charges which may now or hereafter affect the Development or any part or parts thereof, and to all advances made or hereafter to be made upon the security thereof and all renewals, modifications and extensions thereof.

11. Transfers

(a) The Tenant shall not be entitled to assign or otherwise transfer this Offer nor sublet nor part with nor share possession with the whole or any part of the Premises until such time as the Tenant executes the Lease, whereupon the provisions in the Lease respecting assignments and sublettings (which provisions shall contain restrictions on share transfers) shall apply. The provisions of the Lease respecting assignments and sublettings shall provide that the Tenant may only sublet or assign the Lease with the prior consent of the Landlord, which consent may be unreasonably withheld.

(b) The Landlord shall be entitled to assign or otherwise transfer this Offer at any time to any Person (the "New Landlord") and, upon the New Landlord assuming the covenants, agreements and obligations of the Landlord under this Offer, the Landlord shall be released from all of its covenants, agreements and obligations contained in this Offer.

12. Lease

At the option of the Landlord, the parties shall enter into a formal lease for the Premises (the "Lease") which shall be prepared by the Landlord on its current standard form of lease and shall incorporate the terms of this Offer. The Tenant acknowledges and agrees that the Landlord's standard form of lease will contain terms not addressed in this Offer and will expand upon, condition and deal in greater detail with some or all of the provisions of this Offer. In the event that the Landlord elects to have a formal lease entered into, the Landlord will provide the draft of the Landlord's standard form of Lease, amended to incorporate the terms of this Offer, to the Tenant. Notwithstanding anything contained herein, the parties agree that in the event that the Lease has not been executed by the date that is fifteen (15) days after the date that the Landlord provides the first draft of the Lease to the Tenant, then the Landlord may, at its option, at any time, terminate this Offer upon notice in writing to the Tenant in which case this Offer shall become null and void and the Tenant shall provide vacant possession of the Premises in accordance with its obligations hereunder.

13. Relocation

The Landlord shall have the right from time to time, on not less than 15 days' notice to the Tenant, to relocate the Premises to other premises within the Development having approximately the same area as the Premises. In no case will the Tenant be reimbursed or compensated for direct or indirect costs of the Tenant with respect to the relocation and the Tenant shall be responsible for all costs to move its property to the relocated premises. The Landlord agrees to use reasonable efforts to effect the relocation with a minimum of disruption to the Tenant's business. The Landlord and the Tenant shall enter into an amending agreement in the Landlord's standard form to confirm the terms of the relocation and to confirm that all other terms and conditions of this Offer or the Lease shall apply with respect to the relocated premises for the remainder of the Term.

14. Environmental

The Tenant acknowledges that the Lease will contain the Landlord's standard clauses for environmental matters. Without limitation, the Tenant shall conduct all of its operations on the Premises in strict compliance with all environmental laws and regulations, shall conduct such operations in accordance with prudent business practices aimed at preventing any adverse effects, and shall obtain all requisite permits, approvals and authorizations issued by environmental agencies or divisions with respect to its operations on the Premises. The Tenant shall be responsible for, and indemnify and save harmless the Landlord from and against any claims, losses, liabilities, costs, damages and expenses relating to any environmental contamination or breach of applicable environmental laws with respect to the Premises and/or the Development caused by the Tenant or those for whom the Tenant is in law responsible.

15. General Contract Terms

(a) Schedules

The Schedules are as follows:

Schedule "A" - Diagram showing approximate location of the Premises

The Schedules are incorporated into and form an integral part of this Offer.

(b) Entire Offer

This Offer, including any Schedules attached to this Offer, constitutes the entire agreement between the parties pertaining to the subject matter of this Offer and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties. There are no representations, warranties or other agreements, whether oral or written, between the parties in connection with the subject matter of this Offer except as specifically set out in this Offer.

(c) Waiver

No waiver of any provision of this Offer shall be deemed to constitute a waiver of any other provision, whether or not similar, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided. No forbearance by any party to seek a remedy for any breach by any other party of any provision of this Offer shall constitute a waiver of any rights or remedies with respect to any subsequent breach or with respect to the initial breach.

(d) Gender and Number

In this Offer, words importing the singular include the plural and vice-versa, words importing gender include all genders and words importing persons include corporations and vice-versa.

(e) Obligations

The obligations of the Tenant and the Indemnifier, if more than one person or entity, are joint and several. The word "Tenant" and "Indemnifier" means each person or entity mentioned as Tenant and Indemnifier, respectively, in this Offer, whether one or more.

(f) No Registration

The Tenant shall not register this Offer, nor any notice of this Offer, against title to the Development. The Tenant shall be entitled to register a notice of this Offer or the Lease, once executed, on the Development lands subject to the Landlord's prior written approval, which shall not be unreasonably withheld.

(g) Applicable Law

This Offer shall be construed in accordance with the laws of the Province of P.E.I. and the laws of Canada applicable in the Province of P.E.I. and shall be treated in all respects as a P.E.I. contract.

(h) Invalidity

If any provision of this Offer or any part of any provision of this Offer is held to be invalid, illegal or unenforceable by a court of competent jurisdiction, such provision or part shall not affect the validity, legality or enforceability of any other provision of this Offer or the balance of any provision of this Offer absent such part and such invalid, illegal or unenforceable provision or part shall be deemed to be severed from this Offer and this Offer shall be construed and enforced as if such invalid, illegal or unenforceable provision or part had never been inserted in this Offer.

(i) Time

Time shall be of the essence of this Offer and no extension or variation of this Offer shall operate as a waiver of this provision. When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Offer, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, the period in question shall end on the next following Business Day.

(j) Notice

Any notice or other communication required or permitted to be given by this Offer shall be in writing and shall be effectively given if:

- (a) delivered personally; or
- (b) sent by prepaid courier service;

in the case of notice to:

- (i) the Landlord, at: 105 Northland Road, Unit F, Waterloo, ON N2V 1Y8

Attention: President

- (ii) the Tenant, at: the Premises

Attention: President

Fax No.

or at such other address as the party to whom such notice or other communication is to be given shall have advised the party giving same in the manner provided in this section. Any notice or other communication delivered personally or by prepaid courier service shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day such notice or other communication shall be deemed to have been given and received on the next following Business Day.

(k) Brokerage

The Tenant warrants that it has not dealt with any agent or broker representing or purporting to represent the Tenant in connection with the leasing of the Premises. The Tenant shall be responsible for, and indemnify and save harmless the Landlord from any brokerage fees, commissions or other amounts relating to this Lease payable to any other agent or broker with whom the Tenant has dealt.

(1) Binding Effect

This Offer shall enure to the benefit of and shall be binding upon the parties and their respective heirs, executors, administrators, successors and permitted assigns.

The Tenant has executed this Offer on December 1, 2020.

CANADA'S ISLAND GARDEN INC.

Per: _____

Name:

Title:

Per: _____

Name:

Title:

The Landlord hereby accepts the above Offer and executes this Offer on December 1, 2020.

TWINPROP INVESTMENTS INC.

Per: *B. Strassburger*

Name:

Title:

*B STRASSBURGER
PRESIDENT*

Per: _____

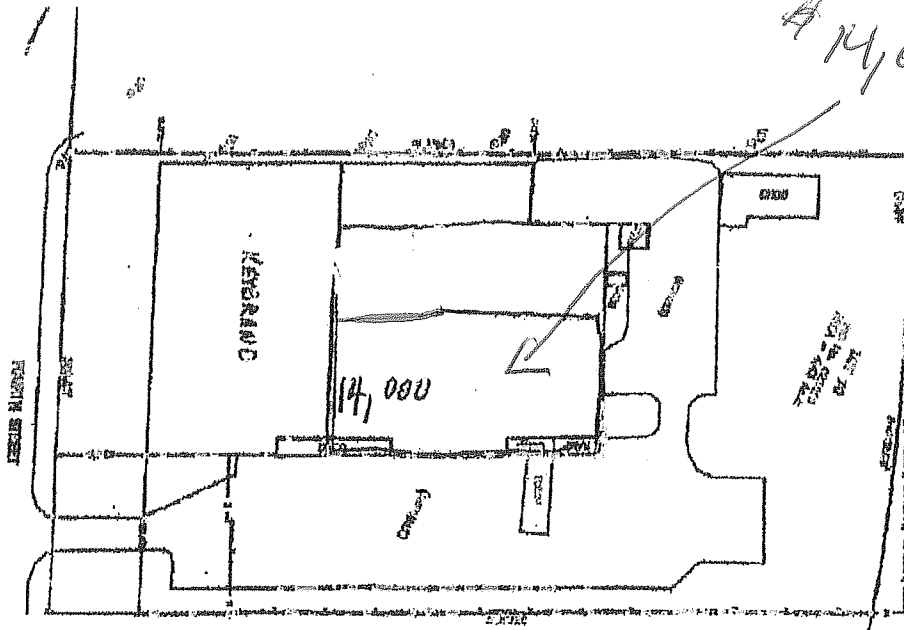
Name:

Title:

SCHEDULE "A"

DIAGRAM

*Island Garden
14,000 Sq FT*



SCALE 1/8" = 1'-0"

This is Exhibit **“M”** *referred to in the*
affidavit of Michael Devon
sworn before me, this 21st
day of January, 2021

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

Balance Sheet
All amounts in CAD

	As at November 30, 2020			
	Consolidated	FIGR Canada Holding ULC	Canadas Island Garden	FIGR Norfolk Inc.
Assets				
Current Assets				
Cash	\$1,774,333	\$252,448	\$1,410,622	\$111,263
Third party receivables	2,354,201	-	2,289,963	64,239
Related party receivables	-	148,038,072	36,536	8,622,949
Prepaid expenses	1,242,673	215,533	943,527	83,614
Biological assets	1,458,254	-	1,399,561	58,693
Inventory	20,896,163	-	16,567,264	4,328,899
Other current assets	144,290	-	144,290	-
Total current assets	\$27,869,914	\$148,506,052	\$22,791,763	\$13,269,657
Non-current assets				
Investment in subsidiaries	\$0	\$58,810,705	\$0	\$0
Property, plant and equipment	91,196,859	431,202	70,142,930	19,351,663
Right-of-use assets	417,121	414,158	-	2,963
Intangible assets	33,214,283	509,764	422,453	7,125
Goodwill	-	-	-	-
Investment tax credits	468,240	-	468,240	-
Total non-current assets	\$125,296,504	\$60,165,829	\$71,033,623	\$19,361,751
Total assets	\$153,166,418	\$208,671,881	\$93,825,386	\$32,631,407
Liabilities and equity				
Current liabilities				
Third party payables and accrued liabilities	\$4,425,613	\$1,051,036	\$2,966,702	\$407,876
Intercompany Payables - Mgmt Fees	-	-	16,473,632	6,209,992
Current portion of LT debt - other	66,672	-	66,672	-
Current portion of lease liabilities	131,877	129,955	-	1,922
Total current liabilities	\$4,624,163	\$1,180,991	\$19,507,006	\$6,619,790
Long-term liabilities				
Deferred tax liability	\$8,044,377	\$0	\$152,637	\$0
Long-term debt - related party	189,729,870	189,729,870	93,910,479	40,103,454
Long-term debt - other	627,633	-	627,633	-
Lease liabilities	336,497	336,497	-	-
Total long-term liabilities	\$198,738,377	\$190,066,367	\$94,690,749	\$40,103,454
Total liabilities	\$203,362,540	\$191,247,358	\$114,197,755	\$46,723,244
Commitments and contingencies				
Equity				
Share capital	\$0	\$0	\$9,519,397	\$150
Contributed surplus	30,718,207	43,618,433	-	-
Retained deficit	(80,651,628)	(26,301,750)	(29,917,551)	(14,091,986)
Other comprehensive income	133,625	107,840	25,785	0
Equity attributable to equity holders of the parent	(\$49,799,795)	\$17,424,523	(\$20,372,369)	(\$14,091,836)
Non-controlling interests	(396,327)	-	-	-
Total equity	(\$50,196,122)	\$17,424,523	(\$20,372,369)	(\$14,091,836)
Total liabilities and equity	\$153,166,418	\$208,671,881	\$93,825,386	\$32,631,407
<i>Check</i>	-	0	-	-
			-	0

This is Exhibit “N” *referred to in the*
affidavit of Michael Devon
sworn before me, this 21st
day of January, 2021

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched:	Prince Edward Island
Type of Search:	Debtors (Enterprise)
Search Criteria:	FIGR Brands, Inc
Date and Time of Search (YYYY-MM-DD hh:mm):	2021-01-20 15:55 (Atlantic)
Transaction Number:	21185140
Searched By:	S185207

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place
-------	----------	------------------------------------	-----------------	-------

An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 0 registration(s) contained information that **exactly** matched the search criteria you specified.

- 0 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

END OF REPORT

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched:	Prince Edward Island
Type of Search:	Debtors (Enterprise)
Search Criteria:	FIGR Norfolk Inc.
Date and Time of Search (YYYY-MM-DD hh:mm):	2021-01-20 15:55 (Atlantic)
Transaction Number:	21185131
Searched By:	S185207

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place
-------	----------	------------------------------------	-----------------	-------

An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 0 registration(s) contained information that **exactly** matched the search criteria you specified.

- 0 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

END OF REPORT

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched:	Prince Edward Island
Type of Search:	Debtors (Enterprise)
Search Criteria:	Canada's Island Garden Inc.
Date and Time of Search (YYYY-MM-DD hh:mm):	2020-12-18 17:33 (Atlantic)
Transaction Number:	21046271
Searched By:	S185207

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place
*	*	4272566	CANADA'S ISLAND GARDEN INC.	York
*	*	4272566	CANADA'S ISLAND GARDEN INC.	Charlottetown

An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 2 registration(s) contained information that **exactly** matched the search criteria you specified.

- 0 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

Registration Details for Registration Number: 4272566

Province or Territory: Prince Edward Island
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	4272566	2017-06-28 13:36	2023-06-28	155569

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Individual
Jewell, Edwin Parker

394 Route 25
York PE C0A 1P0
Canada
Date of Birth (YYYY-MM-DD): 1961-12-11

Type: Enterprise
CANADA'S ISLAND GARDEN INC.
394 York Road
York PE C0A 1P0
Canada

Type: Enterprise
CANADA'S ISLAND GARDEN INC.
7 Innovation Way
Charlottetown PE C1E 0B7
Canada

Secured Parties

Type: Enterprise
Compaction Credit Ltd.
250 Woodwich Street, Unit #5
Breslau ON NOB 1M0
Canada

General Collateral

One 2x13 litre extraction unit serial number P4900 manufacturer Advanced Extraction Systems and all present and after acquired attachments, accessories, repair parts and other goods placed on the said extraction unit (the "Collateral") and all proceeds that are present or after acquired personal property with respect to the Collateral.

END OF REPORT



Bennett Jones

Bennett Jones LLP

PERSONAL PROPERTY SECURITY ACT (ONTARIO)

SEARCH SUMMARY WITH RESPECT TO: FIGR

Summary By: Olivia D'Innocenzo
File Currency: December 17, 2020

DISCLAIMER:

This report was produced by a compilation of data retrieved from the Personal Property Registration System, Ministry of Government Services, Government of Ontario. Dye & Durham Corporation is not responsible for the accuracy, reliability or currency of the information provided by this external source. The purchaser of this report has agreed with consideration at the time of purchase to assume all liability and further indemnify Dye & Durham Corporation for any and all damages and costs resulting from any matter related to the content of this report. Users wishing to rely upon this information should consult directly with the source of the information. No liability is undertaken by Dye & Durham Corporation regarding the completeness, correctness or the interpretation or use which may be made of this report.

Secured Party	Debtor(s)	Collateral Class.						File No.	Reg. No.	Comments
		CG	I	E	A	O	MV			
JIM PATTISON INDUSTRIES LTD.	FIGR INC.			X			X	765779787 PPSA	20200915 1701 1462 6992 Reg. 4 year(s) Expires 09/15/2024	
		2020 FORD ESCAPE (VIN: 1FMCU9G60LUA18152)								
Secured Party	Debtor(s)	Collateral Class.						File No.	Reg. No.	Comments
JIM PATTISON INDUSTRIES LTD.	FIGR INC.			X			X	764945532 PPSA	20200820 1404 1462 9182 Reg. 4 year(s) Expires 08/20/2024	
		Maturity Date: August 31, 2023 2020 FORD ESCAPE (VIN: 1FMCU9G60LUB33124)								
Secured Party	Debtor(s)	Collateral Class.						File No.	Reg. No.	Comments
JIM PATTISON INDUSTRIES LTD.	FIGR INC.			X			X	763440561 PPSA	20200707 1703 1462 4385 Reg. 4 year(s) Expires 07/07/2024	
		Maturity Date: June 30, 2023 2020 FORD ESCAPE (VIN: 1FMCU9G67LUB35419)								
Secured Party	Debtor(s)	Collateral Class.						File No.	Reg. No.	Comments
JIM PATTISON INDUSTRIES LTD.	FIGR INC.			X			X	762000921 PPSA	20200520 1705 1462 8966 Reg. 4 year(s) Expires 05/20/2024	
		Maturity Date: May 31, 2023 2020 FORD ESCAPE (VIN: 1FMCU9G62LUA17519)								

Secured Party	Debtor(s)	Collateral Class.						File No.	Reg. No.	Comments
		CG	I	E	A	O	MV			
JIM PATTISON INDUSTRIES LTD.	FIGR INC.			X			X	760193901 PPSA	20200218 1715 1462 1334 Reg. 4 year(s) Expires 02/18/2024	
		Maturity Date: February 28, 2023 2020 FORD ESCAPE (VIN: 1FMCU9G60LUA88217)								
Secured Party	Debtor(s)	Collateral Class.						File No.	Reg. No.	Comments
JIM PATTISON INDUSTRIES LTD.	FIGR INC.			X			X	759668715 PPSA	20200129 1004 1462 4596 Reg. 4 year(s) Expires 01/29/2024	
		Maturity Date: January 31, 2023 2020 FORD ESCAPE (VIN: 1FMCU9G68LUA01602)								
Secured Party	Debtor(s)	Collateral Class.						File No.	Reg. No.	Comments
JIM PATTISON INDUSTRIES LTD.	FIGR INC.			X			X	759306024 PPSA	20200114 1407 1462 9476 Reg. 4 year(s) Expires 01/14/2024	
		Maturity Date: January 31, 2023 2020 FORD ESCAPE (VIN: 1FMCU9G61LUA01361)								
Secured Party	Debtor(s)	Collateral Class.						File No.	Reg. No.	Comments
JIM PATTISON INDUSTRIES LTD.	FIGR INC.			X			X	756315711 PPSA	20191008 1405 1462 2320 Reg. 4 year(s) Expires 10/08/2023	
		Maturity Date: September 30, 2022 2019 FORD ESCAPE (VIN: 1FMCU9GD5KUB70019)								

PPSA (ONTARIO) SEARCH SUMMARY
FIGR



Secured Party	Debtor(s)	Collateral Class.						File No.	Reg. No.	Comments
		CG	I	E	A	O	MV			
JIM PATTISON INDUSTRIES LTD.	FIGR INC.			X			X	748733004 PPSA	20190301 1706 1462 0561 Reg. 4 year(s) Expires 03/01/2023	
		2018 FORD ESCAPE (VIN: 1FMCU9GD0JUA05655)								

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE
CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY SYSTEM IN RESPECT
OF THE FOLLOWING:

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: FIGR

FILE CURRENCY: December 17, 2020

RESPONSE CONTAINS: APPROXIMATELY 9 FAMILIES and 9 PAGES.

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS
WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME
IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE
OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT
ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

THE ABOVE REPORT HAS BEEN CREATED BASED ON THE DATA PROVIDED BY
THE PERSONAL PROPERTY REGISTRATION BRANCH, MINISTRY OF CONSUMER
AND BUSINESS SERVICES, GOVERNMENT OF ONTARIO. NO LIABILITY IS
UNDERTAKEN REGARDING ITS CORRECTNESS, COMPLETENESS, OR THE
INTERPRETATION AND USE THAT ARE MADE OF IT.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: FIGR

FILE CURRENCY: December 17, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 9 ENQUIRY PAGE : 1 OF 9

SEARCH : BD : FIGR

00 FILE NUMBER : 748733004 EXPIRY DATE : 01MAR 2023 STATUS :
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20190301 1706 1462 0561 REG TYP: P PPSA REG PERIOD: 4
02 IND DOB : IND NAME:
03 BUS NAME: FIGR INC.
OCN :
04 ADDRESS : 3400 ONE FIRST CANADIAN PLACE PO BOX 130
CITY : TORONTO PROV: ON POSTAL CODE: M5X1A4
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
JIM PATTISON INDUSTRIES LTD.
09 ADDRESS : 4937 REGENT STREET
CITY : BURNABY PROV: BC POSTAL CODE: V5C4H4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X
YEAR MAKE MODEL V.I.N.
11 2018 FORD ESCAPE 1FMCU9GD0JUA05655
12

GENERAL COLLATERAL DESCRIPTION

13
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15

16 AGENT: JIM PATTISON INDUSTRIES LTD.
17 ADDRESS : 4937 REGENT STREET
CITY : BURNABY PROV: BC POSTAL CODE: V5C4H4

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: FIGR

FILE CURRENCY: December 17, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 9 ENQUIRY PAGE : 2 OF 9

SEARCH : BD : FIGR

00 FILE NUMBER : 756315711 EXPIRY DATE : 08OCT 2023 STATUS :
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20191008 1405 1462 2320 REG TYP: P PPSA REG PERIOD: 4
02 IND DOB : IND NAME:
03 BUS NAME: FIGR INC.
OCN :
04 ADDRESS : 3400 ONE FIRST CANADIAN PLACE PO BOX 130
CITY : TORONTO PROV: ON POSTAL CODE: M5X1A4
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
JIM PATTISON INDUSTRIES LTD.
09 ADDRESS : 4937 REGENT STREET
CITY : BURNABY PROV: BC POSTAL CODE: V5C4H4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X 30SEP2022
YEAR MAKE MODEL V.I.N.
11 2019 FORD ESCAPE 1FMCU9GD5KUB70019
12

GENERAL COLLATERAL DESCRIPTION

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16 AGENT: JIM PATTISON INDUSTRIES LTD.
17 ADDRESS : 4937 REGENT STREET
CITY : BURNABY PROV: BC POSTAL CODE: V5C4H4

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: FIGR

FILE CURRENCY: December 17, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 3 OF 9 ENQUIRY PAGE : 3 OF 9

SEARCH : BD : FIGR

00 FILE NUMBER : 759306024 EXPIRY DATE : 14JAN 2024 STATUS :
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20200114 1407 1462 9476 REG TYP: P PPSA REG PERIOD: 4
02 IND DOB : IND NAME:
03 BUS NAME: FIGR INC.
OCN :
04 ADDRESS : 2225 SHEPPARD AVE EAST SUITE 903
CITY : SCARBOROUGH PROV: ON POSTAL CODE: M2J5C2
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
JIM PATTISON INDUSTRIES LTD.
09 ADDRESS : 4937 REGENT STREET
CITY : BURNABY PROV: BC POSTAL CODE: V5C4H4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X 31JAN2023
YEAR MAKE MODEL V.I.N.
11 2020 FORD ESCAPE 1FMCU9G61LUA01361
12

GENERAL COLLATERAL DESCRIPTION

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16 AGENT: JIM PATTISON INDUSTRIES LTD.

17 ADDRESS : 4937 REGENT STREET
CITY : BURNABY PROV: BC POSTAL CODE: V5C4H4

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: FIGR

FILE CURRENCY: December 17, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 4 OF 9 ENQUIRY PAGE : 4 OF 9

SEARCH : BD : FIGR

00 FILE NUMBER : 759668715 EXPIRY DATE : 29JAN 2024 STATUS :
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20200129 1004 1462 4596 REG TYP: P PPSA REG PERIOD: 4
02 IND DOB : IND NAME:
03 BUS NAME: FIGR INC.
OCN :
04 ADDRESS : 2225 SHEPPARD AVE EAST SUITE 903
CITY : SCARBOROUGH PROV: ON POSTAL CODE: M2J5C2
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
JIM PATTISON INDUSTRIES LTD.
09 ADDRESS : 4937 REGENT STREET
CITY : BURNABY PROV: BC POSTAL CODE: V5C4H4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X 31JAN2023
YEAR MAKE MODEL V.I.N.
11 2020 FORD ESCAPE 1FMCU9G68LUA01602
12

GENERAL COLLATERAL DESCRIPTION

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16 AGENT: JIM PATTISON INDUSTRIES LTD.

17 ADDRESS : 4937 REGENT STREET

CITY : BURNABY PROV: BC POSTAL CODE: V5C4H4

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: FIGR

FILE CURRENCY: December 17, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 5 OF 9 ENQUIRY PAGE : 5 OF 9

SEARCH : BD : FIGR

00 FILE NUMBER : 760193901 EXPIRY DATE : 18FEB 2024 STATUS :
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20200218 1715 1462 1334 REG TYP: P PPSA REG PERIOD: 4
02 IND DOB : IND NAME:
03 BUS NAME: FIGR INC.
OCN :
04 ADDRESS : 2225 SHEPPARD AVE EAST SUITE 903
CITY : SCARBOROUGH PROV: ON POSTAL CODE: M2J5C2
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
JIM PATTISON INDUSTRIES LTD.
09 ADDRESS : 4937 REGENT STREET
CITY : BURNABY PROV: BC POSTAL CODE: V5C4H4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X 28FEB2023
YEAR MAKE MODEL V.I.N.
11 2020 FORD ESCAPE 1FMCU9G60LUA88217
12

GENERAL COLLATERAL DESCRIPTION

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16 AGENT: JIM PATTISON INDUSTRIES LTD.

17 ADDRESS : 4937 REGENT STREET

CITY : BURNABY PROV: BC POSTAL CODE: V5C4H4

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: FIGR

FILE CURRENCY: December 17, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 6 OF 9 ENQUIRY PAGE : 6 OF 9

SEARCH : BD : FIGR

00 FILE NUMBER : 762000921 EXPIRY DATE : 20MAY 2024 STATUS :
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20200520 1705 1462 8966 REG TYP: P PPSA REG PERIOD: 4
02 IND DOB : IND NAME:
03 BUS NAME: FIGR INC.
OCN :
04 ADDRESS : 2225 SHEPPARD AVE EAST SUITE 903
CITY : SCARBOROUGH PROV: ON POSTAL CODE: M2J5C2
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
JIM PATTISON INDUSTRIES LTD.
09 ADDRESS : 4937 REGENT STREET
CITY : BURNABY PROV: BC POSTAL CODE: V5C4H4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X 31MAY2023
YEAR MAKE MODEL V.I.N.
11 2020 FORD ESCAPE 1FMCU9G62LUA17519
12

GENERAL COLLATERAL DESCRIPTION

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16 AGENT: JIM PATTISON INDUSTRIES LTD.

17 ADDRESS : 4937 REGENT STREET

CITY : BURNABY PROV: BC POSTAL CODE: V5C4H4

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: FIGR

FILE CURRENCY: December 17, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 7 OF 9 ENQUIRY PAGE : 7 OF 9

SEARCH : BD : FIGR

00 FILE NUMBER : 763440561 EXPIRY DATE : 07JUL 2024 STATUS :
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20200707 1703 1462 4385 REG TYP: P PPSA REG PERIOD: 4
02 IND DOB : IND NAME:
03 BUS NAME: FIGR INC.
OCN :
04 ADDRESS : 2225 SHEPPARD AVE EAST SUITE 903
CITY : SCARBOROUGH PROV: ON POSTAL CODE: M2J5C2
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
JIM PATTISON INDUSTRIES LTD.
09 ADDRESS : 4937 REGENT STREET
CITY : BURNABY PROV: BC POSTAL CODE: V5C4H4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X 30JUN2023
YEAR MAKE MODEL V.I.N.
11 2020 FORD ESCAPE 1FMCU9G67LUB35419
12

GENERAL COLLATERAL DESCRIPTION

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16 AGENT: JIM PATTISON INDUSTRIES LTD.
17 ADDRESS : 4937 REGENT STREET
CITY : BURNABY PROV: BC POSTAL CODE: V5C4H4

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: FIGR

FILE CURRENCY: December 17, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 8 OF 9 ENQUIRY PAGE : 8 OF 9

SEARCH : BD : FIGR

00 FILE NUMBER : 764945532 EXPIRY DATE : 20AUG 2024 STATUS :
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20200820 1404 1462 9182 REG TYP: P PPSA REG PERIOD: 4
02 IND DOB : IND NAME:
03 BUS NAME: FIGR INC.
OCN :
04 ADDRESS : 2225 SHEPPARD AVE EAST SUITE 903
CITY : SCARBOROUGH PROV: ON POSTAL CODE: M2J5C2
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
JIM PATTISON INDUSTRIES LTD.
09 ADDRESS : 4937 REGENT STREET
CITY : BURNABY PROV: BC POSTAL CODE: V5C4H4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X 31AUG2023
YEAR MAKE MODEL V.I.N.
11 2020 FORD ESCAPE 1FMCU9G60LUB33124
12

GENERAL COLLATERAL DESCRIPTION

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16 AGENT: JIM PATTISON INDUSTRIES LTD.

17 ADDRESS : 4937 REGENT STREET

CITY : BURNABY PROV: BC POSTAL CODE: V5C4H4

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: FIGR

FILE CURRENCY: December 17, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 9 OF 9 ENQUIRY PAGE : 9 OF 9

SEARCH : BD : FIGR

00 FILE NUMBER : 765779787 EXPIRY DATE : 15SEP 2024 STATUS :
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20200915 1701 1462 6992 REG TYP: P PPSA REG PERIOD: 4
02 IND DOB : IND NAME:
03 BUS NAME: FIGR INC.
OCN :
04 ADDRESS : 2225 SHEPPARD AVE EAST SUITE 903
CITY : SCARBOROUGH PROV: ON POSTAL CODE: M2J5C2
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
JIM PATTISON INDUSTRIES LTD.
09 ADDRESS : 4937 REGENT STREET
CITY : BURNABY PROV: BC POSTAL CODE: V5C4H4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X
YEAR MAKE MODEL V.I.N.
11 2020 FORD ESCAPE 1FMCU9G60LUA18152
12

GENERAL COLLATERAL DESCRIPTION

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16 AGENT: JIM PATTISON INDUSTRIES LTD.
17 ADDRESS : 4937 REGENT STREET
CITY : BURNABY PROV: BC POSTAL CODE: V5C4H4
LAST SCREEN

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE
CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY SYSTEM IN RESPECT
OF THE FOLLOWING:

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: FIGR Norfolk Inc.

FILE CURRENCY: December 17, 2020

ENQUIRY CONTAINS 0 PAGES, 0 FAMILY(IES).

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

THE ABOVE REPORT HAS BEEN CREATED BASED ON THE DATA PROVIDED BY
THE PERSONAL PROPERTY REGISTRATION BRANCH, MINISTRY OF CONSUMER
AND BUSINESS SERVICES, GOVERNMENT OF ONTARIO. NO LIABILITY IS
UNDERTAKEN REGARDING ITS CORRECTNESS, COMPLETENESS, OR THE
INTERPRETATION AND USE THAT ARE MADE OF IT.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE
CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY SYSTEM IN RESPECT
OF THE FOLLOWING:

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: FIGR Brands, Inc.

FILE CURRENCY: December 17, 2020

ENQUIRY CONTAINS 0 PAGES, 0 FAMILY(IES).

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

THE ABOVE REPORT HAS BEEN CREATED BASED ON THE DATA PROVIDED BY
THE PERSONAL PROPERTY REGISTRATION BRANCH, MINISTRY OF CONSUMER
AND BUSINESS SERVICES, GOVERNMENT OF ONTARIO. NO LIABILITY IS
UNDERTAKEN REGARDING ITS CORRECTNESS, COMPLETENESS, OR THE
INTERPRETATION AND USE THAT ARE MADE OF IT.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE
CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY SYSTEM IN RESPECT
OF THE FOLLOWING:

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: Canada's Island Garden Inc.

FILE CURRENCY: December 17, 2020

ENQUIRY CONTAINS 0 PAGES, 0 FAMILY(IES).

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

THE ABOVE REPORT HAS BEEN CREATED BASED ON THE DATA PROVIDED BY
THE PERSONAL PROPERTY REGISTRATION BRANCH, MINISTRY OF CONSUMER
AND BUSINESS SERVICES, GOVERNMENT OF ONTARIO. NO LIABILITY IS
UNDERTAKEN REGARDING ITS CORRECTNESS, COMPLETENESS, OR THE
INTERPRETATION AND USE THAT ARE MADE OF IT.

This is Exhibit **“O”** *referred to in the*
affidavit of Michael Devon
sworn before me, this 21st
day of January, 2021

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

INTERCOMPANY PROMISSORY NOTE
(the "Note")

03 December 2018
Basel, Switzerland

FOR VALUE RECEIVED, the borrower named below (the "**Borrower**") hereby promises to pay to the order of ALLIANCE ONE INTERNATIONAL GmbH, a Swiss corporation (the "**Payee**"), the principal amount of all loans and advances made by the Payee to the Borrower as set forth on the schedule attached hereto or established on their respective books and records from time to time. Borrower hereby also promises to pay interest from time to time on the principal amount outstanding of such advances at the rate per annum set out in the attached schedule, or at such other arms length rate as the parties may agree from time to time.

All payments of principal and interest in respect of this Note shall be made on demand in lawful currency of the Canada in same day funds to the account of the Payee located at such place as shall be notified in writing by the Payee to the Borrower for such purpose.

Notwithstanding anything to the contrary contained herein, this Note shall evidence all loans and advances from the Payee to the Borrower including, without limitation, those not evidenced by another note, instrument or writing, other than advances relating to the purchase of tobacco by the Payee to the Borrower.

Upon the commencement of any bankruptcy, administration, receivership, reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar or analogous proceedings of any jurisdiction relating to the Borrower, the unpaid principal amount owed by the Borrower hereunder together with all interest outstanding thereon shall become immediately due and payable without presentment, demand, protest or notice of any kind in connection with this Note.

Upon default, the unpaid principal amounts hereof and any outstanding interest shall become immediately due and payable without presentment, demand, protest or notice of any kind in connection with this Note.

Whenever any payment on this Note shall be declared to be due on a day which is not a business day, such payment shall be made on the next succeeding business day in Switzerland and such extension of time shall be included in the computation of the payment of interest on this Note.

The obligations of the Borrower arising under this Note may be prepaid in whole or in part at any time without penalty or premium.

Subject to limitations set forth in any applicable intercompany loan agreement and herein, the outstanding balances of all loans and advances under this Note may be reduced and increased from time to time.

JG

AZ

None of the terms or provisions hereof may be waived, altered, modified or amended except with the Payee's prior written consent.

In no event shall any interest be payable under this Note to the extent that the payment thereof would be prohibited by applicable law.

Borrower and the Payee hereby acknowledge and agree that this Note amends and restates in its entirety each and every other promissory note heretofore executed by Borrower in favor of the Payee.

The right to plead any and all statutes of limitations as a defense to demand hereunder is hereby waived to the extent permitted by law. Borrower, for itself and its successors and assigns, waives presentment, demand for payment, protest and notice thereof or of dishonor any and all other notices or demands in connection with the delivery, acceptance, performance, default or enforcement of this Note and also waives the right to be released by reason of any extension of time or change in the terms of payment or any change, alteration or release of any security given for the payment hereof.

The Payee is hereby authorized (but shall not be required) to record all loans and advances made by it to the Borrower (all of which shall be evidenced by this Note), and all repayments or prepayments thereof, in its books and records, such books and records constituting prima facie evidence of the accuracy of the information contained therein.

All payments under this Note shall be made without offset, counterclaim or deduction of any kind unless required by law.

THIS NOTE SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF SWITZERLAND.

This Note may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Note.



[Remainder of page intentionally left blank]

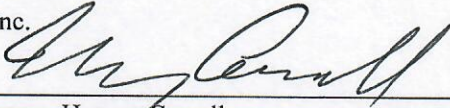


IN WITNESS WHEREOF, the Payee and Borrower have caused this Note to be duly executed and delivered by their duly authorized officers or authorized representatives, all as of the day and year first written above.

BORROWER:

FIGR Inc.

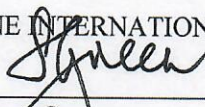
By: _____


Name: Harvey Carroll
Title: President

PAYEE:

ALLIANCE ONE INTERNATIONAL GmbH

By: _____


Name: Simon Green
Title: Managing Director



4127 Birsfelden / Basel
Switzerland

This is Exhibit **“P”** *referred to in the*
affidavit of Michael Devon
sworn before me, this 21st
day of January, 2021

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

Assignment and Set Off Agreement

("Agreement")

between **Alliance One International GmbH**

Hauptstrasse 53
CH-4127 Birsfelden
Switzerland

("AOI GmbH")

and **Alliance One International Tabak B.V.**

Schiphol Boulevard 359
D Tower, 11th floor
NL-1118BJ Schiphol
Netherlands

("AOI Tabak")

(AOI GmbH and AOI Tabak together the "**Parties**", each a "**Party**")

concerning the assignment and setting off of a loan receivable



Recitals

- A AOI Tabak is the direct and sole quotaholder of AOI GmbH. Intabex Netherlands B.V., Schiphol Boulevard 359, D Tower, 11th floor, 1118 BJ Schiphol, The Netherlands ("**Intabex**") is the sole and direct shareholder of AOI Tabak.
- B Under an intercompany promissory note dated 30 November 2019 between Intabex as payee and AOI GmbH as borrower, Intabex had a loan receivable from AOI GmbH. On 31 December 2020, Intabex assigned such loan receivable to AOI Tabak. Therefore, AOI Tabak as payee has currently a claim towards AOI GmbH as borrower in the amount of USD85,314,205.19 including interest accrued until the date hereof ("**Tabak Receivable**").
- C Under an intercompany promissory note dated 3 December 2018 and amended on 15 March 2019 between AOI GmbH as payee and FIGR Inc., 25th floor, 666 Burrard Street, Vancouver, BC, V6C 2X8, Canada (which became FIGR Canada Holdings ULC, and then amalgamated with FIGR Brands, Inc. on 30 December 2020 to form FIGR Brands, Inc. ("**FIGR**")), as borrower, AOI GmbH has a loan receivable towards FIGR in the amount of CAD193,788,483.04 including interest accrued until the date hereof ("**AOI Receivable**").
- D AOI Tabak has agreed to acquire the AOI Receivable from AOI GmbH and to partially set it off against the Tabak Receivable.

Based on the above premises, which form an integral part hereof, the Parties agree as follows:

1 Sale and Assignment of AOI Receivable

AOI GmbH agrees to sell and assign, and hereby assigns, the AOI Receivable to AOI Tabak, and AOI Tabak agrees to purchase and assume, and hereby assumes, the AOI Receivable with effect as of 31 December 2020, for a purchase price of CAD193,788,483.04 ("**Purchase Price**"); with the effect that AOI Tabak (instead of AOI GmbH) is the creditor of FIGR for the AOI Receivable.

AOI GmbH does not give any warranty or representation with respect of the AOI Receivable whatsoever and AOI Tabak explicitly waives any claim against AOI GmbH in connection with the purchase of the AOI Receivable.

2 Partial Set Off

AOI GmbH and AOI Tabak agree that the Purchase Price owed by AOI Tabak to AOI GmbH is hereby partially set off with the Tabak Receivable, applying a CAD/USD FX rate of 0.7805. As a result, the Tabak Receivable is fully extin-

guished and AOI GmbH has a remaining purchase price claim of CAD84,481,365.57 towards AOI Tabak ("**Remaining PP Claim**").

3 Remaining Purchase Price Claim

AOI GmbH and AOI Tabak agree that the Remaining PP Claim (i) is hereby converted into an amount of CHF58,283,694.11, applying a CAD/CHF FX Rate of 0.6899, and (ii) such CHF amount is temporarily left outstanding as a loan from AOI GmbH as payee to AOI Tabak as borrower under the AOI Receivable ("**Loan**") with the terms set out in the following Section 4, but shall be settled as soon as possible.

4 Terms of Loan

The Loan shall carry interest of 7.375% per annum. The interest is calculated on an actual basis. However, the interest rate may not be lower than the respective safe harbour interest rate published yearly by the Swiss Federal Tax Administration for loans to shareholders (*Rundschreiben betr. steuerlich anerkannte Zinssätze für Vorschüsse oder Darlehen*) and shall automatically be adjusted accordingly, if relevant. Interest on the Loan outstanding is payable quarterly in arrears on 31 March, 30 June, 30 September and 31 December; the first time on 31 March 2021, if not already repaid by then.

The Loan may be terminated by AOI GmbH at any time, in which case it becomes immediately due for repayment (together with all interest accrued).

AOI Tabak may at any time partially or fully repay the Loan.

AOI GmbH may at any time unilaterally partially or fully set off the Loan with any (future) claim(s) by AOI Tabak against AOI GmbH, even if such claim(s) should be in a different currency; in particular with any dividends to be distributed by AOI GmbH.

AOI GmbH may assign the Loan to any other party.

5 Miscellaneous

Unless explicitly provided otherwise herein, each Party shall bear all taxes, fees, costs and expenses incurred by it in connection with the preparation, signing and consummation of this Agreement.

This Agreement replaces the AOI Receivable and constitutes the entire understanding between the Parties relating to its subject matter and supersedes any other oral or written agreement between the Parties regarding the subject matter of this Agreement.

This Agreement (including this provision) may only be modified or amended by a document signed by AOI GmbH and AOI Tabak. Any right contained in this



Agreement may be waived only by a document signed by the Party waiving such right.

If any provision, or any portion of a provision, contained in the Agreement is invalid, illegal or unenforceable, the remaining provisions, or the remaining portion of a partially unenforceable provision, shall nevertheless remain in full force and effect. Instead of the invalid, illegal or unenforceable provision, a rule shall apply that achieves as closely as possible the initial intention of the Parties in drafting the invalid provision.

6 Governing Law and Jurisdiction

This Agreement and any claim arising out of or in connection therewith shall be governed by, and construed in accordance with, the substantive laws of Switzerland, excluding its rules on conflict of laws and excluding international treaties.

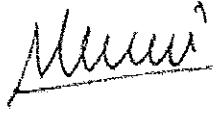
Any dispute arising out of or in connection with this Agreement, including disputes on its conclusion, binding effect, amendment and termination, shall be exclusively resolved by the ordinary courts at the domicile of AOI GmbH.

Signatures on next page



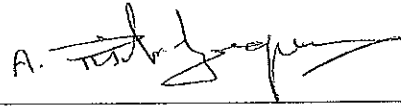
Alliance One International GmbH:

Place, Date: Birsfelden, 31 December 2020



Represented by:

Michiel Reerink,
President & Managing Director



Represented by:

Alain PISCHE-JACQUES
Manager

Alliance One International Tabak B.V.:

Place, Date: _____

Represented by:

Represented by:

FIGR Brands, Inc. hereby acknowledges, and agrees to, the assignment of the AOI Receivable set forth in Section 1 of this Agreement (Sale and Assignment of AOI Receivable):

Place, Date: _____

Represented by:

Represented by:

Alliance One International GmbH:

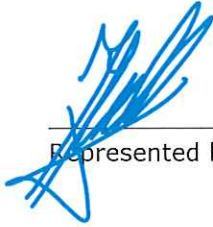
Place, Date: _____

Represented by:

Represented by:

Alliance One International Tabak B.V.:

Place, Date: Schiphol 31/12/2020



Represented by: J.J. van Ginkel

Represented by:

FIGR Brands, Inc. hereby acknowledges, and agrees to, the assignment of the AOI Receivable set forth in Section 1 of this Agreement (Sale and Assignment of AOI Receivable):

Place, Date: _____

Represented by:

Represented by:

Alliance One International GmbH:

Place, Date: _____

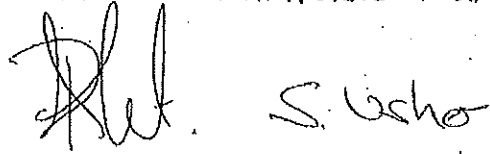
Represented by:

Represented by:

Alliance One International Tabak B.V.:

Place, Date: CAMBERLEY 31/12/2020

ALLIANCE ONE INTERNATIONAL HOLDINGS, LTD.



Represented by:

Represented by: PAUL THORNTON AND
SIMON MARK USHER
DIRECTORS

FIGR Brands, Inc. hereby acknowledges, and agrees to, the assignment of the AOI Receivable set forth in Section 1 of this Agreement (Sale and Assignment of AOI Receivable):

Place, Date: _____

Represented by:

Represented by:

Alliance One International GmbH:

Place, Date: _____

Represented by: _____ Represented by: _____


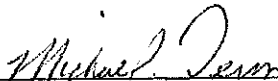
Alliance One International Tabak B.V.:

Place, Date: _____

Represented by: _____ Represented by: _____

FIGR Brands, Inc. hereby acknowledges, and agrees to, the assignment of the AOI Receivable set forth in Section 1 of this Agreement (Sale and Assignment of AOI Receivable):

Place, Date: Toronto, Dec 31, 2020

 _____ Represented by:	 _____ Represented by:
<i>Harvey Carroll</i> CEO & President, FIGR Brands Inc.	<i>MICHAEL C DEVAN</i> SVP / CFO FIGR BRANDS INC.

This is Exhibit **“Q”** *referred to in the*
affidavit of Michael Devon
sworn before me, this 21st
day of January, 2021

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

INTERCOMPANY PROMISSORY NOTE
(the "Note")

15 March 2019
Toronto, Ontario Canada

FOR VALUE RECEIVED, the borrower named below (the "**Borrower**") hereby promises to pay to the order of FIGR INC., a Canadian corporation (the "**Payee**"), the principal amount of all loans and advances made by the Payee to the Borrower as set forth on the schedule attached hereto or established on their respective books and records from time to time. Borrower hereby also promises to pay interest from time to time on the principal amount outstanding of such advances at the rate per annum set out in the attached schedule, or at such other arms length rate as the parties may agree from time to time.

All payments of principal and interest in respect of this Note shall be made in the lawful currency of Canada in same day funds to the account of the Payee located at such place as shall be notified in writing by the Payee to the Borrower for such purpose.

Notwithstanding anything to the contrary contained herein, this Note shall evidence all loans and advances from the Payee to the Borrower including, without limitation, those not evidenced by another note, instrument or writing, other than advances relating to the purchase of product by the Payee to the Borrower.

Upon the commencement of any bankruptcy, administration, receivership, reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar or analogous proceedings of any jurisdiction relating to the Borrower, the unpaid principal amount owed by the Borrower hereunder together with all interest outstanding thereon shall become immediately due and payable without presentment, demand, protest or notice of any kind in connection with this Note.

Upon default, the unpaid principal amounts hereof and any outstanding interest shall become immediately due and payable without presentment, demand, protest or notice of any kind in connection with this Note.

Whenever any payment on this Note shall be declared to be due on a day which is not a business day, such payment shall be made on the next succeeding business day in Canada and such extension of time shall be included in the computation of the payment of interest on this Note.

The obligations of the Borrower arising under this Note may be prepaid in whole or in part at any time without penalty or premium.

Subject to limitations set forth in any applicable intercompany loan agreement and herein, the outstanding balances of all loans and advances under this Note may be reduced and increased from time to time.



None of the terms or provisions hereof may be waived, altered, modified or amended except with the Payee's prior written consent.

In no event shall any interest be payable under this Note to the extent that the payment thereof would be prohibited by applicable law.

Borrower and the Payee hereby acknowledge and agree that this Note amends and restates in its entirety each and every other promissory note heretofore executed by Borrower in favor of the Payee.

The right to plead any and all statutes of limitations as a defense to demand hereunder is hereby waived to the extent permitted by law. Borrower, for itself and its successors and assigns, waives presentment, demand for payment, protest and notice thereof or of dishonor any and all other notices or demands in connection with the delivery, acceptance, performance, default or enforcement of this Note and also waives the right to be released by reason of any extension of time or change in the terms of payment or any change, alteration or release of any security given for the payment hereof.

The Payee is hereby authorized (but shall not be required) to record all loans and advances made by it to the Borrower (all of which shall be evidenced by this Note), and all repayments or prepayments thereof, in its books and records, such books and records constituting prima facie evidence of the accuracy of the information contained therein.

All payments under this Note shall be made without offset, counterclaim or deduction of any kind unless required by law.

THIS NOTE SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF CANADA.

This Note may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Note.

A handwritten signature or set of initials, possibly 'EJ', written in blue ink.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Borrower and Payee have caused this Note to be duly executed and delivered by their duly authorized officers or authorized representatives, all as of the day and year first written above.

BORROWER:

FIGR East (aka Canada's Island Garden Inc.)

By: Edwin Jewell

Name: Edwin Jewell

Title: President and CEO

PAYEE:

FIGR Inc.

By: Harvey Carroll

Name: Harvey Carroll

Title: President

This is Exhibit **“R”** *referred to in the*
affidavit of Michael Devon
sworn before me, this 21st
day of January, 2021

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

INTERCOMPANY PROMISSORY NOTE

DATED: June 27, 2019

FOR VALUE RECEIVED, FIGR NORFOLK INC. (formerly Goldleaf Pharm Inc.) (the "Borrower"), a corporation incorporated under the laws of the Province of Ontario, promises to pay to or to the order of FIGR INC. (formerly Canadian Cultivated Products Ltd.) (the "Lender"), a corporation incorporated under the laws of the Province of Ontario at 3400 One First Canadian Place, Toronto, Ontario Canada M5X 1A4 , or at such other address as directed by Lender from time to time, in currency of Canada, the outstanding aggregate principal balance of all advances made by the Lender to the Borrower under the Shareholder Agreement (as defined below), together with the applicable interest accrued thereon, maturity, default and judgment, in accordance with the provisions of the Unanimous Shareholders' Agreement dated January 29, 2018 among the Borrower, the Lender, Larry Huszczo and Catherine Armstrong (as amended, restated, supplemented or otherwise modified in writing from time to time, the "Shareholder Agreement").

This Promissory Note (this "Note") is issued pursuant to, and is subject to the terms and conditions of, Section 5.2 of the Shareholder Agreement. Capitalized terms used in this Note and not defined have the meaning ascribed to them in the Shareholder Agreement.

For greater certainty, in accordance with Section 5.2(d) and 5.2(e) of the Shareholder Agreement, the maximum annual interest rate charged on any advance made pursuant to the Shareholder Agreement shall not exceed the rate of 9% per annum, compounded quarterly (it being understood that, in accordance with the Shareholder Agreement, the Board and the parties to the Shareholder Agreement, acting reasonably, shall use commercially reasonable efforts to source debt financing on terms as or more favourable to the terms above). The applicable interest to be paid on each advance (as indicated in the Grid Schedule to this Note) shall immediately accrue on the applicable advance, but no interest will be payable on any advances until January 29, 2020, after which date interest shall be paid on the principal amount outstanding and any accrued interest thereon on the 1st day of the month for the remainder of the Term. Unless otherwise agreed between the Lender and the Borrower, all unpaid principal and interest shall be due and payable on January 29, 2023 (the "Maturity Date"). For the avoidance of doubt, the Borrower shall have no obligation to pay any principal amount outstanding under this Note until the Maturity Date.

The principal amounts of all loans and advances shall be established and agreed to on each party's respective books on a quarterly basis, within twelve (12) calendar days after the end of each quarter.

Unless otherwise specified, all payments received under this Note will be applied firstly to the payment of amounts payable under this Note other than the principal amount (namely interest amount payable) and secondly to the payment of the principal amount.

Notwithstanding any other provision of this Note, in no event will any interest or rates referred to herein exceed the maximum interest rate permitted by applicable law. If such maximum interest rate would be exceeded by the terms hereof, the rates of interest payable hereunder will be reduced to the extent necessary so that such rates (together with any fees or other amounts which are construed by a court of competent jurisdiction to be interest or in the nature of interest) equal the maximum interest rate permitted by applicable law, and any overpayment of interest received by the Lender before such rates are so construed will be applied, forthwith after determination of such overpayment, to pay all then outstanding interest, and thereafter to pay outstanding principal.

For the purposes of the *Interest Act* (Canada) and disclosure under such statute, whenever interest to be paid under this Note is to be calculated on the basis of any period of time that is less than a calendar year, the yearly rate of interest to which the rate determined pursuant to such calculation is equivalent is the rate so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by such other period of time.

The Borrower acknowledges that, notwithstanding the state of the grid schedule attached to this Note, the actual recording of the amount of any advance made by the Lender pursuant to the Shareholder Agreement or otherwise, together with any and all interest, fees and other amounts due in respect thereof in an account of the Borrower and payments made in respect thereof will constitute, in the absence of manifest error, *prima facie* evidence of the Borrower's indebtedness from time to time under the Shareholder Agreement and hereunder. The failure of the Lender to correctly record any such amount or date will not, however, adversely affect the obligation of the Borrower to pay amounts due hereunder to the Lender in accordance with the terms hereof.

The obligations of the Borrower arising under this Note may be prepaid in whole or in part at any time without notice, bonus, penalty or premium.

All payments of principal and interest in respect of this Note shall be made in the lawful currency of Canada in same day funds to the account of the Lender located at such place as shall be notified in writing by the Lender to the Borrower for such purpose.

The Borrower waives presentment, notice of dishonour, protest, notice of protest, notice of non-payment and any other notice required by law to be given to the Borrower on this Note in connection with the delivery, acceptance, performance, default or enforcement of this Note. This Note will not be treated as a negotiable instrument.

Borrower and the Lender intend that the relationship between them created under this Note will be solely that of creditor and debtor.

In the event of any conflict between the terms of this Note and the terms of the Shareholder Agreement, the terms of the Shareholder Agreement shall govern and the terms of this Note shall be deemed to be amended to the extent necessary to remove the conflict.

This Note may only be amended by written agreement signed by each of the Borrower and the Lender. Any waiver of any provision of this Note will be effective only if it is in writing and signed by the party to be bound thereby, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of the Lender to exercise, and no delay in exercising, any right under this Note will operate as a waiver of such right. No single or partial exercise of any such right will preclude any further or other exercise of such right.

In accordance with section 22 of the *Limitations Act, 2002* (Ontario), the limitation period otherwise applicable to this Note pursuant to section 4 of that legislation is extended to ten (10) years.

This Note may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Note.

This Note is governed by and will be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK. SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the Borrower and the Lender have caused this Note to be duly executed and delivered by their duly authorized officers or authorized representatives, all as of the day and year first written above.

BORROWER:

FIGR NORFOLK INC.

Per: _____



Name: Larry Huszczo

Title: President and Chief
Executive Officer

I have the authority to bind the
corporation

LENDER:

FIGR INC.

Per: _____



Name: Harvey Carroll

Title: President

I have the authority to bind the
corporation

This is Exhibit **“S”** *referred to in the*
affidavit of Michael Devon
sworn before me, this 21st
day of January, 2021

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

**Regional Economic Growth through Innovation -
Business Scale-Up and Productivity**

Project Number: 213538

This Contribution Agreement

BETWEEN: **ATLANTIC CANADA OPPORTUNITIES AGENCY,
having an office in *PRINCE EDWARD ISLAND***

(hereinafter referred to as “the **Agency**”)

AND:

Canada's Island Garden Inc., an organization duly incorporated under the laws of *Prince Edward Island*, having its office located at:

7 Innovation Way
Charlottetown, Prince Edward Island
C1E 0B7

(hereinafter referred to as “the **Recipient**”)

WHEREAS the Regional Economic Growth through Innovation - Business Scale-Up and Productivity, is a national innovation program that was established to provide support to business productivity and scale-up,

(hereinafter referred to as “the **Program**”)

WHEREAS the Recipient submitted an application for assistance pursuant to the Program,

WHEREAS this Agreement sets out the terms and conditions under which the Agency agrees to provide a contribution to the Recipient,

IN CONSIDERATION of their respective obligations set out below, the parties hereto agree as follows:

1.0 Documents Forming Part of this Agreement

1.1 The following documents form an integral part of this Agreement:

These Articles of Agreement
Schedule 1 – General Conditions
Schedule 2 – Statement of Work

ARTICLES OF AGREEMENT

Schedule 3 – Claims and Costs Principles

Schedule 4 – Reporting Requirements

Schedule 5 – Project Fact Sheet for News Release

Schedule 6 – Repayment Schedule

- 1.2 In the event of conflict or inconsistency, the order of precedence among the documents forming part of this Agreement shall be:

These Articles of Agreement

Schedule 1 – General Conditions

Schedule 2 – Statement of Work

Other Schedules

2.0 The Project

- 2.1 The Recipient shall carry out the Project as described in Schedule 2 – Statement of Work, shall make claims in accordance with Schedule 3 – Claims and Costs Principles, shall issue the reports required under Schedule 4 – Reporting Requirements, shall make repayments in accordance with Schedule 6 – Repayment Schedule, and shall fulfill its other obligations hereunder in a diligent and professional manner using qualified personnel.

- 2.2 The Recipient shall commence the Project on or before May 1, 2019 (hereinafter referred to as “the **Project Commencement Date**”).

- 2.3 The Recipient shall complete the Project on or before August 31, 2019 (hereinafter referred to as “the **Project Completion Date**”).

3.0 The Contribution

- 3.1 Subject to all other provisions of this Agreement, the Agency will make a Contribution (“the **Contribution**”) to the Recipient, with respect to the Project, calculated as the lesser of:

(a) the amount equal to the assistance rate (%) of the Eligible Costs as stated on Schedule 2 – Statement of Work; and

(b) \$800,000.00.

4.0 Fiscal Year

- 4.1 The Recipient agrees that its fiscal year ends on December 31, and there must be no change to that fiscal year without the prior consent of the Agency.

ARTICLES OF AGREEMENT

5.0 Payments

- 5.1 The Agency will pay the Contribution to the Recipient in respect of Eligible Costs that are Costs Incurred, as defined in Schedule 1, on the basis of itemized claims submitted in accordance with Schedule 3 – Claims and Costs Principles.
- 5.2 The Recipient shall provide copies of invoices and canceled cheques or other forms of proof of payment with each claim submitted. The Recipient shall also provide any additional supporting documentation requested by the Agency, in writing, to substantiate the Costs Incurred being claimed and the terms and conditions of this Agreement being met.
- 5.3 The Agency will not contribute to any Costs Incurred by the Recipient prior to March 12, 2019. The Agency will not accept any Cost Incurred after the Project Completion Date, unless otherwise agreed to in writing by the Agency.
- 5.4 Prior to the initial payment, the Recipient must provide the Agency with the following information, at the satisfaction of the Agency:
- (a) the completed and signed *Pre-authorized Debit/Direct Deposit Authorization* (PAD) form as provided by the Agency;
- 5.5 The Recipient shall, no later than sixty (60) calendar days following the Project Completion Date, submit to the Agency a final claim in accordance with Schedule 3 – Claims and Costs Principles. The Recipient must be able to demonstrate, at the request of the Agency and to the Agency's satisfaction, that all Costs Incurred that have been submitted for payment to the Agency have effectively been paid by the Recipient by monetary payment.
- 5.6 At the discretion of the Agency or at the request of the Recipient, the Agency may make payments jointly to the Recipient and a third party for Costs Incurred.
- 5.7 Notwithstanding the foregoing, ten percent (10%) of the Contribution may, at the sole discretion of the Agency, be reserved for the final payment, to be made based on the final claim by the Recipient.

6.0 Repayment

- 6.1 The Recipient shall repay the Contribution to the Agency in accordance with Schedule 6 – Repayment Schedule.

The amounts set out in the Repayment Schedule are calculated to repay the entire balance of the Contribution; however, the last installment of the Repayment Schedule may be adjusted to include all sums owing under this Agreement. Notwithstanding the foregoing, if any amounts due under this Agreement remain unpaid fifteen (15) years from the Project Completion Date, those amounts will immediately become fully due and

ARTICLES OF AGREEMENT

payable to the Agency.

7.0 Special Condition(s)

- 7.1 Notwithstanding any other terms or conditions of this Agreement, if the Recipient does not submit a claim for payment or does not provide documentation with the claim that is satisfactory to the Agency within six (6) months from the Effective Date of this Agreement (“the **Lapsing Date**”), the Agreement will terminate. The Agency may extend the Lapsing Date at its complete discretion and will advise the Recipient of its decision.

Notwithstanding any other terms or conditions of this Agreement, the Agency may cancel any balance of the Contribution that has not been claimed within six (6) months from the Project Completion Date (“the **End Date**”). The Agency may extend the End Date at its complete discretion and will advise the Recipient of its decision.

8.0 Official Languages

- 8.1 The Recipient agrees:

- (a) that all public acknowledgments of the Agency’s support for the Project will be expressed in both official languages;
- (b) that basic project information, such as project description, will be developed and made available to the public in both official languages;
- (c) to invite members of the official-language minority community to participate in any public event relating to the Project, where appropriate; and
- (d) that main signage components related to the Project will be in both official languages.

9.0 Project Financing

- 9.1 The Recipient shall provide the Agency with confirmation of the Project financing commitments specified in Schedule 2 – Statement of Work. These commitment letters must be satisfactory to the Agency at its sole discretion.
- 9.2 The Recipient hereby acknowledges that no federal, provincial or municipal government assistance, other than the government assistance specifically described in Schedule 2 – Statement of Work, has been requested or received by the Recipient for the Project. The Recipient must also, until the end of the Control Period, promptly inform the Agency of any changes to such assistance, in accordance with Schedule 1 – General Conditions, Other Government Assistance.

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10.0 Equity

10.1 The Recipient shall attain Equity, in a form satisfactory to the Agency, in the total amount of \$7,975,071.40 on or before the date of the initial disbursement by the Agency to the Recipient.

10.2 Unless authorized by the Agency in writing the Recipient shall maintain this level of Equity until the end of the Control Period.

10.3 Equity is to be calculated as the aggregate of:

- (a) the Recipient's share capital (incorporated company), the partner's capital accounts (incorporated partnerships), the Recipient's net worth (individual);
- (b) contributed surplus and other surplus accounts;
- (c) retained earnings (added) or accumulated deficit (subtracted);
- (d) subordinated shareholder(s)' loan(s) or partner(s)' loan(s). In order to be considered in this calculation, a duly signed Subordination Agreement must be on file;
- (e) loans from other parties that are subordinated (reduced in priority of payment) to all other liabilities for a certain period, at the satisfaction of the Agency. In order to be considered in this calculation, a duly signed Subordination Agreement must be on file; and
- (f) where applicable, for any fiscal year subsequent to the fiscal year during which initial disbursement is made under this Agreement, normal operating losses, as determined at the discretion of the Agency, based on the Recipient's year-end financial statements and/or any other document and information deemed relevant by the Agency;

LESS:

- (g) advances to shareholders; and
- (h) any other asset account that, in the opinion of the Agency, unreasonably inflates the Recipient's Equity.

11.0 Environmental Requirements

11.1 The Recipient represents that the project is not a "designated project" as defined in the *Canadian Environmental Assessment Act*, 2012, S.C. 2012, c. 19, s. 52 (CEAA, 2012) and that an environmental assessment (EA) or a determination under section 67 of CEAA, 2012 are not required for the Project.

ARTICLES OF AGREEMENT

11.2 If, as a result of changes to the Project or otherwise, the Project is a “designated project” as defined in the CEAA, 2012, the Recipient agrees that construction of the Project, including site preparation, will not be undertaken or will be suspended and no funds or additional funds will become or will be payable by the Agency to the Recipient for the Project unless, and until:

- (a) in the case of an EA, a decision statement has been issued to the Recipient; or
- (b) in the case of a determination under section 67 of CEAA, 2012, the Agency determines that the Project is not likely to cause significant adverse environmental effects or is likely to cause significant adverse environmental effects that are justified in the circumstances.

11.3 For any EA or determination made under CEAA, 2012 as a result of changes to the Project or otherwise:

- (a) the Recipient will comply with, to the satisfaction of the Agency and at the Recipient’s own expense, all conditions included in the decision statement issued under CEAA, 2012 or other conditions that the Agency may require in coming to a determination under section 67 of CEAA, 2012.
- (b) the Recipient will allow the Agency and its agents, employees, servants or contractors to access and enter at any time during reasonable hours upon any real property under the ownership or control of the Recipient for the purpose of ensuring that any conditions and mitigation measures are implemented for the Project.

12.0 Communications

12.1 The Recipient must consult with the Agency regarding communication activities relating to the Project in accordance with Schedule 1 – General Conditions, Communications.

13.0 Notice

13.1 Any notice or correspondence to the Agency, including the attached duplicate copy of this Agreement signed by the Recipient, must be addressed to:

Atlantic Canada Opportunities Agency
Royal Bank Building, 3rd Floor
100 Sydney Street
P.O. Box 40
Charlottetown, Prince Edward Island
C1A 7K2

Attention: Jennifer White

ARTICLES OF AGREEMENT

or to such address as is designated by the Agency in writing.

13.2 Any notice or correspondence to the Recipient must be addressed to:

Canada's Island Garden Inc.
7 Innovation Way
Charlottetown, Prince Edward Island
C1E 0B7

Attention: Alex Smith

14.0 Entire Agreement

14.1 This Agreement, if accepted, will constitute the entire Agreement between the Parties with respect to its subject matter. No amendments will be made to the Agreement unless agreed upon in writing by both parties.

15.0 Joint and Several Obligations

15.1 Where this Agreement has been executed by more than one Recipient, the liability of each Recipient is joint and several, and every reference in this Agreement to the "Recipient" or "it" or "its" in the context of referring to the Recipient shall be construed as meaning each person named as a Recipient, as well as all of them. Without limiting the generality of the foregoing, all covenants, representations and warranties of the Recipient in this Agreement shall be construed as having been made by each Recipient and by all of them considered as a single person.


16.0 Effective Date

16.1 This Agreement will come into effect on the date of last signature by the parties (the "**Effective Date**"). In the event a party has failed to date a signature, the Effective Date will be the date the Agency receives the Agreement signed by all parties.

ARTICLES OF AGREEMENT

IN WITNESS WHEREOF the parties hereto have executed this Agreement through duly authorized representatives.


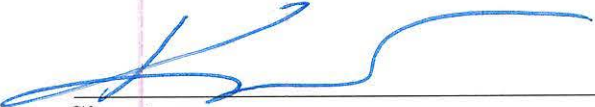
ATLANTIC CANADA OPPORTUNITIES AGENCY


Sandra Lambe
Director General, Regional Operations

May 21/19
Date

Project No.: 213538

This Agreement may be executed in separate counterparts, each of which will be deemed to be an original, and such separate counterparts will together constitute one and the same instrument. The executed Agreement may be communicated to the Agency by facsimile transmission, by ACOA Direct, or as otherwise agreed to by the Agency and such will be deemed to be an original for all purposes.

	Canada's Island Garden Inc.
Date: <u>June 10</u> , 2019 <i>(Insert date of signature)</i>	 _____ Signature
	Name: <u>Alex Smith</u> <i>(please print)</i>
	Title/Position: <u>CFO & VP Operations</u> <i>(please print)</i>
Date: <u>June 10</u> , 2019 <i>(Insert date of signature)</i>	 _____ Signature
	Name: <u>Kyle Smith</u> <i>(please print)</i>
	Title/Position: <u>Controller</u> <i>(please print)</i>

GENERAL CONDITIONS

1.0 Definitions

Average Bank Rate means the weighted arithmetic average of the Bank of Canada rates that are established weekly during the month preceding the month in respect of which interest is being calculated.

Background Intellectual Property means the intellectual property rights in the technology developed prior to the beginning of the Project and required for the carrying out of the Project or the exploitation of the Foreground Intellectual Property.

Control Period means the period commencing on the Effective Date and ending on the date when all amounts due by the Recipient to the Agency under this Agreement have been paid in full or otherwise discharged to the satisfaction of the Agency.

Costs Incurred means the Eligible Costs for goods and/or services that have been received by the Recipient and that the Recipient has paid for by monetary payment or has a legal obligation to pay for by monetary payment in the future. Any Eligible Costs received that have been paid or will be paid for by means other than monetary payment, including, without limitations, in-kind and non-cash transactions, do not qualify as Costs Incurred for which the Agency can pay the Contribution.

Due Date, in relation to an amount owing to the Agency, means: (i) the day on which a scheduled repayment is to be made; or (ii) where no repayment schedule has been arranged, the day that is normally thirty (30) calendar days after the date on which a demand for payment is issued.

Eligible Costs means those costs listed in Schedule 2 – Statement of Work, that comply with the principles of Schedule 3 – Claims and Costs Principles and that are necessary to carry out the Project.

Equity means the ownership interest or value in the assets of a business, net of all debts, claims and any asset account that, in the opinion of the Agency, unreasonably inflates the Recipient's net worth (i.e. assets minus liabilities equals Equity). Negative Equity exists when the value of the total assets is less than the total liabilities. The Recipient's Equity will be calculated as stated in Equity in the Articles of Agreement.

Foreground Intellectual Property means all technical data, including without limitation, all designs, specifications, software, data, drawings, plans, reports, patterns, models, prototypes, demonstration units, practices, inventions, methods, applicable special equipment and related technology, processes or other information or know-how conceived, produced, developed or reduced to practice in carrying out the Project, and all rights therein, including without limitation, patents, copyrights, industrial designs, trademarks, and any registrations or applications for the same and all other rights of intellectual property therein, including any rights which arise from the above items being

GENERAL CONDITIONS

treated by the Recipient as trade secrets or confidential information.

Interest Rate means the rate of interest equal to three percent (3%) higher than the Average Bank Rate.

Parties mean the Agency and the Recipient.

Project means the undertaking this Agreement is based on and that is further described in Schedule 2 – Statement of Work.

Project Assets means the assets that have been contributed to by the Agency. These are listed in Schedule 2 – Statement of Work.

Resulting Products means the Foreground Intellectual Property and/or all products that, at the sole determination of the Agency, are produced or result from the Project, incorporate results of the Project, use a method, process, equipment or information resulting from the Project and/or, without restricting the generality of the foregoing, that include any Foreground Intellectual Property, inventions, works, writings, designs, devices, and any adaptations, modifications or improvements thereto.

2.0 Representations, Warranties and Undertakings**2.1 Representations, Warranties and Undertakings by the Recipient**

The Recipient hereby certifies that the representations, warranties and undertakings set out below are, and will be as of the date of execution of the Contribution Agreement, true and correct in all material respects and undertakes to advise the Agency of any changes that materially affect them.

2.2 Power and Authority of Recipient

Where the Recipient is not an individual, the Recipient represents and warrants that it is duly incorporated, validly existing, in good standing, and has the power and authority to carry on its business, to hold property and to enter into this Agreement. The Recipient undertakes to initiate all the necessary actions required to remain in good standing and to preserve its legal capacity.

2.3 Authorized Signatories

The Recipient represents and warrants that the signatory or signatories to the Agreement, as applicable, has or have been duly authorized to execute and deliver the Agreement on behalf of the Recipient.

GENERAL CONDITIONS**2.4 Binding Obligations**

The Recipient represents and warrants that the execution, delivery and performance of the Agreement have been duly and validly authorized and that upon execution, the Agreement will constitute a legal, valid and binding obligation on the Recipient enforceable in accordance with its terms.

2.5 No Pending Suits or Actions

The Recipient warrants that it is under no obligation or prohibition, nor is it subject to or threatened by any actions, suits or proceedings that could or would prevent compliance with this Agreement. The Recipient will advise the Agency forthwith of any such occurrence during the term of the Agreement.

2.6 No Gifts or Inducements

The Recipient represents and warrants that it has not, nor has any person on its behalf, offered or promised to any official or employee of Her Majesty the Queen in Right of Canada any bribe, gift or other inducement for or with a view to obtaining the Agreement. And it has not, nor has any person on its behalf, employed any person to solicit the Agreement for a commission, contingency fee or any other consideration dependant upon the execution of the Agreement.

2.7 Compliance

The Recipient shall apply, in relation to the Project, in all material respects, the requirements of all applicable laws, regulations, orders and decrees of any regulatory bodies having jurisdiction over the Recipient or the Project.

2.8 Other Agreements

The Recipient represents and warrants that it has not entered, and undertakes not to enter, into any agreement, without the Agency's written consent that would prevent the full implementation of this Agreement by the Recipient.

3.0 Other Financing

3.1 The Recipient remains solely responsible for providing or obtaining the funding, in addition to the Contribution, required to carry out the Project and fulfill the Recipient's obligations under this Agreement.

4.0 Other Government Assistance

4.1 Until the end of the Control Period, the Recipient will promptly inform the Agency, in writing, of any assistance that has been, will be or could be received from federal, provincial or municipal sources other than those identified in Schedule 2 – Statement of Work. The Agency may adjust the Contribution to take into account the amount of any such assistance and may require repayment from the Recipient.

GENERAL CONDITIONS**5.0 Values and Ethics****5.1 Members of the Senate and House of Commons**

No member of the Senate or House of Commons shall be allowed to derive any financial advantage resulting from the Contribution that would not be permitted under the *Parliament of Canada Act*.

5.2 Members of a Provincial or Territorial Legislature

Members of a provincial or territorial legislature shall be governed by provincial or territorial conflict-of-interest guidelines in effect during the term of this Agreement.

5.3 Conflict of Interest

The Recipient acknowledges that individuals who are subject to the provisions of the *Conflict of Interest Act*, 2006, c. 9, s. 2, the *Conflict of Interest Code for Members of the House of Commons*, the *Conflict of Interest Code for Senators*, the *Values and Ethics Code for the Public Service*, or any other values and ethics codes applicable within provincial or territorial governments or specific organizations cannot derive any direct benefit resulting from this Agreement unless the provision or receipt of such benefit is in compliance with such legislation and codes.

6.0 Dispute Resolution

6.1 If a dispute arises concerning the application or interpretation of the Agreement, the Agency and the Recipient shall attempt to resolve the matter through good faith negotiations, and may, if necessary and if the Agency and the Recipient consent in writing, resolve the matter through mediation or arbitration by a mutually acceptable mediator or arbitrator in accordance with the Commercial Arbitration Code set out in the schedule to the *Commercial Arbitration Act* (Canada) and all regulations made pursuant to that Act.

7.0 Restrictions on Distributions

7.1 The Recipient shall not make corporate distributions unless otherwise approved by the Agency. Corporate distributions are defined for the purpose of this Agreement as any payment to any member, shareholder, director, officer or associate company of the Recipient, including, without limitations, bonuses, dividends, salaries or repayment or granting of debt to any of the aforementioned parties, excluding salaries to officers or other employees in the ordinary course of business.

8.0 Lobbying

8.1 The Recipient shall ensure that any person lobbying, as defined in the federal *Lobbying Act*, on its behalf in relation to this Agreement or the Project is registered pursuant to the said Act.

GENERAL CONDITIONS

9.0 Relationship with the Agency

9.1 The Agency and the Recipient declare that nothing in this Agreement shall be construed as creating employment, a partnership, joint venture or agency relationship between the Agency and the Recipient. The Recipient is not in any way authorized to make a promise, agreement or contract or to incur any liability on behalf of Her Majesty in Right of Canada, and shall be solely responsible for any and all payments and deductions required by all applicable laws. The Recipient shall indemnify and save harmless the Agency in respect of any claims arising from failure to comply with the foregoing.

10.0 Termination

10.1 The Agreement will terminate at the end of the Control Period.

11.0 Force Majeure**11.1 Event of Force Majeure**

The Recipient will not be in default by reason only of any failure in performance of the Project in accordance with Schedule 2 – Statement of Work if such failure arises through no fault or negligence of the Recipient and is caused by an event of force majeure.

11.2 Definition of Force Majeure

Force majeure means any cause that is unavoidable or beyond the reasonable control of the Recipient, including war, riot, insurrection, orders of government or any act of God or other similar circumstance beyond the Recipient's control and that could not have been reasonably circumvented by the Recipient without incurring unreasonable cost.

12.0 Communications

12.1 The Recipient consents to public announcements of the Project, by or on behalf of the Agency. The Recipient shall also acknowledge the Agency's Contribution in any public communications of the Project and shall obtain the approval of the Agency before preparing any announcements, brochures, advertisements, web content or other materials that will display the Agency logo or otherwise make reference to the Agency.

12.2 The Agency shall inform the Recipient of the date on which the announcement is to be made and the Recipient shall keep this Agreement confidential until such date. Notwithstanding the foregoing, the information referenced in Schedule 5 – Project Fact Sheet for News Release will be considered to be in the public domain on the earlier of: the public announcement of the Project by the Agency or the Recipient, the public disclosure or publication of the said information by the Agency in accordance with applicable legislation, or the expiration of sixty (60) calendar days after the Recipient's acceptance of this Agreement.

GENERAL CONDITIONS

- 12.3 The Recipient must advise the Agency at least thirty (30) calendar days in advance of any special event such as, but not limited to, an official opening, ribbon cutting or other like event that the Recipient organizes in connection with the Project. A ceremony will be held on a date that is mutually acceptable to the Agency and the Recipient. The Recipient consents to having the Minister responsible for the Agency, or a designate, participate in any such ceremony.
- 12.4 The Recipient agrees to the distribution by the Agency of information about the Project as part of public communication initiatives including, but not limited to, feature stories, news releases, speeches, web content, Agency promotional materials and special publications.
- 12.5 The Agency may, at its sole discretion, withdraw the requirements of the Recipient's acknowledgement of the Agency's Contribution in all public communications of the Project.
- 13.0 Material Changes**
- 13.1 No material changes will be made to the estimated total scope, the nature or any element of the Project or to any element of the Recipient's operation without the prior written consent of the Agency. A material change includes, but is not limited to, change in the ownership or control of the Recipient or the assets, management, financing, location of the Project or facilities, size of the facilities, timing, expected results, or other government contributions. When consent is requested from the Agency in regard to any material change the Recipient shall provide, in a timely manner, all documentation and information as may be required by the Agency, at its discretion.
- 14.0 Disposal of Assets**
- 14.1 Without limiting the generality of Schedule 1 – General Conditions, Material Changes, the Recipient shall retain possession and control of the Project Assets, the cost of which the Agency contributed to under the Agreement, and shall not, prior to the end of the Control Period, sell, dispose of, cease to use or transfer to commercial use Project Assets without the prior written consent of the Agency.

GENERAL CONDITIONS

14.2 The issuance of such consent, if any, may be made subject to conditions the Agency deems appropriate in the circumstances, at its discretion. Such conditions may include, without limitation, the condition(s) that the Recipient replace the Project Asset(s) disposed of with comparable asset(s) of equal or lesser value for use in the Project, that the Recipient pay the Agency forthwith all funds recovered by the Recipient pursuant to the sale or disposal of the Project Asset(s), and/or that the Recipient pay the greater of the percentage of assistance rate, as specified in Schedule 2 – Statement of Work, of the:

(a) proceeds of disposition of the Project Asset(s); or

(b) fair market value of the Project Asset(s).

15.0 Insurance Coverage

15.1 The Recipient is responsible for deciding the appropriate insurance coverage required to fulfill its obligations herein and to ensure compliance with any applicable laws. Any insurance acquired or maintained by the Recipient is at its own expense and for its own benefit and protection. It does not release the Recipient from or reduce its liability under this Agreement.

16.0 Monitoring, Rights to Audit and Physical Access

16.1 During the term of the Agreement, the Recipient shall provide, to the Agency, the books, accounts and records of the Project and all information necessary to ensure compliance with this Agreement and for audit examination.

16.2 The Recipient shall provide representatives of the Agency reasonable access to its premises to inspect and assess the progress of the Project, or any element thereof, and will supply, promptly on request, such data as the Agency may reasonably require for statistical or Project evaluation purposes.

16.3 The Recipient shall, at its own expense, preserve and make available for audit and examination by the Agency or its representatives, for a period of thirty-six (36) months after the end of the Control Period, the books, accounts and records of the Project and all information necessary to verify compliance and ability for compliance with the terms and conditions of this Agreement, including payment of amounts to the Agency, and to assess the success of the Project and the Program. The Agency will have the right to conduct such additional audits and evaluations at its own expense as may be considered necessary, using the staff of the Agency or of other federal departments or agencies, an independent firm or the Recipient's external auditors.

16.4 The Recipient shall also make records and information available to the Auditor General of Canada when requested by the Auditor General for the purpose of an inquiry under subsection 7.1(1) of the *Auditor General Act*.

GENERAL CONDITIONS

16.5 The Recipient will assist the Agency with its monitoring of the Agreement and where applicable, will obtain required information from third parties to provide to the Agency and will facilitate the Agency's access to the information and premises of third parties relating to the Agreement.

17.0 Overpayment

17.1 Where, for any reason:

- (a) the Recipient is not entitled to the Contribution; or
- (b) the Agency determines that the amount of the Contribution disbursed exceeds the amount to which the Recipient is entitled,

the Recipient shall repay the amount of the overpayment to the Agency promptly and no later than thirty (30) calendar days from the date of the notice of such overpayment from the Agency. Any such amount is a debt due to Her Majesty in Right of Canada and may be recovered as such.

18.0 Right to Set-off

18.1 Without limiting the scope of set-off rights available to the Crown at common law, under the *Financial Administration Act* or otherwise, the Agency may:

- (a) set-off against any portion of the Contribution that is payable to the Recipient pursuant to the Agreement, any amount that the Recipient owes to Her Majesty under legislation or any other agreement of any kind; and
- (b) set-off against any amounts that are owed to the Agency by the Recipient, any amount that is payable by Her Majesty under legislation or any other agreements of any kind to the Recipient.

19.0 Interest and Administrative Charges**19.1 Payments**

When any payment is received from the Recipient on account of a prepayment of a repayment instalment, an overpayment, a disposal of asset or an event of default, the Agency shall apply that payment first to reduce any accrued interest and/or administrative charges owing and then, if any part of the payment remains, to reduce the outstanding principal balance in reverse order of maturity.

GENERAL CONDITIONS

19.2 Overdue Accounts

The Recipient shall pay, where the account is overdue and in addition to any amount payable, interest on that amount at the Interest Rate, in accordance with the *Interest and Administrative Charges Regulations*, which may be amended from time to time. The interest, calculated daily and compounded monthly, will accrue starting on the Due Date and ending on the day before the date on which the payment is received by the Agency.

19.3 Fee

An administrative fee will be charged on every payment rejected by the Recipient's financial institution for any reason, in accordance with the *Interest and Administrative Charges Regulations*, which may be amended from time to time. The current fee is set at fifteen dollars (\$15).

20.0 Events of Default

20.1 The following constitute events of default:

- (a) the Recipient is, in the opinion of the Agency, bankrupt or insolvent, goes into receivership or takes the benefit of any statute from time to time in force relating to bankrupt or insolvent debtors;
- (b) an order is made or resolution passed for the winding up of the Recipient, or the Recipient is dissolved;
- (c) the Recipient, during the term of the Agreement, has defaulted under the terms and conditions of any agreement or arrangement, with any financial institution or creditor with rights to the property or assets of the Recipient;
- (d) in the opinion of the Agency, the Recipient ceases to carry on business;
- (e) the Recipient submits false or misleading information to the Agency;
- (f) the Recipient is no longer eligible under the "eligibility criteria" of the Program;
- (g) the Recipient makes a false or misleading statement concerning assistance by the Agency in a prospectus or other document related to raising funds;
- (h) the Recipient has not met or satisfied a term or condition of this Agreement; or
- (i) the Recipient has not met or satisfied a term or condition under any other contribution agreement, or agreement of any kind, with Her Majesty in right of Canada.

GENERAL CONDITIONS

21.0 Remedies on Default

- 21.1 If an event of default has occurred or, in the opinion of the Agency is likely to occur, the Agency may exercise one or more of the following remedies:
- (a) suspend or terminate any obligation by the Agency to contribute to the Costs Incurred, including any obligation to pay any amount owing prior to the date of such suspension or termination;
 - (b) require the Recipient to repay to the Agency all or part of the Contribution paid by the Agency to the Recipient, together with interest at the Interest Rate in accordance with the *Interest and Administrative Charges Regulations*, as may be amended from time to time. The interest, calculated daily and compounded monthly, will accrue commencing upon the date of the event of default as specified in the demand for payment issued by the Agency and ending on the day before the date on which the payment is received by the Agency.
- 21.2 The Recipient acknowledges that, in view of the policy objectives served by the Agency's agreement to make the Contribution, the fact that the Contribution comes from public monies and that the amount of damages sustained by the Crown in the event of default is difficult to ascertain, it is fair and reasonable that the Agency be entitled to exercise any or all of the remedies provided for in, Remedies on Default, of these General Conditions, and to do so in the manner provided for in this section if an event of default occurs.
- 21.3 The fact that the Agency refrains from exercising a remedy it is entitled to exercise under the Agreement will not constitute a waiver of such right and any partial exercise of a right will not prevent the Agency in any way from later exercising any other right or remedy under the Agreement or other applicable law.

22.0 Annual Appropriations**22.1 Parliamentary Allocation**

Any payment by the Agency under this Agreement is subject to there being a sufficient appropriation for the fiscal year, beginning on April 1 and ending on the following March 31, in which the payment is to be made and is subject to cancellation or reduction in the event that departmental funding levels are changed by Parliament.

22.2 Lack of Appropriation

In the event the Agency is prevented from disbursing the full amount of the Contribution due to a lack or reduction of appropriation or departmental funding levels, the Parties agree to review the effects of such a shortfall in the Contribution on the implementation of the Agreement and to adjust, as appropriate, the expected results from the Project specified in Schedule 2 – Statement of Work.

GENERAL CONDITIONS**23.0 Notice**

23.1 Any notice required to be given with respect to this Agreement must be in writing and will be effectively given if delivered or sent by ordinary or registered mail, ACOA Direct, courier or fax, addressed to the party for whom the notice is intended. Any notice will be deemed to have been received on delivery. Any notice sent by ACOA Direct or fax will be deemed to have been received one (1) working day after being sent. Any notice sent by mail will be deemed to have been received eight (8) calendar days after being sent.

24.0 Consent of the Agency

24.1 Where a consent or an agreement is requested from the Agency under this Agreement, the Agency has the right to grant or refuse the consent or agreement, and where it decides to grant the consent or agreement, to do so subject to such conditions the Agency deems appropriate, at its discretion.

25.0 No Assignment of Agreement

25.1 The Recipient shall not assign the Agreement or any part thereof without the prior written consent of the Agency.

26.0 Indemnity

26.1 The Recipient shall indemnify and save harmless the Agency from and against all claims, losses, damages, costs and expenses that may be brought against or suffered by the Agency, and that the Agency may incur, sustain or pay arising out of or relating to any injury to or death of a person or loss to property or other loss or damage caused or alleged to be caused by the Recipient or its servants, agents, subcontractors or independent contractors in the course of carrying out the obligations of the present Agreement.

27.0 Cancellation of Agreement

27.1 The Agency may, upon thirty (30) calendar days' notice duly given to the Recipient in accordance with the Notice section of these General Conditions, cancel this Agreement at any time if, in the Agency's opinion, Schedule 2 – Statement of Work has not been executed in a satisfactory manner or if the progress and objectives outlined in the Agreement have not been met.

GENERAL CONDITIONS**28.0 Access to Information Act and Privacy Act**

28.1 This Agreement and all information obtained by the Agency in the course of and pursuant to this Agreement and the Recipient's application, will be subject to and treated in accordance with the *Access to Information Act* and the *Privacy Act*, as applicable, and as amended from time to time.

28.2 Without limiting the generality of the preceding paragraph, the Recipient acknowledges and agrees that the Agency will proactively publish information regarding this Agreement in accordance with the *Access to Information Act*, as amended from time to time.

29.0 Sharing of Information

29.1 The Recipient expressly authorizes the Agency to share all information obtained by the Agency in relation to this Agreement with other departments and agencies of the Government of Canada for the purpose of implementing, administering and monitoring the Program. This includes, without limitation, the Recipient's financial reports and business information as provided to the Agency under this Agreement and the Recipient's application.

30.0 Aboriginal Consultation

30.1 The Recipient acknowledges that the Agency's obligation to pay the Contribution is conditional upon the Agency satisfying any obligation that it may have to consult with or to accommodate any Aboriginal groups that may be affected by the terms of this Agreement.

31.0 Applicable Law

31.1 This Agreement must be interpreted in accordance with the laws in force in the province in which the office of the Agency is located.

STATEMENT OF WORK

Project Description

At present, Canada's Island Garden Inc. is undergoing a substantial expansion which will see its production capacity increase by 3,000%. The company proposes to acquire new automation and extraction equipment to increase efficiencies in processing the additional product volume, improve quality control, and enable new value-added cannabis product development.

Project Location

CHARLOTTETOWN, PRINCE EDWARD ISLAND

Project Financing

<u>Project Costs</u>		\$	<u>Financing</u>		\$
Machinery/Equipment		3,500,000	ACOA	800,000	
			Proponent	2,700,000	
Total Project Costs		\$3,500,000	Total Project Financing	\$3,500,000	
<u>Eligible Costs</u>	<u>Assistance Rate</u> 22.857%	\$			
Machinery/Equipment	22.857	3,500,000			
Total Eligible Costs		\$3,500,000			
<u>Non-Eligible Costs</u>					
N/A					

Details on Project Activities and Costs

Equipment Costs include:

- 2x50L Supercritical Fluid Extraction System
- Automated packaging system
- T-Zero trimmer

Expected Results from the Project

The federal government requires that results from projects receiving federal funding be identified. The Agency will thus follow-up on the following expected results identified from your project.

STATEMENT OF WORK

Expected Project Results

The project will result in the acquisition of new automation and extraction equipment to increase efficiencies in processing additional product volume, improve quality control, and enable new value-added product development.

Means of Verification

Progress reporting with claims and site visit upon project completion.

CLAIMS AND COSTS PRINCIPLES

1.0 Claims

- 1.1 The Agency will pay the Contribution to the Recipient, in respect of Costs Incurred, on the basis of claims that:
- (a) are submitted on claim forms provided by the Agency and include the details of all Costs Incurred being claimed;
 - (b) are completed and certified by an authorized signing officer of the Recipient; and
 - (c) if applicable, include a declaration of any overdue amounts owed to Her Majesty the Queen in Right of Canada pursuant to any obligation other than this Agreement and provide details of any such amounts.
- 1.2 The total amount of the Contribution paid to the Recipient in respect to Costs Incurred but not yet paid to suppliers shall not exceed fifty per cent (50%) of the total authorized Contribution.
- 1.3 Unless specified in the Articles of Agreement – Payments, supporting documents do not need to be included when submitting a claim. However, purchase orders, cancelled cheques, invoices, receipts and all other supporting documentation must be retained and readily available for examination by the Agency during or after any payment in accordance with Schedule 1 – General Conditions, Monitoring, Rights to Audit and Physical Access.
- 1.4 With the submission of the final claim, the Recipient shall submit a confirmation of all confirmed and potential sources of government assistance received in support of the Project and a final payment certificate, on the form provided by the Agency for that purpose, attesting that the Costs Incurred for the entire Project have been paid to the suppliers. The term “paid” herein and in the certification means paid by monetary payment. This certificate must be certified by an authorized signing officer of the Recipient.
- 1.5 Payments to the Recipient may be withheld by the Agency if the Recipient has any outstanding obligations hereunder, including any outstanding reports required in Schedule 4 – Reporting Requirements.

2.0 Project Costs Principles

2.1 Total Eligible Costs of the Project

The total Eligible Costs of the Project, as listed in Schedule 2 – Statement of Work, will be the sum of the applicable direct costs that are or will reasonably and properly be incurred in the performance of the Project, less any applicable credits.

CLAIMS AND COSTS PRINCIPLES**2.2 Incremental Costs**

Eligible Costs, as identified in Schedule 2 – Statement of Work, include only incremental costs deemed essential for the implementation of the Project. Incremental costs are those that are new or additional, or costs that would not have otherwise been incurred if not for the implementation of the Project.

2.3 Reasonable Costs

Eligible Costs, as identified in Schedule 2 – Statement of Work, include only those costs that are reasonable. A cost is reasonable if, in nature and amount, it does not exceed what would be incurred by an ordinary, prudent person in the conduct of competitive business. In determining the reasonableness of a particular cost, consideration must be given to:

- (a) whether the cost is at fair market value;
- (b) the restraints and requirements of factors such as generally accepted sound business practices, arm's-length bargaining, federal, provincial and local laws and regulations, and agreement terms;
- (c) the action that prudent business persons would take in the circumstances, considering their responsibilities to the owners of the business, their employees, customers, stakeholders, the Government and the public at large;
- (d) significant deviations from the established practices of the Recipient that may unjustifiably increase Eligible Costs; and
- (e) the specifications, delivery schedule and quality requirements of the particular Project that may affect costs.

2.4 Travel Costs

Eligible travel costs include transportation, accommodations and meals (but not incidentals) that are directly attributable to the Project and included in Schedule 2 – Statement of Work. In regards to kilometers and meals, the Agency will reimburse the Recipient using the rates set out in the National Joint Council Directive (the Directive) (www.njc-cnm.gc.ca), as may be amended from time to time. More specifically, meal costs incurred by the Recipient during eligible travel will be reimbursed by way of meal allowances at the same per diem rates as set forth in Appendix C or D of the Directive, as applicable, and kilometers travelled for eligible travel will be reimbursed based on the same kilometric rates set forth in Appendix B of the Directive. Notwithstanding the foregoing, no travel costs, including meal allowances or kilometers, will be paid or allocated for transportation, accommodations or meals that are either non-eligible or that were at no costs to the Recipient or included as part of other costs incurred (i.e. conference, inclusive-type accommodations, group transportation, etc.).

CLAIMS AND COSTS PRINCIPLES**2.5 General Administrative Costs**

General administrative costs include expenditures for office supplies, courier charges, utilities/telecommunications (e.g. telephone, fax, internet, electricity), and other office expenses identified as being directly attributable to the Project and included in Schedule 2 – Statement of Work. Incremental costs are only acceptable when they can be substantiated by the Recipient.

2.6 Salary and Wages Costs

Salary costs must be incremental and essential for the Project. Such wages or salaries must be for employees on the Recipient's payroll and included in Schedule 2 – Statement of Work. The acceptable payroll rate shall be the regular pay rate for the period, excluding premiums paid for overtime or shift work.

Salary and wages costs must be claimed on the same basis as they are incurred and paid to employees (i.e. weekly, bi-weekly, monthly), as supported by payroll records.

In certain cases, a salaried employee may not work exclusively on the Project. In those instances, only the proportion of their salary based on the actual time spent on the Project, as supported by timesheets or other satisfactory form of time recording may be considered as an Eligible Cost of the Project. In order to determine the proportion of the employee salary for the time spent on the Project (a daily or hourly pay rate), the total amount of work days during a salary year can be reduced by the number of vacation days and statutory holidays to which the employee is entitled during that year, as applicable. No other deduction or mechanisms for increasing the proportion of the time spent on the Project will be allowed without the prior consent of the Agency.

When it has been expressly included in Schedule 2 – Statement of Work, salary costs for the performance of an authorized and incremental role of qualified management personnel may be claimed in accordance with this Schedule.

2.7 Payroll Burden

Payroll burden associated with eligible wages and salaries included in Schedule 2 – Statement of Work, which includes items such as group insurance, pension plans and the employer's share of federal deductions, is also eligible for personnel directly associated with the Project. The Recipient can claim a rate of fifteen per cent (15%) of salaries and wages for the payroll burden.

2.8 Non-Eligible Costs

The Agency considers certain categories of costs as non-eligible. These may include, but are not necessarily restricted to, items such as:

- (a) the cost of land acquisition and any cost related to goodwill;
- (b) cost allocation for the use of existing space owned by the Recipient;

CLAIMS AND COSTS PRINCIPLES

- (c) fixed period costs (for example, recurring costs such as property taxes, rentals and a reasonable provision for depreciation);
- (d) entertainment expenses (does not include networking receptions) and first-class airfare;
- (e) insurance, except if the cost is directly related to construction and is capitalized (in accordance with Generally Accepted Accounting Principles or International Financial Reporting Standards) as part of the Project;
- (f) dues and other membership fees;
- (g) severance pay, cash-out of unused vacation, bonuses, overtime premium for salaried employees and commissions;
- (h) refinancing of existing debt, any interest costs, bond discounts, and other financing costs; and
- (i) any costs for the purchase of assets that exceed fair market value of the said assets and any costs that would not necessitate an expenditure of cash by the Recipient, such as amortization and in-kind.

2.9 Credits

Credits are defined as the applicable portion of any income, rebate, allowance or other credit relating to any incurred cost received by or accruing to the Recipient. This includes the input tax credit and the reimbursement of sales taxes paid by the Recipient for goods and services. These credits must be taken into consideration in calculating Eligible Costs.

REPORTING REQUIREMENTS**1.0 General****1.1 Progress Report with Each Claim**

The Recipient shall submit a progress report with each claim for payment, on the form provided by the Agency for that purpose, detailing the progress and results of the Project. Each progress report shall contain the following information in relation to the Project:

- (a) a description of the progress made in the fulfillment of Schedule 2 – Statement of Work during the reporting period;
- (b) an assessment of any significant delay in completing the Project or in attaining any expected result identified in Schedule 2 – Statement of Work, the reasons for such delay, and mitigation measures being taken; and
- (c) the Recipient's revised projection of Project cash flows for the current fiscal year, if any significant change is expected.

1.2 Annual Financial Statements

- (a) The Recipient shall provide the Agency with a copy of its annual audited financial statements within one hundred and eighty (180) days after the end of each fiscal year.
- (b) The Recipient shall provide the above financial information annually until the end of the Control Period.

1.3 Internal Financial Statements

The Agency may at any time request the Recipient to provide a copy of its internally prepared financial statements, when deemed necessary by the Agency, and the Recipient shall provide them, upon written request.

1.4 Report on Project Results

After the final payment of the Contribution by the Agency and until the end of the Control Period, the Recipient shall submit, upon request by the Agency, a report detailing the actual results of the Project as compared to the expected results in Schedule 2 – Statement of Work, using the means of verification identified therein. All deviations must be explained. The report must be satisfactory to the Agency, at its sole discretion. The Agency may request independent third-party verification of this report or of the Project results, and the Recipient shall provide such independent verification upon written request and at its own expense.

REPORTING REQUIREMENTS

2.0 Other Reports

- 2.1 Prior to any payment exceeding ninety percent (90%) of the total Contribution, the Recipient shall provide a statement of the total funding from all sources for the Project, including total Canadian government funding received.
- 2.2 The Recipient shall submit to the Agency a completed and signed copy of the Client Information Update form annually with its financial statements.

FACT SHEET FOR NEWS RELEASE**Program:**

The Agency's Regional Economic Growth
through Innovation - Business Scale-Up and
Productivity

Project No:

213538

Name and Address of Recipient:

Canada's Island Garden Inc.
7 Innovation Way
Charlottetown, Prince Edward Island
C1E 0B7

Recipient Contact:

Name: Alex Smith
Title: CFO & VP Operations
Telephone: (902) 370-5500
Fax: (902) 370-5501

Project Location:

CHARLOTTETOWN, PRINCE EDWARD
ISLAND

Project Type:

REGI - Business Scale-up and Productivity

Project Description:

Acquire automation and extraction equipment

Total Project Costs:

\$3,500,000.00

Eligible Costs:

\$3,500,000.00

Authorized Assistance:

\$800,000.00

Total Government Funding:

\$800,000.00

Estimated Project Commencement Date: May 1, 2019

Estimated Project Completion Date: August 31, 2019

Repayment Schedule

Schedule 6

Client: Canada's Island Garden Inc.
Account Number: 213538
Number of Repayments: 108
Total Repayable: \$800,000.00

Start Date: 2020/03/01
End Date: 2029/02/01

Payment #	Due Date	P/I/C	Amount Due	Amount Paid to Date	Amount Outstanding
				\$0.00	\$800,000.00
					\$800,000.00
1	2020/03/01	Principal	\$7,408.00		\$792,592.00
2	2020/04/01	Principal	\$7,408.00		\$785,184.00
3	2020/05/01	Principal	\$7,408.00		\$777,776.00
4	2020/06/01	Principal	\$7,408.00		\$770,368.00
5	2020/07/01	Principal	\$7,408.00		\$762,960.00
6	2020/08/01	Principal	\$7,408.00		\$755,552.00
7	2020/09/01	Principal	\$7,408.00		\$748,144.00
8	2020/10/01	Principal	\$7,408.00		\$740,736.00
9	2020/11/01	Principal	\$7,408.00		\$733,328.00
10	2020/12/01	Principal	\$7,408.00		\$725,920.00
11	2021/01/01	Principal	\$7,408.00		\$718,512.00
12	2021/02/01	Principal	\$7,408.00		\$711,104.00
13	2021/03/01	Principal	\$7,408.00		\$703,696.00
14	2021/04/01	Principal	\$7,408.00		\$696,288.00
15	2021/05/01	Principal	\$7,408.00		\$688,880.00
16	2021/06/01	Principal	\$7,408.00		\$681,472.00
17	2021/07/01	Principal	\$7,408.00		\$674,064.00
18	2021/08/01	Principal	\$7,408.00		\$666,656.00
19	2021/09/01	Principal	\$7,408.00		\$659,248.00
20	2021/10/01	Principal	\$7,408.00		\$651,840.00
21	2021/11/01	Principal	\$7,408.00		\$644,432.00
22	2021/12/01	Principal	\$7,408.00		\$637,024.00
23	2022/01/01	Principal	\$7,408.00		\$629,616.00
24	2022/02/01	Principal	\$7,408.00		\$622,208.00
25	2022/03/01	Principal	\$7,408.00		\$614,800.00
26	2022/04/01	Principal	\$7,408.00		\$607,392.00
27	2022/05/01	Principal	\$7,408.00		\$599,984.00
28	2022/06/01	Principal	\$7,408.00		\$592,576.00
29	2022/07/01	Principal	\$7,408.00		\$585,168.00
30	2022/08/01	Principal	\$7,408.00		\$577,760.00
31	2022/09/01	Principal	\$7,408.00		\$570,352.00
32	2022/10/01	Principal	\$7,408.00		\$562,944.00
33	2022/11/01	Principal	\$7,408.00		\$555,536.00
34	2022/12/01	Principal	\$7,408.00		\$548,128.00
35	2023/01/01	Principal	\$7,408.00		\$540,720.00
36	2023/02/01	Principal	\$7,408.00		\$533,312.00
37	2023/03/01	Principal	\$7,408.00		\$525,904.00
38	2023/04/01	Principal	\$7,408.00		\$518,496.00
39	2023/05/01	Principal	\$7,408.00		\$511,088.00
40	2023/06/01	Principal	\$7,408.00		\$503,680.00
41	2023/07/01	Principal	\$7,408.00		\$496,272.00

Repayment Schedule

Schedule 6

42	2023/08/01	Principal	\$7,408.00	\$488,864.00
43	2023/09/01	Principal	\$7,408.00	\$481,456.00
44	2023/10/01	Principal	\$7,408.00	\$474,048.00
45	2023/11/01	Principal	\$7,408.00	\$466,640.00
46	2023/12/01	Principal	\$7,408.00	\$459,232.00
47	2024/01/01	Principal	\$7,408.00	\$451,824.00
48	2024/02/01	Principal	\$7,408.00	\$444,416.00
49	2024/03/01	Principal	\$7,408.00	\$437,008.00
50	2024/04/01	Principal	\$7,408.00	\$429,600.00
51	2024/05/01	Principal	\$7,408.00	\$422,192.00
52	2024/06/01	Principal	\$7,408.00	\$414,784.00
53	2024/07/01	Principal	\$7,408.00	\$407,376.00
54	2024/08/01	Principal	\$7,408.00	\$399,968.00
55	2024/09/01	Principal	\$7,408.00	\$392,560.00
56	2024/10/01	Principal	\$7,408.00	\$385,152.00
57	2024/11/01	Principal	\$7,408.00	\$377,744.00
58	2024/12/01	Principal	\$7,408.00	\$370,336.00
59	2025/01/01	Principal	\$7,408.00	\$362,928.00
60	2025/02/01	Principal	\$7,408.00	\$355,520.00
61	2025/03/01	Principal	\$7,408.00	\$348,112.00
62	2025/04/01	Principal	\$7,408.00	\$340,704.00
63	2025/05/01	Principal	\$7,408.00	\$333,296.00
64	2025/06/01	Principal	\$7,408.00	\$325,888.00
65	2025/07/01	Principal	\$7,408.00	\$318,480.00
66	2025/08/01	Principal	\$7,408.00	\$311,072.00
67	2025/09/01	Principal	\$7,408.00	\$303,664.00
68	2025/10/01	Principal	\$7,408.00	\$296,256.00
69	2025/11/01	Principal	\$7,408.00	\$288,848.00
70	2025/12/01	Principal	\$7,408.00	\$281,440.00
71	2026/01/01	Principal	\$7,408.00	\$274,032.00
72	2026/02/01	Principal	\$7,408.00	\$266,624.00
73	2026/03/01	Principal	\$7,408.00	\$259,216.00
74	2026/04/01	Principal	\$7,408.00	\$251,808.00
75	2026/05/01	Principal	\$7,408.00	\$244,400.00
76	2026/06/01	Principal	\$7,408.00	\$236,992.00
77	2026/07/01	Principal	\$7,408.00	\$229,584.00
78	2026/08/01	Principal	\$7,408.00	\$222,176.00
79	2026/09/01	Principal	\$7,408.00	\$214,768.00
80	2026/10/01	Principal	\$7,408.00	\$207,360.00
81	2026/11/01	Principal	\$7,408.00	\$199,952.00
82	2026/12/01	Principal	\$7,408.00	\$192,544.00
83	2027/01/01	Principal	\$7,408.00	\$185,136.00
84	2027/02/01	Principal	\$7,408.00	\$177,728.00
85	2027/03/01	Principal	\$7,408.00	\$170,320.00
86	2027/04/01	Principal	\$7,408.00	\$162,912.00
87	2027/05/01	Principal	\$7,408.00	\$155,504.00
88	2027/06/01	Principal	\$7,408.00	\$148,096.00
89	2027/07/01	Principal	\$7,408.00	\$140,688.00
90	2027/08/01	Principal	\$7,408.00	\$133,280.00

Repayment Schedule

Schedule 6

91	2027/09/01	Principal	\$7,408.00	\$125,872.00
92	2027/10/01	Principal	\$7,408.00	\$118,464.00
93	2027/11/01	Principal	\$7,408.00	\$111,056.00
94	2027/12/01	Principal	\$7,408.00	\$103,648.00
95	2028/01/01	Principal	\$7,408.00	\$96,240.00
96	2028/02/01	Principal	\$7,408.00	\$88,832.00
97	2028/03/01	Principal	\$7,408.00	\$81,424.00
98	2028/04/01	Principal	\$7,408.00	\$74,016.00
99	2028/05/01	Principal	\$7,408.00	\$66,608.00
100	2028/06/01	Principal	\$7,408.00	\$59,200.00
101	2028/07/01	Principal	\$7,408.00	\$51,792.00
102	2028/08/01	Principal	\$7,408.00	\$44,384.00
103	2028/09/01	Principal	\$7,408.00	\$36,976.00
104	2028/10/01	Principal	\$7,408.00	\$29,568.00
105	2028/11/01	Principal	\$7,408.00	\$22,160.00
106	2028/12/01	Principal	\$7,408.00	\$14,752.00
107	2029/01/01	Principal	\$7,408.00	\$7,344.00
108	2029/02/01	Principal	\$7,344.00	\$0.00

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Pre-authorized Debit (PAD) / Direct Deposit Authorization

Applicant Name: Canada's Island Garden Inc.
 ACOA Project Number: 213538

A- Pre-authorized Debits - Please attach a voided cheque and complete the following:

Name of Account Holder(s) (If different from above)

same as above see attached

If you are not providing a voided cheque, please have the following information completed and confirmed by your financial institution:

Branch No.: _____ Institution No.: _____
 Account No.: _____
 Name(s) of Account Holder(s): _____
 Financial Institution: _____
 Address: _____
 Telephone No.: _____

 Signature of Financial Institution Official Date

All information obtained by the Atlantic Canada Opportunities Agency (the Agency) will be treated in accordance with the *Access to Information Act* and the *Privacy Act*.

B- Direct Deposit Authorization:

Progress and final payments of the contribution can be deposited directly in the above-mentioned bank account. Do you wish to take advantage of this service?

No Yes If yes, Email Address: billing@Figr.com



I/We hereby authorize the Agency to debit the bank account identified above, as per the repayment terms of the contribution agreement(s) and any subsequent amendments. If I/we have checked YES for the Direct Deposit Service, I/we hereby authorize the Agency to credit the bank account identified above.

I/We hereby authorize the Agency to debit the bank account identified above with a service fee of \$15.00 if a PAD is returned due to insufficient funds.

I/We may revoke my/our authorization at any time, subject to providing written notification from me/us of its change or termination. This notification must be received by the 15th day of the month prior to the next scheduled payment. To obtain a sample cancellation form, or for more information on my/our right to cancel a PAD agreement I/we may contact my/our financial institution or visit www.cdnpay.ca. I/we acknowledge that this cancellation does not terminate any obligation that I/we may have with the Agency.

I/we acknowledge that I/we must continue to make payments according to the contribution agreement by a method acceptable to the Agency until the contribution is repaid in full. Should I/we stop making payments, I/we will be in default of the contribution agreement(s).

I/We have certain recourse rights if any debit does not comply with this agreement. For example, I/we have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD agreement. To obtain more information on my/our recourse rights, I/we may contact my/our financial institution or visit www.cdnpay.ca.

 Signature of Authorized Signing Officer(s)

June 18, 2019

 Date

 Signature of Authorized Signing Officer(s)

June 18, 2019

 Date

ACOA Head Office
 Blue Cross Centre, 3rd Floor
 644 Main Street
 PO Box 6051
 Moncton, New Brunswick, Canada
 E1C 9J8
 (Courier Address: E1C 1E2)
 General Enquiries: 506-851-2271
 Toll Free (In Canada and the United States): 1-800-561-7862
 Facsimile: 506-851-7403

Newfoundland and Labrador Regional Office
 John Cabot Building, 11th Floor
 10 Barter's Hill
 PO Box 1060 STN C
 St. John's,
 Newfoundland and Labrador, Canada
 A1C 5M5 (Courier Address: A1C 6M1)
 General Enquiries: 709-772-2751
 Facsimile: 709-772-2712
 Toll Free: 1-800-668-1010


Nova Scotia Regional Office
 1801 Hollis Street, Suite 700
 PO Box 2284 STN C
 Halifax, Nova Scotia, Canada
 B3J 3C8 (Courier Address: B3J 3N4)
 General Enquiries: 902-426-8361
 Facsimile: 902-425-2054
 Toll Free: 1-800-565-1228

Prince Edward Island Regional Office
 Royal Bank Building, 3rd floor
 10C Sydney Street
 PO Box 40
 Charlottetown, Prince Edward Island, Canada
 C1A 7K2 (Courier Address: C1A 1G3)
 General Enquiries: 902-566-7492
 Facsimile: 902-566-7093
 Toll Free: 1-800-871-2596

New Brunswick Regional Office
 570 Queen Street, 3rd Floor
 PO Box 578
 Fredericton, New Brunswick, Canada
 E3B 5A6
 (Courier Address: E3B 6Z6)
 General Enquiries: 506-452-3184
 Facsimile: 506-452-3285
 Toll Free: 1-800-561-4030



ACOA DIRECT CLIENT REGISTRATION

SECTION 1 – BUSINESS DETAILS	
Legal Business Name: <i>Canada's Island Garden Inc.</i>	
Operating as: <i>FIGR</i>	
SECTION 2 – MAIN BUSINESS ADDRESS	
Address: <i>7 Innovation Way</i>	City: <i>Charlottetown</i>
Province: <i>PE</i>	Postal Code: <i>C1E 0B7</i>
SECTION 3 – AUTHORIZED CLIENT ADMINISTRATOR	
First Name: <i>Kyle</i>	Last Name: <i>Smith</i>
Title: <i>Controller</i>	Telephone No.: <i>902-370-5500</i>
Email Address: <i>Ksmith@Figr.com</i>	
SECTION 4 – AUTHORIZING AUTHORITY	
First Name: <i>Alex</i>	Last Name: <i>Smith</i>
Title: <i>CFO</i>	Telephone No.: <i>902-370-5500</i>
Email Address: <i>asmith@Figr.com</i>	
<p>PLEASE CHECK OFF THE BOX THAT BEST DESCRIBES YOUR SITUATION</p> <p><input checked="" type="checkbox"/> SENIOR REPRESENTATIVE with signing authority (Must be a person with a higher level of authority than the Authorized Client Administrator)</p> <p><input type="checkbox"/> OWNER, CO-OWNER OR MAJORITY SHAREHOLDER (This person can also act as the Authorized Client Administrator)</p> <p><input type="checkbox"/> NON-PROFIT ORGANIZATION / ASSOCIATION (Must be either the president or the chair of the board of the non-profit organization/association)</p> <p><input type="checkbox"/> OTHER (please specify) _____</p>	
<p>I, the Authorizing Authority named in section 4, assign the person identified in section 3 to act as the Authorized Client Administrator for the purpose of ACOA Direct and authorize this person to accept, on my behalf, the ACOA Direct Online Agreement and any subsequent amendment once this registration request has been approved by ACOA. I acknowledge having read the ACOA Direct Online Agreement (available for consultation at https://direct.acoa-apeca.gc.ca/home-accueil.aspx?lns=eng) prior to affixing my signature below. I further understand and agree that by accepting the ACOA Direct Online Agreement, the business identified in section 1 becomes the Client under the terms of the said agreement.</p>	
SIGNATURE: 	DATE: <i>June 18, 2019</i>

This is Exhibit **“T”** *referred to in the*
affidavit of Michael Devon
sworn before me, this 21st
day of January, 2021

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

January 20, 2021

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2

Attention: Harvey Carroll

Dear Sir,

Re: Alliance One Tobacco Canada, Inc. (the "Lender") interim financing credit facility (the "DIP Facility") in favour of FIGR Brands, Inc. ("FIGR Brands")

We understand that FIGR Brands, FIGR Norfolk Inc. and Canada's Island Garden Inc. (collectively, the "**FIGR Group**") intend to make an application to the Ontario Superior Court of Justice (Commercial List) (the "**Court**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Initial Order (the "**Initial Order**") which, among other things, appoints FTI Consulting Canada Inc. as the monitor of the FIGR Group (in such capacity, the "**Monitor**").

In connection with the proposed CCAA proceedings (the "**CCAA Proceedings**"), the FIGR Group requires interim financing ("**DIP Financing**"). The Lender is pleased to offer DIP Financing by way of the DIP Facility described in this term sheet (the "**Term Sheet**"), subject to the terms and conditions set forth herein. Unless otherwise indicated, all amounts are expressed in Canadian currency. All capitalized terms not otherwise defined in the body of this Term Sheet shall have the meanings ascribed thereto in **Schedule "A"**.

Borrower: FIGR Brands, Inc.

Guarantors: FIGR Norfolk Inc. and Canada's Island Garden Inc.

Lender: Alliance One Tobacco Canada, Inc.

DIP Facility: A super-priority, debtor-in-possession, non-revolving credit facility up to the maximum principal amount of \$8,000,000.

Purpose: The purpose of the DIP Facility is to fund: (i) working capital needs of the Borrower and Guarantors in accordance with the cash flow projections approved by the Monitor and the Lender from time to time (the "**Cash Flow Projections**"); (ii) the Lender's Fees and Expenses (as defined below); (iii) professional fees and expenses incurred by the FIGR Group and the Monitor in respect of the CCAA Proceedings; and (iv) such other costs and expenses of the FIGR Group as may be agreed to by the Lender, in writing.

Repayment: Unless otherwise agreed in writing by the Lender, the Borrower and the Guarantors shall repay all obligations owing under the DIP Facility on the earlier of (the "**Maturity Date**"): (i) the occurrence of an Event of Default (as defined below); and (ii) June 30, 2021.

Unless otherwise agreed to in writing by the Lender, the DIP Facility shall be repaid and the maximum amount of the DIP Facility shall be permanently reduced upon a sale, realization or other disposition of any property, assets or undertakings of the Borrower or a Guarantor out of the ordinary course of business in an amount equal to the net cash proceeds of such sale, realization or other disposition (solely net of transaction fees and applicable taxes). Any amount repaid pursuant to the preceding sentence may not be reborrowed without the prior written consent of the Lender.

The Borrower shall be permitted to voluntarily prepay or repay any of the DIP Facility before the Maturity Date without notice or penalty. Any such prepayment or repayment shall permanently reduce the DIP Facility.

Facility Advances: The DIP Facility shall be available by multiple advances (each, an "**Advance**" and collectively, the "**Advances**"), to be issued not more frequently than once each calendar week unless agreed to by the Lender, in amounts consistent with the Cash Flow Projections or such greater amounts as otherwise agreed to by the Lender in writing, and each such Advance shall be wire transferred to FIGR Brands existing operating account at Bank of Montreal.

If no LOIs, acceptable to the Lender, are received from a Phase 1 Qualified Bidder by the Phase 1 Bid Deadline (as such terms are defined in the SISP) or no Phase 2 Bids, acceptable to the Lender, have been received from Phase 2 Qualified Bidders by the Phase 2 Bid Deadline (as such terms are defined in the SISP), the Cash Flow Projections will be revised by the Lender, the Applicants and the Monitor (the "**Revised Cash Flow Projections**"), each acting reasonably, and all future Advances will be made in amounts consistent with the Revised Cash Flow Projections or such greater amounts otherwise agreed to by the Lender in writing.

The obligations of the Lender to advance amounts under the DIP Facility are subject to the terms of this Term Sheet including the conditions precedent to advances.

Notwithstanding anything contained herein, the maximum that may be advanced by the Lender prior to the "comeback hearing" is \$2.5 million.

**Interest Rate
and Expenses:**

Interest: Interest on the principal amount of each Advance outstanding from time to time shall be calculated monthly at a rate of eight per cent (8%) per annum, which interest shall be calculated on the daily outstanding balance owing under the DIP Facility, not in advance, and shall accrue and be paid on the Maturity Date.

Expenses: The Borrower and the Guarantors shall pay all fees and expenses (collectively, the "**Lender's Fees and Expenses**") incurred by the Lender in connection with the preparation, negotiation and administration of this Term Sheet, and the enforcement of the DIP Charge (as defined below) and the Lender's rights and remedies thereunder or at law or in equity, including, without limitation all reasonable legal fees and disbursements incurred by the Lender, on a full indemnity basis. For greater certainty, "Lender's Fees and Expenses" shall include all reasonable fees and expenses incurred by the Lender in connection with the CCAA Proceedings and all Court attendances in respect thereof. All such fees and expenses and interest thereon shall be secured by the DIP Charge whether or not any funds under the DIP Facility are advanced hereof.

Security:

All debts, liabilities, and obligations of the Borrower and the Guarantors under the DIP Facility shall be secured by the DIP Charge and such security agreements charging all of the properties, assets and undertakings of the Borrower and the Guarantors, as may be reasonably requested by the Lender.

**Conditions
Precedent:**

The availability of the DIP Facility is subject to and conditional upon the following conditions precedent unless waived in writing by the Lender in its sole discretion:

1. receipt of the entered Initial Order in substantially the form attached hereto as **Schedule "B"**.
2. the Initial Order, including the DIP Charge, shall not have been amended or varied in a manner adverse to the Lender, or stayed, without the consent of the Lender, and shall continue to be in full force and effect
3. receipt of a duly executed copy of this Term Sheet; and
4. delivery by the Borrower and Guarantors to the Lender of such further security or documentation as the Lender and its lawyers may reasonably require to give effect to the foregoing, including guarantees for the DIP Facility from the Guarantors.

Each of the following is a condition precedent to any Advance to be made hereunder, in each case unless waived in writing by the Lender in its sole discretion:

1. all of the conditions contained in this Term Sheet shall have been satisfied and shall as at the time of the making of the Advance in question continue to be satisfied; and
2. no Event of Default shall have occurred and be continuing.

The making of an Advance hereunder without the fulfillment of one or more conditions set forth in this Term Sheet shall not constitute a waiver of any such condition, unless expressly so waived in writing by the Lender, and the Lender reserves the right to require fulfillment of such condition in connection with any Advance.

Covenants:

The Borrower and the Guarantors covenant and agree with the Lender, so long as any amounts are outstanding to the Lender hereunder, to:

1. pay all sums of money when due hereunder;
2. not request, obtain or consent to a variation of the Initial Order or other Court order if such variation may be prejudicial to the Lender, without the prior written consent of the Lender, such consent not to be unreasonably withheld or delayed;
3. make all reasonable efforts to provide the Lender with at least three 3 Business Days' notice of all Court filings to be made by it, together with copies of, and an opportunity to comment on, all related Court materials;
4. provide the Lender with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default, a breach of any covenant or other term or condition of this Term Sheet, or of any document given in connection therewith;
5. use the proceeds of the DIP Facility solely for the purposes provided for herein;
6. keep and maintain books of account and other accounting records in accordance with generally accepted accounting principles;
7. upon reasonable notice, permit the Lender or its representatives, at any time and from time to time with such frequency as the Lender, in its sole discretion, may require, but in all cases in a manner which (i) will not interfere with the FIGR Group's business activities or the ability of management and employees to carry out their respective responsibilities and (ii) is in compliance with all Applicable Laws and Covid-19 protocols, to visit and inspect the FIGR Group's premises, properties and assets and to examine and obtain copies of the FIGR Group's records or other information and discuss the FIGR Group's affairs with the auditors, counsel and

other professional advisors of the FIGR Group, all at the reasonable expense of the FIGR Group;

8. except as reflected in the Cash Flow Projections or otherwise with the consent of the Lender, carry on the business of the FIGR Group in the normal course, consistent with past practice and orders of the Court made in the CCAA Proceedings;
9. not incur any material expense other than as included in the Cash Flow Projections, without the prior written consent of the Lender not to be unreasonably withheld;
10. to pay or make provision for payment of all Priority Claims due and payable from and after the commencement of the CCAA Proceedings;
11. keep the FIGR Group's assets fully insured against such perils and in such manner as would be customarily insured by companies owning similar assets naming the Lender as first loss payee and to ensure all assets secured by the DIP Charge are in existence and in the possession and control of the FIGR Group;
12. unless otherwise agreed by the Lender, maintain all material contracts and licenses required to operate their businesses.
13. provide the Lender weekly on or before Thursday of each calendar week for the calendar week ending on the immediately preceding Sunday, or as otherwise agreed by the Lender, updated cash flow projections, which shall compare actual and forecasted results for the previous week; and
14. provide the Lender (either directly or through the Monitor) any additional financial and other information as the Lender may reasonably request.

**Events
of Default:**

Each of the following events constitutes an event of default (each an "Event of Default"):

1. the Borrower or Guarantors fail to pay when due any principal, interest, fees or other amounts payable under this Term Sheet;
2. the Borrower or a Guarantor breaches any covenant (other than a payment default), term, condition or other provision of this Term Sheet, or any other document delivered to the Lender in respect thereof and such default continues unremedied for a period of three (3) days;
3. if the Initial Order or any other Court order is stayed, set aside or varied in a manner adverse to the Lender's interests, without the

consent of the Lender, in its sole discretion, or any other order of the Court in the CCAA Proceedings is made, which is prejudicial to the Lender's interests;

4. the stay of proceedings granted pursuant to the Initial Order is terminated or lifted in whole or in part without the consent of the Lender, such consent not to be unreasonably withheld or delayed;
5. a sale and investment solicitation process in the CCAA Proceedings (the "SISP"), in form and substance satisfactory to the Lender has not been approved by the Court by February 1, 2021;
6. the Borrower or a Guarantor fails to observe the terms of the Initial Order or any subsequent Court orders;
7. the CCAA Proceedings are terminated or converted to a proposal proceeding under the BIA without the consent of the Lender;
8. substantially all of the business or assets of the Borrower or a Guarantor are sold except in accordance with the SISP;
9. any default or failure by the Borrower or a Guarantor to make any payment of any Priority Claims due and payable from and after the commencement of the CCAA Proceedings;
10. the Borrower or a Guarantor becomes bankrupt or a receiver, receiver and manager, or other officer of the Court is appointed for all or any significant part of the assets of such entity;
11. failure to comply with the milestones set out in the SISP; and
12. without the consent of the Lender, the FIGR Group incurs (i) a negative cashflow variance in excess of \$250,000 of Net Cash Flow (as set out in the Cash Flow Projections) in any calendar week or (ii) a cumulative negative cashflow variance in excess of \$1,000,000 of Net Cash Flow (as set out in the Cash Flow Projections);

then, in such event, the Lender may, by written notice to the Borrower and the Monitor, declare all monies outstanding under the DIP Facility to be immediately due and payable, terminate the DIP Facility and, subject to Court approval, upon seeking an Order of the Court on not less than five (5) days notice, enforce, without further notice, demand or delay, all of its rights and remedies against the Borrower and the Guarantors and their properties, assets and undertakings including, without limitation, the enforcement of the DIP Charge, including apply to the Court for the appointment of a receiver, an interim receiver or a receiver and manager over the properties, assets and undertakings of the FIGR Group or for the appointment of a trustee in bankruptcy of all or any member of the FIGR

Group.

Notwithstanding anything herein to the contrary, on and after the occurrence of an Event of Default, at the discretion of the Lender, the Borrower shall not be entitled to any further Advances under this Facility. Any Advance made by the Lender after the occurrence of an Event of Default shall not oblige the Lender to make further Advances thereafter.

**Evidence of
Indebtedness:**

The Lender shall maintain records evidencing the DIP Facility. The Lender's accounts and records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower and the Guarantors to the Lender pursuant to this Term Sheet.

**Representations
and Warranties:**

The Borrower and the Guarantors each represent and warrant to the Lender that:

1. it is a corporation duly incorporated under the jurisdiction of its corporation, validly existing and duly registered or qualified to carry on business in the Provinces in which it carries on business;
2. subject to the issuance of the Initial Order, the execution, delivery and performance by it of this Term Sheet has been duly authorized by all necessary actions and does not violate the constating documents or any Applicable Laws or agreements to which it is subject or by which it is bound;
3. no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, an Event of Default, a breach of any covenant or other term or condition of this Term Sheet or any document given in connection therewith; and
4. it has good and marketable title to all of its properties, assets and undertakings.

General:

Non-Merger: The provisions of this Term Sheet shall not merge on the first Advance hereunder but shall continue in full force and effect for the benefit of the parties hereto.

Further Assurances and Documentation: The Borrower and the Guarantors shall do all things and execute all documents deemed necessary or appropriate by the Lender for the purposes of giving full force and effect to the terms, conditions, undertakings hereof and the DIP Charge to be granted pursuant to the Initial Order.

Severability: If any provision of this Term Sheet is or becomes prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate or render unenforceable the provision concerned in any

other jurisdiction nor shall it invalidate, affect or impair any of the remaining provisions of this Term Sheet.

Governing Law: This Term Sheet shall be construed in accordance with and be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Counterparts: This Term Sheet may be executed in any number of separate counterparts by any one or more of the parties thereto, and all of said counterparts taken together shall constitute one and the same instrument. Delivery of an executed counterpart of this Term Sheet by email, PDF or by other electronic means shall be as effective as delivery of a manually executed counterpart.

Assignment: The Lender may assign all or part of its rights and obligations under this Term Sheet to any affiliate of the Lender without notice to and without the FIGR Group's consent. The FIGR Group may not assign or transfer all or any part of their rights or obligations under this Term Sheet, without the Lender's prior written consent, in its sole discretion, any such transfer or assignment being null and void and of no force or effect.

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

Time: Time is and shall be of the essence in all provisions of this Term Sheet.

Termination by Borrower: At any time following the indefeasible payment in full in immediately available funds of all of the amounts owing under the DIP Facility, including, without limitation, principal, interest, costs and expenses contemplated hereunder, the Borrower shall be entitled to terminate this Term Sheet upon written notice to the Lender, and the Lender shall promptly, on request, execute any lien releases and documents reasonably required to discharge any lien filings made in favour of the Lender in connection with the DIP Facility.

Whole Agreement, Amendments and Waiver: This Term Sheet and any other written agreement delivered pursuant to or referred to in this Term Sheet constitute the whole and entire agreement between the parties in respect of the DIP Facility. There are no verbal agreements, undertakings or representations in connection with the DIP Facility. No amendment or waiver of any provision of this Term Sheet will be effective unless it is in writing signed by the Borrower, Guarantors and the Lender. No failure or delay on the part of the Lender in exercising any right or power hereunder or under the DIP Charge shall operate as a waiver thereon. No course of conduct by the Lender will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Term Sheet and the DIP Charge or the Lender's rights thereunder.

Expiration: This Term Sheet must be accepted by the Borrower and the Guarantors by no later than 8:00 p.m. on Wednesday, January 20, 2021, after which this Term Sheet will expire.

If the terms and conditions of this Term Sheet are acceptable to you, please sign in the space indicated below and return the signed copy of this Term Sheet to us. Acceptance may also be effected by electronic transmission and in counterpart.

We thank you for allowing us the opportunity to provide you with this Term Sheet.

[The remainder of this page was left intentionally blank]

Yours truly,

ALLIANCE ONE TOBACCO CANADA, INC.

Per: 
Name:
Title: Director

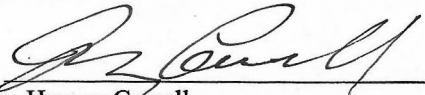
Per: _____
Name:
Title:

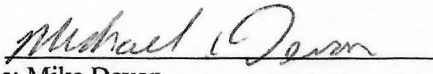
We have authority to bind the corporation.

ACCEPTANCE

The undersigned hereby accepts this Term Sheet this ^{20th} day of January, 2021.


FIGR BRANDS, INC.

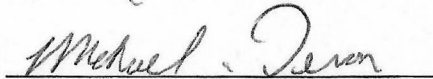
Per: 
Name: Harvey Carroll
Title: President and Chief Executive Officer

Per: 
Name: Mike Devon
Title: Senior Vice President and Chief Financial Officer

We have authority to bind the corporation.

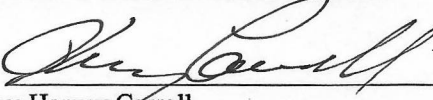
FIGR NORFOLK INC.

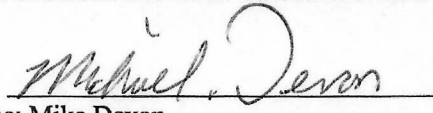
Per: 
Name: Harvey Carroll
Title: President and Chief Executive Officer

Per: 
Name: Mike Devon
Title: Senior Vice President and Chief Financial Officer

We have authority to bind the corporation.

CANADA'S ISLAND GARDEN INC.

Per: 
Name: Harvey Carroll
Title: President and Chief Executive Officer

Per: 
Name: Mike Devon
Title: Senior Vice President and Chief Financial Officer

We have authority to bind the corporation.

SCHEDULE "A"

In addition to terms defined elsewhere in this Term Sheet, the following terms shall have the following meanings:

- (a) **"Applicable Laws"** means, with respect to any person, property, transaction or event, all present or future statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction, in each case, having the force of law in any applicable jurisdiction.
- (b) **"Business Day"** means any day except Saturday, Sunday or statutory holidays in the Province of Ontario.
- (c) **"Priority Claims"** means the aggregate of any amounts accrued or payable by the Borrower or the Guarantors which under any law rank prior to or *pari passu* with the DIP Charge or otherwise in priority to any claim by the Lender for payment of any amounts owing under this Term Sheet, including: (i) wages, salaries, commissions or other remuneration; (ii) vacation pay; (iii) pension plan contributions; (iv) amounts required to be withheld from payments to employees or other persons for federal and provincial income taxes, employee Canadian Pension Plan contributions and employee Employment Insurance premiums, additional amounts payable on account of employer Canada Pension Plan contributions and employer Employment Insurance premiums; (v) harmonized sales tax; (vi) provincial sales or other consumption taxes; (vii) Workers' Compensation Board and Workplace Safety and Insurance Board premiums or similar premiums; (viii) real property taxes; (ix) rent and other amounts payable in respect of the use of real property; (x) amounts payable for repair, storage, transportation or construction or other services which may give rise to a possessory or registerable lien; (xi) claims which suppliers could assert pursuant to Section 81.1 or Section 81.2 of the BIA; and (xii) WEPPA Claims; and (xiii) amounts under the Administration Charge and the Directors' Charge.
- (d) **"WEPPA Claims"** means any claims made against the Borrower or the Guarantors pursuant to the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s.1, as the same may be amended, restated or replaced from time to time.

Words importing the singular include the plural thereof and vice versa and words importing gender include the masculine, feminine and neuter genders.

SCHEDULE "B"

[attached]

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) THURSDAY, THE 21ST
)
JUSTICE HAINEY) DAY OF JANUARY, 2021

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FIGR
BRANDS, INC., FIGR NORFOLK INC. AND CANADA'S ISLAND GARDEN INC.
(collectively, the "**Applicants**")

INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day by Zoom videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Michael Devon sworn January [21], 2021 and the Exhibits thereto (the "**Devon Affidavit**") and the Pre-Filing Report of FTI Consulting Canada Inc. ("**FTI**") dated January [21], 2021, and on hearing the submissions of counsel for the Applicants, counsel for FTI, counsel for Alliance One Tobacco Canada, Inc. (the "**DIP Lender**"), and such other parties listed on the Counsel Slip, no one appearing for any other party although duly served as appears from the Affidavit of Service of Aiden Nelms sworn January [21], 2021 and on reading the consent of FTI to act as Monitor (the "**Monitor**"),

SERVICE

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

APPLICATION

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

PLAN OF ARRANGEMENT

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

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their respective current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ 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.

5. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Devon Affidavit or, with the consent of the Monitor and the DIP Lender, 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. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and employee 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;
- (b) with the consent of the Monitor and the DIP Lender, amounts owing for goods and services actually supplied to the Applicants and all outstanding amounts related to honouring customer obligations whether existing before or after the date of this Order, incurred in the ordinary course of business and consistent with existing policies and procedures; and
- (c) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, and subject to the Definitive Documents (as defined below), the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in

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the ordinary course prior to, on, or, 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.

Payments for amounts incurred prior to this Order shall require the consent of the Monitor and the DIP Lender, or leave of this Court.

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

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

which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the applicable Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein and pursuant to the Definitive Documents, 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 this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that each of the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding [\$250,000] in any one transaction or [\$1,000,000] in the aggregate;
- (b) sell inventory in the ordinary course of business consistent with past practice, or otherwise with the consent of the Monitor and the DIP Lender;

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- (c) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; 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.

12. **THIS COURT ORDERS** that the applicable Applicant shall provide each relevant landlord with notice of the Applicant's 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 and, if the landlord disputes such Applicant's 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 applicable Applicant, or by further Order of this Court upon application by the applicable Applicant on at least two (2) days notice to such landlord and any such secured creditors. If any Applicant disclaims a lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to such Applicant's claim to the fixtures in dispute.

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

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including [January 31, 2021], or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property, are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicants or the Monitor, or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall: (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

16. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, 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.

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CONTINUATION OF SERVICES

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

NON-DEROGATION OF RIGHTS

18. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited 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 be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

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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

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

21. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of [\$2,000,000], as security for the indemnity provided in paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 40 and 42 herein.

22. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary: (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any director's and officer's insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

APPOINTMENT OF MONITOR

23. **THIS COURT ORDERS** that FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor

in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

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

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to 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;
- (c) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender and its counsel on a weekly basis of financial and other information as agreed to between the Applicants and, the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the Applicants in their preparation of the Applicant's cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than weekly, or as otherwise agreed to by the DIP Lender;
- (e) monitor all payments, obligations or transfers as between the Applicants for purposes of determining the amounts subject to the Intercompany Charges (as defined below);
- (f) advise the Applicants in their development of the Plan (if any) and any amendments to the Plan;
- (g) 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;
- (h) 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 Applicant's business and financial affairs or to perform its duties arising under this Order;

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

25. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property or be deemed to take possession of the Property, pursuant to any provision of any federal, provincial or other law respecting, among other things, the manufacturing, possession, processing and distribution of cannabis or cannabis products including, without limitation, under the *Cannabis Act* S.C. 2018, c.16, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, the *Excise Tax Act*, R.S.C., 1985, c. E-15, the *Ontario Cannabis Licence Act*, S.O. 2018, c. 12, Sched. 2, the *Ontario Cannabis Control Act*, S.O. 2017, c. 26, Sched. 1, the *Prince Edward Island Cannabis Management Corporation Act*, R.S.P.E.I. 1988, c C-1.3, the *Prince Edward Island Cannabis Control Act*, R.S.P.E.I. 1988, c C-1.2, the *British Columbia Cannabis Control and Licensing Act*, S.B.C. 2018, c. 29, the *British Columbia Cannabis Distribution Act*, S.B.C. 2018, c. 28, or other such applicable federal or provincial legislation or regulations (collectively, the "**Cannabis Legislation**"), and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof within the meaning of any Cannabis Legislation or otherwise, and nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity for any purpose whatsoever.

26. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of

a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, the *Ontario Occupational Health and Safety Act*, the *Prince Edward Island Environmental Protection Act*, R.S.P.E.I. 1988, c E-9, the *Prince Edward Island Occupational Health and Safety Act*, R.S.P.E.I. 1988, c O-1.01, the *British Columbia Environmental Management Act*, S.B.C. 2003, c 53, the *British Columbia Water Protection Act*, RSBC 1996, c 484, the *British Columbia Occupational Health and Safety Regulation*, B.C. Reg. 296/97, and all regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

27. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the DIP Lender under this Order or at law, the DIP Lender shall not incur any liability or obligation as a result of the carrying out of the provisions of this Order, including under any Cannabis Legislation, save and except for any gross negligence or willful misconduct on its part.

28. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants, including without limitation, the DIP Lender, with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

29. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its respective

employees and representatives acting in such capacities shall incur any liability or obligation as a result of the appointment of the Monitor or the carrying out by it of the provisions of this Order, including under any Cannabis Legislation, 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.

30. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to, the date of this Order, 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 weekly basis, and in addition, the Applicants are hereby authorized to pay to the Monitor and counsel to the Monitor a retainer in the aggregate amount of **[\$100,000]**, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

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

32. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of **[\$600,000]**, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 40 and 42 hereof.

DIP FINANCING

33. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from the DIP Lender in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures.

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34. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicants and the DIP Lender dated as of January [●], 2021 (as may be amended from time to time, the "**Commitment Letter**"), filed.

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

36. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not exceed the amount of \$[2,500,000] or secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 40 and 42 hereof.

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

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon 5 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 Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the

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

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

38. **THIS COURT ORDERS AND DECLARES** that, unless otherwise agreed to by the DIP Lender, the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by any of Applicants under the CCAA, or any proposal filed by any of the Applicants under the BIA, with respect to any advances made under the Definitive Documents.

INTERCOMPANY LENDING

39. **THIS COURT ORDERS** that to the extent that any Applicant (an "**Intercompany Lender**") after the date of this Order makes any payment to or on behalf of, or incurs any obligation on behalf of, or discharges any obligation of, an Applicant (other than itself) (the "**Debtor Applicant**") or otherwise transfers value to or for the benefit of one or more Applicants (other than the Debtor Applicant), such Intercompany Lender is hereby granted a charge (each an "**Intercompany Charge**") on all of the Property of such Debtor Applicant in the amount of such payment, obligation or transfer. The Intercompany Charge shall have the priority set out in paragraphs 40 and 42 herein.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

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First - Administration Charge (to the maximum amount of \$[600,000]);

Second - Directors' Charge (to the maximum amount of \$[2,000,000]);

Third - DIP Lender's Charge (to the maximum amount of \$[2,500,000]; and

Fourth - Intercompany Charge.

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

42. **THIS COURT ORDERS** that each of the Charges (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, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person; provided that the Charges shall rank behind Encumbrances in favor of any Persons that have not been served with notice of this application. The Applicants and the beneficiaries of the Charges shall be entitled to seek priority ahead of such Encumbrances on notice to those parties.

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

44. **THIS COURT ORDERS** that the Charges, the Commitment Letter and the Definitive Documents 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 DIP 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 herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such

applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which they are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the Commitment Letter 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.

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

SERVICE AND NOTICE

46. **THIS COURT ORDERS** that the Monitor shall: (i) without delay, publish in the Globe and Mail, National Edition, a notice containing the information prescribed under the CCAA; and (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against any of the Applicants of more than \$1,000 (excluding individual

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employees, former employees with retirement savings plan entitlements, and retirees and other beneficiaries who have entitlements under any retirement savings plans), 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.

47. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <http://cfcanada.fticonsulting.com/figr>.

48. **THIS COURT ORDERS** that the Applicants and the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2175 (SOR/DORS).

GENERAL

49. **THIS COURT ORDERS** that each of the Applicants, the DIP Lender or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of its powers and duties under this Order or in the interpretation of this Order hereunder.

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

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

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

53. **THIS COURT ORDERS** that any interested party (including each of 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.

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

This is Exhibit “U” *referred to in the*
affidavit of Michael Devon
sworn before me, this 21st
day of January, 2021



.....
A COMMISSIONER FOR TAKING AFFIDAVIT

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

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

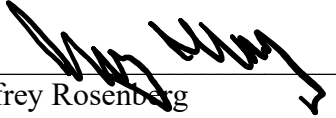
**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
FIGR BRANDS, INC., FIGR NORFOLK INC. AND CANADA'S ISLAND GARDEN INC.**

CONSENT TO ACT AS MONITOR

FTI CONSULTING CANADA INC. hereby consents to act as the Court-appointed Monitor of the Applicants, FIGR Brands, Inc., FIGR Norfolk Inc. and Canada's Island Garden Inc. pursuant to the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended, in respect of these proceedings.

Dated at Toronto, Ontario this 21st day of January, 2021

FTI CONSULTING CANADA INC.

Per: 
Name: Jeffrey Rosenberg
Title: Senior Managing Director

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36*, AS AMENDED AND
IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FIGR BRANDS, INC., FIGR NORFOLK
INC. AND CANADA'S ISLAND GARDEN INC.**

Court File No.:CV-21-00655373-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings Commenced in Toronto

AFFIDAVIT OF MICHAEL DEVON
(Sworn January 21, 2021)

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario
M5X 1A4

Sean Zweig (LSO# 57307I)
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Tel: 416-863-1200
Fax: 416-863-1716

Lawyers for the Applicants

TAB 3

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) THURSDAY, THE 21ST
)
JUSTICE HAINEY) DAY OF JANUARY, 2021

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FIGR
BRANDS, INC., FIGR NORFOLK INC. AND CANADA'S ISLAND GARDEN INC.
(collectively, the "**Applicants**")

INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day by Zoom videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Michael Devon sworn January 21, 2021 and the Exhibits thereto (the "**Devon Affidavit**") and the Pre-Filing Report of FTI Consulting Canada Inc. ("**FTI**") dated January 21, 2021, and on hearing the submissions of counsel for the Applicants, counsel for FTI, counsel for Alliance One Tobacco Canada, Inc. (the "**DIP Lender**"), and such other parties listed on the Counsel Slip, no one appearing for any other party although duly served as appears from the Affidavit of Service of Aiden Nelms sworn January 21, 2021 and on reading the consent of FTI to act as Monitor (the "**Monitor**"),

SERVICE

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

APPLICATION

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

PLAN OF ARRANGEMENT

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

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their respective current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ 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.

5. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Devon Affidavit or, with the consent of the Monitor and the DIP Lender, 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. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and employee 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;
- (b) with the consent of the Monitor and the DIP Lender, amounts owing for goods and services actually supplied to the Applicants and all outstanding amounts related to honouring customer obligations whether existing before or after the date of this Order, incurred in the ordinary course of business and consistent with existing policies and procedures; and
- (c) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, and subject to the Definitive Documents (as defined below), 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 prior to, on, or, 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.

Payments for amounts incurred prior to this Order shall require the consent of the Monitor and the DIP Lender, or leave of this Court.

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

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

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real

property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the applicable Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein and pursuant to the Definitive Documents, 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 this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that each of the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$250,000 in any one transaction or \$1,000,000 in the aggregate;
- (b) sell inventory in the ordinary course of business consistent with past practice, or otherwise with the consent of the Monitor and the DIP Lender;
- (c) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; 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.

12. **THIS COURT ORDERS** that the applicable Applicant shall provide each relevant landlord with notice of the Applicant's 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 and, if the landlord disputes such Applicant's 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 applicable Applicant, or by further Order of this Court upon application by the applicable Applicant on at least two (2) days notice to such landlord and any such secured creditors. If any Applicant disclaims a lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to such Applicant's claim to the fixtures in dispute.

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

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including January 31, 2021, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor or their respective employees and representatives acting in such

capacities, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property, are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicants or the Monitor, or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall: (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

16. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, 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

17. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, security 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 or terminating the supply

of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited 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 be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as a director or officer of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer

or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$2,000,000, as security for the indemnity provided in paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 40 and 42 herein.

22. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary: (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any director's and officer's insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

APPOINTMENT OF MONITOR

23. **THIS COURT ORDERS** that FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

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

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to 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;

- (c) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender and its counsel on a weekly basis of financial and other information as agreed to between the Applicants and, the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the Applicants in their preparation of the Applicant's cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than weekly, or as otherwise agreed to by the DIP Lender;
- (e) monitor all payments, obligations or transfers as between the Applicants for purposes of determining the amounts subject to the Intercompany Charges (as defined below);
- (f) advise the Applicants in their development of the Plan (if any) and any amendments to the Plan;
- (g) 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;
- (h) 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 Applicant's business and financial affairs or to perform its duties arising under this Order;
- (i) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (j) perform such other duties as are required by this Order or by this Court from time to time.

25. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property or be deemed to take possession of the Property, pursuant to any provision of any federal, provincial or other law respecting, among other things, the manufacturing, possession, processing and distribution of cannabis or cannabis products including, without limitation, under the *Cannabis*

*Act S.C. 2018, c.16, the Controlled Drugs and Substances Act, S.C. 1996, c. 19, the Excise Tax Act, R.S.C., 1985, c. E-15, the Ontario Cannabis Licence Act, S.O. 2018, c. 12, Sched. 2, the Ontario Cannabis Control Act, S.O. 2017, c. 26, Sched. 1, the Prince Edward Island Cannabis Management Corporation Act, R.S.P.E.I. 1988, c C-1.3, the Prince Edward Island Cannabis Control Act, R.S.P.E.I. 1988, c C-1.2, the British Columbia Cannabis Control and Licensing Act, S.B.C. 2018, c. 29, the British Columbia Cannabis Distribution Act, S.B.C. 2018, c. 28, or other such applicable federal or provincial legislation or regulations (collectively, the "**Cannabis Legislation**"), and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof within the meaning of any Cannabis Legislation or otherwise, and nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity for any purpose whatsoever.*

26. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, the *Ontario Occupational Health and Safety Act*, the *Prince Edward Island Environmental Protection Act*, R.S.P.E.I. 1988, c E-9, the *Prince Edward Island Occupational Health and Safety Act*, R.S.P.E.I. 1988, c O-1.01, the *British Columbia Environmental Management Act*, S.B.C. 2003, c 53, the *British Columbia Water Protection Act*, RSBC 1996, c 484, the *British Columbia Occupational Health and Safety Regulation*, B.C. Reg. 296/97, and all regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

27. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the DIP Lender under this Order or at law, the DIP Lender shall not incur any liability or obligation as a result of the carrying out of the provisions of this Order, including under any Cannabis Legislation, save and except for any gross negligence or willful misconduct on its part.

28. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants, including without limitation, the DIP Lender, with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

29. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its respective employees and representatives acting in such capacities shall incur any liability or obligation as a result of the appointment of the Monitor or the carrying out by it of the provisions of this Order, including under any Cannabis Legislation, 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.

30. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to, the date of this Order, 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 weekly basis, and in addition, the Applicants are hereby authorized to pay to the Monitor and counsel to the Monitor a retainer in the aggregate amount of \$100,000, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

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

32. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$600,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 40 and 42 hereof.

DIP FINANCING

33. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from the DIP Lender in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures.

34. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicants and the DIP Lender dated as of January 20, 2021 (as may be amended from time to time, the "**Commitment Letter**"), filed.

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

36. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's

Charge shall not exceed the amount of \$2,500,000 or secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 40 and 42 hereof.

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

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon 5 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 Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

38. **THIS COURT ORDERS AND DECLARES** that, unless otherwise agreed to by the DIP Lender, the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by any of Applicants under the CCAA, or any proposal filed by any of the Applicants under the BIA, with respect to any advances made under the Definitive Documents.

INTERCOMPANY LENDING

39. **THIS COURT ORDERS** that to the extent that any Applicant (an "**Intercompany Lender**") after the date of this Order makes any payment to or on behalf of, or incurs any obligation on behalf of, or discharges any obligation of, an Applicant (other than itself) (the "**Debtor Applicant**") or otherwise transfers value to or for the benefit of one or more Applicants (other than the Debtor Applicant), such Intercompany Lender is hereby granted a charge (each an "**Intercompany Charge**") on all of the Property of such Debtor Applicant in the amount of such payment, obligation or transfer. The Intercompany Charge shall have the priority set out in paragraphs 40 and 42 herein.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

First - Administration Charge (to the maximum amount of \$600,000);

Second - Directors' Charge (to the maximum amount of \$2,000,000);

Third - DIP Lender's Charge (to the maximum amount of \$2,500,000); and

Fourth - Intercompany Charge.

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

42. **THIS COURT ORDERS** that each of the Charges (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, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person; provided that the Charges shall rank behind Encumbrances in favor of any Persons that have not been served with notice of this application. The Applicants and the beneficiaries of the Charges shall be entitled to seek priority ahead of such Encumbrances on notice to those parties.

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

44. **THIS COURT ORDERS** that the Charges, the Commitment Letter and the Definitive Documents 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 DIP 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 herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which they are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the Commitment Letter 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.

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

SERVICE AND NOTICE

46. **THIS COURT ORDERS** that the Monitor shall: (i) without delay, publish in the Globe and Mail, National Edition, a notice containing the information prescribed under the CCAA; and (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against any of the Applicants of more than \$1,000 (excluding individual employees, former employees with retirement savings plan entitlements, and retirees and other beneficiaries who have entitlements under any retirement savings plans), 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.

47. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <http://cfcanada.fticonsulting.com/figr>.

48. **THIS COURT ORDERS** that the Applicants and the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in

satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2175 (SOR/DORS).

GENERAL

49. **THIS COURT ORDERS** that each of the Applicants, the DIP Lender or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of its powers and duties under this Order or in the interpretation of this Order hereunder.

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

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

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

53. **THIS COURT ORDERS** that any interested party (including each of 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.

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

TAB 4

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE —MR.) ~~WEEKDAY~~THURSDAY, THE #21st
)
JUSTICE —HAINY) DAY OF ~~MONTH~~,
) ~~20YR~~JANUARY, 2021

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
~~[APPLICANT'S NAME]~~ (FIGR BRANDS, INC., FIGR NORFOLK INC. AND CANADA'S
ISLAND GARDEN INC. (collectively, the "Applicants"))

INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day by Zoom videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~Michael Devon sworn ~~[DATE]~~January 21, 2021 and the Exhibits thereto, ~~and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice~~ (the "Devon Affidavit") and the Pre-Filing Report of FTI Consulting Canada Inc. ("FTI") dated January 21, 2021, and on hearing the submissions of counsel for ~~[NAMES]~~ the Applicants, counsel for FTI, counsel for Alliance One Tobacco Canada, Inc. (the "DIP Lender"), and such other parties listed on the Counsel Slip, no one appearing for ~~[NAME]~~⁺any other party although duly served as

⁺~~Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).~~

appears from the ~~a~~Affidavit of ~~s~~Service of ~~[NAME]~~Aiden Nelms sworn ~~[DATE]~~January 21, 2021 and on reading the consent of ~~[MONITOR'S NAME]~~FTI to act as Monitor (the "Monitor"),

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated² so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that each of the Applicantss is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

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

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicantss shall remain in possession and control of ~~its~~their respective current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicantss shall continue to carry on business in a manner consistent with the preservation of ~~its~~their business (the "**Business**") and Property. The Applicantss ~~is~~ are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively

² ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

"Assistants") currently retained or employed by ~~it~~them, with liberty to retain such further Assistants as ~~it deems~~they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. **{THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system³ currently in place as described in the Devon Affidavit ~~of~~ ~~[NAME] sworn [DATE]~~or, with the consent of the Monitor and the DIP Lender, 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. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after the date of this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and employee 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;

(b) with the consent of the Monitor and the DIP Lender, amounts owing for goods and services actually supplied to the Applicants and all outstanding amounts

³~~This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross border and inter company transfers of cash.~~

related to honouring customer obligations whether existing before or after the date of this Order, incurred in the ordinary course of business and consistent with existing policies and procedures; and

(c) ~~(b)~~ the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, ~~the Applicant~~ and subject to the Definitive Documents (as defined below), 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 prior to, on, or, 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.

Payments for amounts incurred prior to this Order shall require the consent of the Monitor and the DIP Lender, or leave of this Court.

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

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance; (ii) Canada Pension Plan; and (iii) ~~Quebec Pension Plan,~~ and (iv) income taxes;

- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the ~~Applicant~~Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed ~~for resiliated~~⁴ in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the applicable Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein and pursuant to the Definitive Documents, the ~~Applicant is~~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 ~~its~~their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of ~~its~~their

⁴~~The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.~~

Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that each of 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)~~, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, ~~and~~ to dispose of redundant or non-material assets not exceeding \$~~250,000~~ in any one transaction or \$~~1,000,000~~ in the aggregate⁵;
- (b) sell inventory in the ordinary course of business consistent with past practice, or otherwise with the consent of the Monitor and the DIP Lender;
- (c) ~~(b)~~ terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
- (d) ~~(e)~~ 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. **THIS COURT ORDERS** that the applicable Applicant shall provide each ~~of the~~ relevant landlords with notice of the Applicant's² 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 and, if the landlord disputes ~~the~~such Applicant's² entitlement to remove any such

⁵Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.

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 applicable Applicant, or by further Order of this Court upon application by the applicable Applicant on at least two (2) days notice to such landlord and any such secured creditors. If ~~the~~any Applicant disclaims ~~for-resiliates~~ ~~the~~a lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer ~~for-resiliation~~ of the lease shall be without prejudice to ~~the~~such Applicant's claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer ~~for-resiliation~~ is delivered pursuant to Section 32 of the CCAA, then: (a) during the notice period prior to the effective time of the disclaimer ~~for-resiliation~~, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the applicable Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer ~~for-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 applicable Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS S OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including ~~[DATE—MAX. 30 DAYS]~~January 31, 2021, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the ~~Applicant~~Applicants or the Monitor or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the ~~Applicant~~Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property, are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the ~~Applicant~~Applicants or the Monitor, or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall: (i) empower the Applicants to carry on any business which the Applicants ~~is~~ are not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

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

CONTINUATION OF SERVICES

17. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, security 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 or terminating the supply of such goods or services as may be required by the Applicants, and that the ~~Applicant~~Applicants shall be entitled to the continued use of ~~its~~their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this

Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited 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 be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.⁶

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. **THIS COURT ORDERS** that the Applicants shall indemnify ~~its~~ their directors and officers against obligations and liabilities that they may incur as ~~directors~~ a director or officers of the Applicants after the commencement of the within proceedings,⁷ except to the extent that,

⁶~~This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).~~

⁷~~The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are~~

with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**")⁸ on the Property, which charge shall not exceed an aggregate amount of \$~~2,000,000~~, as security for the indemnity provided in paragraph ~~20~~ of this Order. The **Directors' Charge** shall have the priority set out in paragraphs ~~38~~40 and ~~40~~42 herein.

22. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary: (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and (b) the ~~Applicant's~~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'~~director's and officers's insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~20~~ of this Order.

APPOINTMENT OF MONITOR

23. **THIS COURT ORDERS** that ~~[MONITOR'S NAME]~~FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and ~~its~~their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations

~~granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.~~

~~⁸Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.~~

and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

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

- (a) monitor the Applicants's receipts and disbursements;
- (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;
- (c) assist the Applicants, to the extent required by the Applicants, in ~~its~~their dissemination, to the DIP Lender and its counsel on a ~~[TIME INTERVAL]~~weekly basis of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the Applicants in ~~its~~their preparation of the Applicant's cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than ~~[TIME INTERVAL]~~weekly, or as otherwise agreed to by the DIP Lender;
- (e) monitor all payments, obligations or transfers as between the Applicants for purposes of determining the amounts subject to the Intercompany Charges (as defined below);
- (f) ~~(e)~~-advise the Applicants in ~~its~~their development of the Plan (if any) and any amendments to the Plan;
- (g) ~~(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;

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

25. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property or be deemed to take possession of the Property, pursuant to any provision of any federal, provincial or other law respecting, among other things, the manufacturing, possession, processing and distribution of cannabis or cannabis products including, without limitation, under the Cannabis Act S.C. 2018, c.16, the Controlled Drugs and Substances Act, S.C. 1996, c. 19, the Excise Tax Act, R.S.C., 1985, c. E-15, the Ontario Cannabis Licence Act, S.O. 2018, c. 12, Sched. 2, the Ontario Cannabis Control Act, S.O. 2017, c. 26, Sched. 1, the Prince Edward Island Cannabis Management Corporation Act, R.S.P.E.I. 1988, c C-1.3, the Prince Edward Island Cannabis Control Act, R.S.P.E.I. 1988, c C-1.2, the British Columbia Cannabis Control and Licensing Act, S.B.C. 2018, c. 29, the British Columbia Cannabis Distribution Act, S.B.C. 2018, c. 28, or other such applicable federal or provincial legislation or regulations (collectively, the "Cannabis Legislation"), and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof within the meaning of any Cannabis Legislation or otherwise, and nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity for any purpose whatsoever.

26. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or

collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, ~~or the Ontario Occupational Health and Safety Act~~ and, the Prince Edward Island Environmental Protection Act, R.S.P.E.I. 1988, c E-9, the Prince Edward Island Occupational Health and Safety Act, R.S.P.E.I. 1988, c O-1.01, the British Columbia Environmental Management Act, S.B.C. 2003, c 53, the British Columbia Water Protection Act, RSBC 1996, c 484, the British Columbia Occupational Health and Safety Regulation, B.C. Reg. 296/97, and all regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

27. THIS COURT ORDERS that, in addition to the rights and protections afforded to the DIP Lender under this Order or at law, the DIP Lender shall not incur any liability or obligation as a result of the carrying out of the provisions of this Order, including under any Cannabis Legislation, save and except for any gross negligence or willful misconduct on its part.

28. ~~27.~~ THIS COURT ORDERS that that the Monitor shall provide any creditor of the ~~Applicant~~ Applicants, including without limitation, the DIP Lender, with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor

shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

29. ~~28.~~ **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its respective employees and representatives acting in such capacities shall incur ~~no~~ any liability or obligation as a result of ~~its~~ the appointment of the Monitor or the carrying out by it of the provisions of this Order, including under any Cannabis Legislation, 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.

30. ~~29.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to, the date of this Order, by the Applicants as part of the costs of these proceedings. The Applicants ~~is~~ are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a ~~[TIME INTERVAL]~~ weekly basis, and, in addition, the ~~Applicant is~~ Applicants are hereby authorized to pay to the Monitor, ~~counsel to the Monitor,~~ and counsel to the ~~Applicant, retainers~~ Monitor a retainer in the aggregate amount[s] of \$~~●~~ 100,000, ~~respectively,~~ to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

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

32. ~~31.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, ~~if any,~~ and the ~~Applicant's~~ Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$~~●~~ 600,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after

the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~{38}~~40 and ~~{40}~~42 hereof.

DIP FINANCING

33. ~~32.~~ **THIS COURT ORDERS** that the Applicants ~~is~~ are hereby authorized and empowered to obtain and borrow under a credit facility from ~~{DIP LENDER'S NAME}~~ (the "DIP Lender") in order to finance the Applicants's working capital requirements and other general corporate purposes and capital expenditures, ~~provided that borrowings under such credit facility shall not exceed \$● unless permitted by further Order of this Court.~~

34. ~~33.~~ **THIS COURT ORDERS** ~~THAT~~ that such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicants and the DIP Lender dated as of ~~{DATE}~~ (January 20, 2021 (as may be amended from time to time, the "Commitment Letter"), filed.

35. ~~34.~~ **THIS COURT ORDERS** that the Applicants ~~is~~ 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 Commitment Letter or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the ~~Applicant is~~ Applicants are hereby authorized and directed to pay and perform all of ~~its~~ their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

36. ~~35.~~ **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not exceed the amount of \$2,500,000 or secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs ~~{38}~~40 and ~~{40}~~42 hereof.

37. ~~36.~~ **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon 5 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 Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

38. ~~37.~~ **THIS COURT ORDERS AND DECLARES** that, unless otherwise agreed to by the DIP Lender, the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by ~~the Applicant~~ any of Applicants under the CCAA, or any proposal filed by any of the Applicants under the ~~Bankruptcy and Insolvency Act of Canada (the "BIA")~~, with respect to any advances made under the Definitive Documents.

INTERCOMPANY LENDING

39. **THIS COURT ORDERS that to the extent that any Applicant (an "Intercompany Lender") after the date of this Order makes any payment to or on behalf of, or incurs any obligation on behalf of, or discharges any obligation of, an Applicant (other than itself) (the "Debtor Applicant") or otherwise transfers value to or for the benefit of one or more**

Applicants (other than the Debtor Applicant), such Intercompany Lender is hereby granted a charge (each an "Intercompany Charge") on all of the Property of such Debtor Applicant in the amount of such payment, obligation or transfer. The Intercompany Charge shall have the priority set out in paragraphs 40 and 42 herein.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

40. ~~38.~~ **THIS COURT ORDERS** that the priorities of the Directors'² Charge, the Administration Charge ~~and~~, the DIP Lender's² Charge and each Intercompany Charge (collectively, the "Charges"), as among them, shall be as follows⁹:

First ~~—~~ Administration Charge (to the maximum amount of \$~~●~~600,000);

Second ~~—DIP Lender's- Directors'~~ Charge (to the maximum amount of \$2,000,000); and

Third ~~—Directors'- DIP Lender's~~ Charge (to the maximum amount of \$~~●~~2,500,000); and

Fourth - Intercompany Charge.

41. ~~39.~~ **THIS COURT ORDERS** that the filing, registration or perfection of the ~~Directors'² Charge, the Administration Charge or the DIP Lender's Charge (collectively, the "Charges")~~ shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

⁹~~The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.~~

42. ~~40.~~ **THIS COURT ORDERS** that each of the ~~Directors' Charge, the Administration Charge and the DIP Lender's Charge~~ Charges (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, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person; provided that the Charges shall rank behind Encumbrances in favor of any Persons that have not been served with notice of this application. The Applicants and the beneficiaries of the Charges shall be entitled to seek priority ahead of such Encumbrances on notice to those parties.

43. ~~41.~~ **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge~~ Charges unless the Applicants also obtains the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the ~~Directors' Charge and the Administration Charge~~ Charges, or further Order of this Court.

44. ~~42.~~ **THIS COURT ORDERS** that the ~~Directors' Charge, the Administration Charge~~ Charges, the Commitment Letter, and the Definitive Documents ~~and the DIP Lender's 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 DIP 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 herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall create or

- be deemed to constitute a breach by the Applicants of any Agreement to which ~~it~~ is they are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the Commitment Letter 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.

45. ~~43.~~ **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Applicant's interest in such real property leases.

SERVICE AND NOTICE

46. ~~44.~~ **THIS COURT ORDERS** that the Monitor shall: (i) without delay, publish in ~~[newspapers specified by the Court]~~ the Globe and Mail, National Edition, a notice containing the information prescribed under the CCAA; and (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against any of the Applicants of more than \$~~1000~~1,000 (excluding individual employees, former employees with retirement savings plan entitlements, and retirees and other beneficiaries who have entitlements under any retirement savings plans), 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.

47. ~~45.~~ **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “Protocol”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List

website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: ~~'@>'~~ <http://cfcanada.fticonsulting.com/figr>.

48. ~~46.~~ **THIS COURT ORDERS** that ~~if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant~~ **the Applicants** and the Monitor **and their respective counsel** are at liberty to serve or distribute this Order, any other materials and orders **as may be reasonably required** in these proceedings, **including** any notices, or other correspondence, by forwarding true copies thereof by ~~prepaid ordinary mail, courier, personal delivery or facsimile transmission~~ **electronic message** to the Applicants's creditors or other interested parties **at and** their ~~respective addresses as last shown on the records of the Applicant and that~~ **advisors. For greater certainty,** any such ~~service or distribution by courier, personal delivery or facsimile transmission~~ **or service** shall be deemed to be ~~received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing~~ **in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations, Reg. 81000-2175 (SOR/DORS)*.**

GENERAL

49. ~~47.~~ **THIS COURT ORDERS** that **each of** the ~~Applicant~~ **Applicants, the DIP Lender** or the Monitor may from time to time apply to this Court **to amend, vary or supplement this Order or** for advice and directions in the discharge of its powers and duties **under this Order or in the interpretation of this Order** hereunder.

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

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

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

53. ~~51.~~ **THIS COURT ORDERS** that any interested party (including each of 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.

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND
IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FIGR BRANDS, INC., FIGR NORFOLK
INC. AND CANADA'S ISLAND GARDEN INC.**

Court File No.:CV-21-00655373-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings Commenced in Toronto

APPLICATION RECORD
(Volume 3 of 3)

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