

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

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

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

**Applicants**

**MOTION RECORD OF THE APPLICANTS  
(Motion for Amended and Restated Initial Order)  
(returnable on January 2, 2024)**

December 29, 2023

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**TO: THE SERVICE LIST**

**ONTARIO  
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**INDEX**

<b>Tab</b>	<b>Description</b>
1.	Notice of Motion, dated December 29, 202
2.	Affidavit of Jeffrey Holmgren, sworn on December 29, 2023
A.	<b>Exhibit "A"</b> : Press Release Issued on December 22, 2023
B.	<b>Exhibit "B"</b> : Notice of Disclaimer issued to Neal Enterprises Ltd., 695 Alpha Street Holdings Ltd., and 1015712 B.C.
C.	<b>Exhibit "C"</b> : Notice of Disclaimer issued to 2550812 Ontario Inc.
D.	<b>Exhibit "D"</b> : Notice of Disclaimer issued to 1310984 Ontario Inc.
E.	<b>Exhibit "E"</b> : Notice of Disclaimer issued to 2581703 Ontario Ltd. and VQTCO Ltd.
F.	<b>Exhibit "F"</b> : Copy of Assignment Agreement dated December 29, 2023 between Tweed Inc., One Plant Retail Corp., Cannabolic Marketing Corp., and Canopy Growth Corporation
G.	<b>Exhibit "G"</b> : Copy of DIP Term Sheet dated December 21, 2023
H.	<b>Exhibit "H"</b> : Copy of Email from Counsel to DIP Lender regarding Revised DIP
3.	Draft Amended and Restated Initial Order
4.	Amended and Restated Initial Order blackline to Initial Order
5.	Amended and Restated Initial Order blackline to Model CCAA Initial Order

# TAB 1

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
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**IN THE MATTER OF THE *COMPANIES' CREDITORS  
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INC., 2707461 ONTARIO LTD., OCH ONTARIO CONSULTING CORP., AND 11819496  
CANADA INC.**

**Applicants**

**NOTICE OF MOTION**

The Applicants will make a motion before the Honourable Chief Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) on January 2, 2024, at 10 a.m. (ET), or as soon after that time as the motion may be heard by judicial videoconference via Zoom at Toronto, Ontario. The videoconference details will be circulated when provided by the Court.

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

In writing under subrule 37.12.1(1);

In writing as an opposed motion under subrule 37.12.1(4);

In person;

By telephone conference;

By video conference.

**THE MOTION IS FOR**

1. An Amended and Restated Initial Order substantially in the form included at Tab 3 of the Motion Record (the "**ARIO**");

- (a) if necessary, abridging the time for service of this Notice of Motion and Motion Record and dispensing with service on any person other than those served;
- (b) extending the Stay Period until and including February 29, 2024;
- (c) confirming Ernst & Young Inc. (“**EY**” or the “**Monitor**”) as the monitor of the Applicants in these CCAA Proceedings;
- (d) authorizing the Applicants to take no further steps or incur further expenses in relation to the Securities Filings (as defined below), and declare that none of the D&Os, employees, and other representatives of the Applicants or the Monitor shall have any personal liability for any failure by the Applicants to make the Securities Filings;
- (e) postponing the requirement for any future annual general meeting of the shareholders of Trees during the CCAA Proceedings, and extending the time limit to call and hold such annual general meeting (“**AGM**”) of shareholders until after the conclusion of the CCAA Proceedings;
- (f) approving the execution by the Applicants of a debtor-in-possession term sheet (the “**DIP Term Sheet**”) dated December 21, 2023, with One Plant Retail Corp. (the “**DIP Lender**” or “**One Plant**”), pursuant to which the DIP Lender has agreed to advance to the Applicants a total amount of up to \$800,000 (the “**DIP Facility**”) on the terms of the Revised DIP (as defined below), which will be made available to the Applicants during these CCAA Proceedings; and
- (g) granting and/or increasing the amounts of the following Court-ordered priority charges (collectively, the “**Charges**”) against the Property (ordered in priority)::

- i. First – an “**Administration Charge**” against the Property in the amount of \$100,000 as security for the payment of the professional fees and disbursements incurred and to be incurred by the Monitor, counsel to the Monitor, and counsel to the Applicants, in connection with these CCAA proceedings both before and after the making of the ARIO;
- ii. Second – an increase to the “**DIP Lender’s Charge**” against the Property to \$1.1 million as security for the Applicants’ obligations under the DIP Facility Agreement;
- iii. Third – a “**D&O Charge**” against the Property in the amount of \$100,000 as security for the Applicants’ obligation to indemnify such D&Os for obligations and liabilities they may incur in such capacities after the commencement of the CCAA Proceedings, including with respect to employee vacation pay which may have accrued prior to the commencement of these proceedings, but which may become due and payable after the commencement of these proceedings, except to the extent that such obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct;
- iv. Fourth – a “**Subsequent Administration Charge**” against the Property in the amount of \$400,000. However, the Subsequent Administration Charge shall rank subsequent to the security interests of 606093 Saskatchewan Ltd., Minerva Investments Ltd., Echo Capital Growth Corporation, PMH Investco Ltd., Tweed Inc., CJ Marketing Ltd. and Arthur Minh Tri Nguyen-Cao (the “**Secured Creditors**”); and

- v. Fifth – a “**Subsequent D&O Charge**” against the Property in the amount of \$383,000. However, the Subsequent D&O Charge shall rank subsequent to the security interests of the Secured Creditors and the Subsequent Administration Charge respectively.

(collectively, the “**Charges**”).

2. Such further and other relief as this Honourable Court may deem just and equitable.

### **THE GROUNDS FOR THE MOTION ARE:**

#### ***Background***

3. The Applicants are in the business of selling cannabis through retail channels and operate 13 cannabis retail stores in Ontario and British Columbia.
4. Trees and 11819496 Canada Inc. are incorporated under the *Canada Business Corporations Act*. Each of the other Applicants are incorporated under the *Ontario Business Corporations Act*.
5. Each of the Applicants (other than Trees) are wholly owned by Trees, either directly or indirectly.
6. The Applicants have suffered significant net losses in the tens of millions of dollars over the last few years. In Trees’ annual unaudited consolidated financial statements for the fiscal year ending March 31, 2023, the Applicants reported a net loss of approximately \$12.4 million. In the Applicants’ most recent quarterly unaudited consolidated financial

statements ending on September 30, 2023, the Applicants reported a net loss for the six-months ending September 30, 2023, of approximately \$1.2 million.

7. Additionally, the Applicants have incurred significant legal costs in pursuit of raising additional working capital, including expenses incurred related to various equity and debt transactions. In particular, significant costs were incurred during the amalgamation of 1287406 B.C. Ltd. and Trees (which at the time was a private corporation incorporated under the laws of the province of Alberta) in December 2021, which resulted in Trees becoming a public corporation. Taken together, these factors have collectively constrained revenue and increased costs, leading to the current liquidity crisis.
8. Further, on December 15, 2023, Trees received demand letters and Notices of Intention to Enforce Security from several creditors who, together, are the senior secured creditors of Trees. These secured creditors are owed approximately \$500,000 pursuant to secured convertible debentures that have all matured by November 5, 2023. On December 21, 2023, Ontario Cannabis Holdings Corp. received demand letters and Notices of Intention to Enforce Security from CJ Marketing Ltd. and Arthur Minh Tri Nguyen-Cao. These secured creditors are owed approximately \$1.3 million pursuant to secured grid promissory notes.
9. As a result of these severe liquidity issues and an inability to meet their obligations as they became due, the Applicants determined that it was in their best interest and the best interests of their stakeholders to commence these CCAA Proceedings. Accordingly, on December 22, 2023, the Applicants sought and obtained relief under the CCAA pursuant to the Initial Order.

10. The Initial Order, among other things:
  - (a) appointed E&Y as Monitor of the Applicants;
  - (b) granted an initial Stay in favour of the Applicants and their D&Os up to and including January 2, 2024;
  - (c) authorized the borrowing by the Applicants of up to \$60,000 from the DIP Lender at the interest rate of 15% per annum; and
  - (d) granted the Administration Charge in the amount of \$450,000 and the D&O Charge in the amount of \$251,000, with \$100,000 of the Administration Charge being given super-priority status and the balance of the Administration Charge and the D&O Charge being ranked subsequent to the Secured Creditors.

***Extension of the Stay Period***

11. The Applicants request an extension of the Stay Period up to and including February 29, 2024. The extension of the Stay Period is necessary to maintain stability while the Applicants attempt to develop and implement a SISF through the CCAA Proceedings, in order to maximize value for the benefit of their stakeholders.
12. The Applicants have acted, and continue to act, in good faith and with due diligence during the course of the CCAA Proceedings.
13. Since the granting of the Initial Order, the Applicants have communicated with each store manager and requested that they update the Applicants' retail employees regarding the CCAA Proceedings.

14. The Applicants have also delivered disclaimer notices to the landlords of all the unprofitable leases for which one or more of the Applicants are a party to, all with a view to preserving the Applicants' liquidity.
15. The Applicants have been working diligently to stabilize and continue operations. In particular, the Applicants have worked to ensure sufficient inventory during the holidays, which is typically the busiest time of the year for cannabis sales.
16. Accordingly, the Applicants' activities since the granting of the Initial Order have all been made with a view to maximizing the value of the Applicants' business, for the benefit of their stakeholders.
17. The Monitor and the DIP Lender are both supportive of the proposed extension of the Stay Period.

***Approval of DIP Term Sheet and Increase to the DIP Lender's Charge***

18. In order to fund the operations of the Applicants during these CCAA proceedings, the Applicants seek to gain access to DIP financing.
19. On December 28, 2023, the Applicants received an offer from the Secured Creditors (except for Tweed Inc.) for 1181798 B.C. Ltd. ("**118 BC**") to provide the DIP Facility on substantively the same terms as the existing DIP Lender, minus the \$50,000 commitment fee and decreasing the interest rate from 15% to 14% (the "**118 BC DIP**").
20. In response to the 118 BC DIP, the Monitor requested both 118 BC and the existing DIP Lender to make their best offer to provide the DIP Facility by 11:00 A.M. on December

29, 2023.

21. On December 29, 2023, the Applicants received a DIP proposal from the existing DIP Lender that provided the DIP Facility on the same terms as the original DIP Term Sheet except: (i) the commitment fee of \$50,000 was no longer required, and (ii) there would be no interest assessed on the DIP Facility (the “**Revised DIP**”).
22. No final or improved offer was delivered by 118 BC.
23. In the Applicants’ view, the Revised DIP is in the best interests of the Applicants because it is economically superior to the 118 BC DIP, supports the form of the ARIO put forth by the Applicants and allows for the Applicants to continue operations with a view to proceeding with the SISP.
24. The updated Cash Flow Forecast indicates that the Applicants will not have sufficient liquidity to continue to fund its operations through the requested Stay Extension without the use of the DIP Facility pursuant to the DIP Term Sheet
25. Further, it is a condition of the DIP Term Sheet that the DIP Lender’s Charge be approved by the Court ranking ahead of all other charges other than the Administration Charge.
26. The Monitor is supportive of the proposed authority to approve the DIP Term Sheet, for the Applicants to borrow up to \$800,000 under the DIP Facility and the corresponding increase to the DIP Lender’s Charge.

***EY as the Monitor in the CCAA Proceedings***

27. The Applicants seek the confirmation of EY as monitor at the comeback hearing.

28. The Applicants first engaged EY to act as proposed monitor, and to assist it with its CCAA preparations in that capacity, on December 21, 2023, even though EY commenced preparatory work for this engagement during the week of November 30, 2023.
29. Since that time, EY has focused solely on preparing for the CCAA application and the restructuring ahead. As a result of these activities to date, EY is intimately familiar with the Applicants and its business.
30. Ernst & Young LLP (“**EY LLP**”), an affiliate of EY, previously acted as auditor for Trees. However, to the best of EY’s knowledge and belief, there is no conflict of interest or loss of independence arising from Trees’ prior relationship with EY LLP as its auditor. EY LLP resigned as Trees’ auditor effective May 10, 2022 – over 19 months ago – and a new auditor was appointed following EY LLP’s resignation. The final period that EY LLP audited was for the period ending December 31, 2021, financial statements which the Applicants do not reference or rely on.
31. There is no reasonable basis to expect that EY LLP’s previous role will give rise to a reasonable apprehension of bias (real or perceived) in these CCAA proceedings, and EY has taken reasonable and appropriate steps – commensurate with its statutory and professional duties – to ensure that no reasonable apprehension of bias will arise in the future.
32. The Applicants support the appointment of EY as Monitor.

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

33. The Applicants seek (a) to incur no further expenses in relation to the Securities Filings; (b) a declaration that none of the directors, officers, employees and other representatives of the Applicants or the Monitor shall have any personal liability for failure by the Applicants to make any Securities Filings that may be required by the Securities Provisions; and (c) to extend the time limit to hold the AGM.
34. As at December 22, 2023, CBOE Canada suspended trading in the securities of Trees. The securities of Trees will also likely be delisted as a result of the commencement of these CCAA Proceedings.
35. In the circumstances, it is in the best interest of the Applicants and their stakeholders to incur no further expenses to maintain the currency of its securities reporting going forward and to extend the time limit to hold the AGM until after the conclusion of the CCAA Proceedings, subject to further order of this Court.
36. The Applicants' resources and time are better directed towards its restructuring efforts.

***Priority and Increase to Court Ordered Charges***

37. The Applicants are seeking the Court's approval to increase the Charges in amounts and priorities as follows:
  - (a) the Administration Charge in the amount of \$100,000, with a Subsequent Administration Charge that ranks behind the Secured Creditors in the amount of \$400,000;

- (b) the DIP Lender's Charge in the amount of \$1,100,000; and
  - (c) the D&O Charge in the amount of \$100,000, with a Subsequent D&O Charge that ranks behind the Secured Creditors and Subsequent Administration Charge respectively, in the amount of \$383,000.
38. The Charges are vital to secure the professional services required to complete this CCAA Proceeding, ensure the continued assistance and oversight of the Applicants' directors and officers, and maintain the Applicants' continued operation in the ordinary course of business during the Stay.
39. Without the Charges, it is unlikely that the beneficiaries thereof would assume the risks associated with the CCAA Proceedings.
40. The Applicants, with the assistance of the Monitor, have worked to limit the relief sought in the ARIO, including in respect of the Charges, to what is reasonably necessary during the Stay Period, which is why the Subsequent Administration Charge and Subsequent D&O Charge have different priorities.
41. The Applicants seek an Administration Charge on the Property in the maximum principal amount of \$500,000 as part of the ARIO. Only \$100,000 is proposed to have first priority over all other charges.
42. The Applicants seek a DIP Lender's Charge on the Property in the maximum principal amount of \$1.1 million. The DIP Lender's Charge is proposed to rank behind the Administration Charge and ahead of the D&O Charge.

43. Finally, the ARIO seeks a D&O Charge over the Property up to a maximum principal amount of \$483,000. Only \$100,000 of the D&O Charge is proposed to rank behind the Administration Charge and the DIP Lender's Charge and ahead of the Secured Creditors.
44. It should be further noted that the current priority charges the Applicants are seeking are significantly less than those proposed in the initial form of Amended and Restated Initial Order included at Tab 5 of the Initial Application Record.
45. Notice has been provided to the secured creditors that would be affected by the Charges.

***Other Grounds***

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

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

49. The Affidavit of Jeffrey Holmgren sworn December 21, 2023, and exhibits attached thereto;

50. The Affidavit of Jeffrey Holmgren sworn December 29, 2023, and exhibits attached thereto;
51. The Pre-Filing Report of the Proposed Monitor dated December 21, 2023 and the First Report of the Monitor, to be filed; and
52. Such further and other evidence as counsel may advise and this Honourable Court may permit.

December 29, 2023

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Lawyers for the Applicants

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

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

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

Proceedings commenced at Toronto

**NOTICE OF MOTION**

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# TAB 2

**ONTARIO  
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**IN THE MATTER OF THE COMPANIES' CREDITORS  
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CANADA INC.**

**Applicants**

**AFFIDAVIT OF JEFFREY HOLMGREN**  
(sworn December 29, 2023)

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

**AND SAY AS FOLLOWS:**

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

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

3. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in my affidavit sworn on December 21, 2023 (the "**Initial Affidavit**"). All references to monetary amounts in this affidavit are in Canadian dollars unless otherwise stated.
4. This affidavit is sworn (in addition to the Initial Affidavit) in support of a motion (the "**Motion**") returnable before the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on January 2, 2024 for:
  - (a) an amended and restated Initial Order (the "**ARIO**") in the form of the draft order included at Tab 3 of the Motion Record of the Applicants dated December 29, 2023 (the "**Motion Record**"):
    - (i) extending the Stay Period until and including February 29, 2024;
    - (ii) confirming Ernst & Young Inc. ("**EY**" or the "**Monitor**") as the monitor of the Applicants in these CCAA Proceedings;
    - (iii) authorizing the Applicants to take no further steps or incur further expenses in relation to the Securities Filings (as defined below), and declare that none of the D&Os, employees, and other representatives of the Applicants or the

Monitor shall have any personal liability for any failure by the Applicants to make the Securities Filings;

- (iv) postponing the requirement for any future annual general meeting of the shareholders of Trees during the CCAA Proceedings, and extending the time limit to call and hold such annual general meeting of shareholders until after the conclusion of the CCAA Proceedings;
- (v) approving the execution by the Applicants of a debtor-in-possession term sheet (the “**DIP Term Sheet**”) dated December 21, 2023, with One Plant Retail Corp. (the “**DIP Lender**”), pursuant to which the DIP Lender has agreed to advance to the Applicants a total amount of up to \$800,000 (the “**DIP Facility**”) on the terms of the Revised DIP (as defined below), which will be made available to the Applicants during these CCAA Proceedings; and
- (vi) granting and/or increasing the amounts of the following Court-ordered priority charges (collectively, the “**Charges**”) against the Property (ordered in priority):
  - (1) the Administration Charge in the amount of \$100,000, with a Subsequent Administration Charge in the amount of \$400,000;
  - (2) the DIP Lender’s Charge in the amount of \$1,100,000; and
  - (3) the D&O Charge in the amount of \$100,000, with a subsequent D&O Charge (the “**Subsequent D&O Charge**”) in the amount of \$383,000.

## **I. UPDATE ON THE APPLICANTS' ACTIVITIES**

### **A. The Initial Order**

5. In the Initial Affidavit, I described, among other things, the events leading up to the Applicants' CCAA filing and the need for relief under the CCAA.
6. On December 22, 2023, the Applicants were granted protection under the CCAA pursuant to the Order of Chief Justice Morawetz (the "**Initial Order**"), that, among other things,
  - (a) appointed E&Y as Monitor of the Applicants;
  - (b) granted the Stay in favour of the Applicants and their D&Os until and including January 2, 2024;
  - (c) authorized the borrowing by the Applicants of up to \$60,000 from the DIP Lender at the interest rate of 15% per annum; and
  - (d) granted the Administration Charge in the amount of \$450,000 and the D&O Charge in the amount of \$251,000, with \$100,000 of the Administration Charge being given super-priority status and the balance of the Administration Charge and the D&O Charge being ranked subsequent to the security interests of 606093 Saskatchewan Ltd., Minerva Investments Ltd., Echo Capital Growth Corporation, PMH Investco Ltd., Tweed Inc., CJ Marketing Ltd. ("**CJ Marketing**") and Arthur Minh Tri Nguyen-Cao ("**Nguyen-Cao**") (collectively, the "**Secured Creditors**").

### **B. The Applicants' Activities Since the Initial Order**

7. Since the granting of the Initial Order, the Applicants, in close consultation with, and with the assistance of, the Monitor, have been working in good faith and with due diligence to stabilize their business and operations.

8. The Applicants have been in communication with their employees, including by having each store manager update the employees on the CCAA Proceedings. The store managers were instructed to explain the nature of the Initial Order and the CCAA Proceedings, the role of the Monitor, as well as the immediate implications of the Initial Order.
9. On December 22, 2023, Trees published a press release in order to inform stakeholders and the public about the commencement of the CCAA Proceedings. Because Trees is a publicly-traded corporation, this press release was issued prior to the time the relevant market (Cboe Canada) opened at 9:30 A.M. EST. A copy of the press release is attached hereto as **Exhibit “A”**.
10. To date, there has been minimal disruption to the Applicants’ operations.
11. As noted in the Initial Affidavit, as part of the CCAA Proceedings, the Applicants intended to disclaim the leases associated with their unprofitable stores.
12. On November 9, 2023, the Applicants shut down operations at one of the cannabis retail stores located in Victoria, British Columbia. The lease was still active, however, and, accordingly, the Applicants issued a Notice of Disclaimer on December 28, 2023 (the “**B.C. Disclaimer**”) to the parties to the lease, being the landlords, Neal Enterprises Ltd. and 695 Alpha Street Holdings Ltd., and the assignor of the lease, 1015712 B.C., so that the Applicants’ post-filing rent obligations would cease as soon as possible. A copy of this disclaimer is attached hereto as **Exhibit “B”**.
13. Further, the Applicants, with the assistance of the Monitor, reviewed the profitability of each of its stores. It was determined that there are three (3) additional stores that have been

unprofitable and there is not any reason to expect that to change in the near future. Accordingly, the Applicants issued the following additional notices of disclaimer:

- (a) On December 22, 2023, the lease in respect of the premises at 305 Port Union Road. The disclaimer was issued to the only other party to the lease, the landlord, 2550812 Ontario Inc. A copy of this disclaimer is attached hereto as **Exhibit “C”**.
  - (b) On December 22, 2023, the lease in respect of the premises at 131 Kennedy Road North. The disclaimer was issued to the only other party to the lease, the landlord, 1310984 Ontario Inc. A copy of this disclaimer is attached hereto as **Exhibit “D”**.
  - (c) On December 28, 2023, the lease in respect of the premises at 3812 Bloor Street West. The disclaimer was issued to the two parties to the lease, the landlord, 2581703 Ontario Ltd., and the indemnitor under the lease, VQTCO Ltd. A copy of this disclaimer is attached hereto as **Exhibit “E”**,  
  
(collectively, with the B.C. Disclaimer, the “**Disclaimers**”).
14. The Monitor approved each of the Disclaimers. The Disclaimers were issued so that the Applicants would be able to stop paying post-filing rent in respect of unprofitable retail locations as soon as possible.
15. The Disclaimers are also anticipated to increase the value of the Applicants’ business in the sale and investment solicitation process (“**SISP**”) in respect of which the Applicants intend to seek Court approval shortly after the ARIO is granted (if granted). Prospective purchasers are likely to be more interested in the business without the lease liabilities associated with stores not generating enough revenue to be profitable.

16. I am informed by the Monitor that, in accordance with the Initial Order, the Monitor has:
- (a) established a website at [www.ey.com/ca/trees](http://www.ey.com/ca/trees) (the “**Monitor’s Website**”) on which all Court materials filed in the CCAA Proceedings and updates on the CCAA Proceedings will be posted;
  - (b) established a dedicated email address ([trees.monitor@ca.ey.com](mailto:trees.monitor@ca.ey.com)) and hotline phone number (416-943-8046 / 1-833-453-2983) to allow stakeholders to communicate directly with the Monitor to address any questions or concerns they may have regarding the CCAA Proceedings;
  - (c) on or around December 22, 2023, the Monitor e-mailed and mailed a notice, which included information about these CCAA Proceedings, the toll-free telephone number and the Monitor’s email address (the “**Notice to Creditors**”) to creditors with claims greater than \$1,000 appearing in the Applicants’ books and records as at the date of the Initial Order (collectively, the “**Known Creditors**”). A copy of the Notice to Creditors was also posted on the Monitor’s Website;
  - (d) on December 26, 2023, the Monitor posted on the Monitor’s Website a list showing the Known Creditors and the estimated amount of their claims; and
  - (e) the Monitor arranged for the notice of these CCAA Proceedings to be published in The Globe and Mail (National Edition) on January 2, 2024.

### **C. DIP Financing**

17. On December 28, 2023, the Applicants received an offer from the Secured Creditors (except for Tweed) for 1181798 B.C. Ltd. (“**118 BC**”) to provide the DIP Facility on

substantively the same terms as the existing DIP Lender, minus the \$50,000 commitment fee and decreasing the interest rate from 15% to 14% (the “**118 BC DIP**”).

18. In response to the 118 BC DIP, I am advised by the Monitor that it requested both 118 BC and the existing DIP Lender to make their final and best offer to provide the DIP Facility by 11:00 A.M. on December 29, 2023.
19. On December 29, 2023, the Applicants received a DIP proposal from the existing DIP Lender that provided the DIP Facility on the same terms as the DIP Term Sheet except: (i) the commitment fee of \$50,000 was no longer required, and (ii) there would be no interest assessed on the DIP Facility (the “**Revised DIP**”).
20. I am advised by counsel that no final or improved offer was delivered by 118 BC.
21. The DIP Lender also advised me that it made an offer to acquire the debt and security of PMH Investco Ltd., 606093 Saskatchewan Ltd., Minerva Investments Ltd., and Echo Capital Growth at 100% of the amount owing to those parties as of December 15, 2023 in accordance with the Applicants’ books and records, which, as I stated at paragraph 77 of the Initial Affidavit, was \$469,477, but that offer was not accepted.
22. The Applicants accepted the Revised DIP from the existing DIP Lender, subject to approval by the Court. In the Applicants’ view, the Revised DIP is in the best interests of the Applicants because it is economically superior to the 118 BC DIP, supports the form of the ARIO put forth by the Applicants and allows for the Applicants to continue operations with a view to proceeding with the SISP.

## **II. BACKGROUND OF FINANCIAL CRISIS AND SECURED LIABILITIES**

23. As noted in the Initial Affidavit, the Applicants' are insolvent and are facing a liquidity crisis. The Applicants' financial difficulties have been exacerbated by their existing secured loan obligations, which have resulted in the Applicants incurring significant liabilities that they cannot repay.
24. The *prima facie* first-ranking secured debt of Trees, as well as the *prima facie* second-ranking secured debt of OCH, is in respect of loans made by former insiders of these companies, including a previous observer of the board of directors of Trees and two founders of OCH. These loans are significant contributing factors to the non-viability of the Applicants moving forward without the relief offered by the CCAA.
25. Historically, there has been considerable tension between the Applicants and these creditors because of these loans.
26. In the case of Trees, the holders of the Trees Secured Debentures (606093 Saskatchewan Ltd., Minerva Investments Ltd., Echo Capital Growth Corporation, PMH Investco Ltd.) are connected to Matt Hill, who was an observer on the board of directors of Trees and exercised significant influence over decisions made by the board.
27. The Trees Secured Debentures contained an option to convert the debt into equity at a discounted rate once the company became public. The Trees Secured Debentures were issued at a time when Trees was implementing a strategy to go public (which Matt Hill initially supported). The high interest rate attributed to the Trees Secured Debentures was intended to be a short-term incentive to investors to make such investment and it was

understood that the Trees Secured Debentures would be converted into equity once the option had crystallized.

28. All holders of the Trees Secured Debentures exercised their conversion option except 606093 Saskatchewan Ltd., Minerva Investments Ltd., Echo Capital Growth Corporation, and PMH Investco Ltd.
29. The high interest rate on the Trees Secured Debentures has created an untenable situation as the accrued interest on these loans greatly exceeds the underlying principal amount and continues to grow at a significantly beyond-market and near-usurious rate.
30. This historical tension and distrust explains why these creditors were not initially invited to provide interim financing to the Applicants. There has been a breakdown in trust between the Applicants and these creditors over the last several years and the relationship between the parties makes it difficult for the Applicants to choose them as a DIP lender or think they will act in a commercially reasonable manner as a DIP lender.
31. Similarly, in the case of OCH, the two promissory notes in respect of CJ Marketing and Nguyen-Cao were made as shareholder loans from Jon Conquergood (representing CJ Marketing) and Vu Tran (representing Nyugen-Cao). Jon Conquergood and Vu Tran were founders of OCH.
32. This funding was intended to be short-term bridge financing arrangements and were secured by a general security agreement. However, shareholders of OCH have expressed frustration that their equity position in OCH has been eroded while the founders of OCH

protected nearly all of their invested capital on preferential terms (via secured debt) to those of their investors.

### **III. ASSIGNMENT OF TWEED DEBT**

33. On March 11, 2020, Ontario Consulting entered into a secured promissory note with Tweed Franchise Inc. (now Tweed Inc., or “**Tweed**”), which provided a loan in the maximum principal amount of \$3,000,000 (the “**Tweed Loan**”). However, only \$900,000 was advanced. The interest rate is 8.5% per annum. The secured promissory note matured on March 11, 2023.
  
34. OCH guaranteed Ontario Consulting’s obligations pursuant to the secured promissory note and granted Tweed a security interest in all of OCH’s present and after-acquired personal property (together with the Tweed Loan, the “**Tweed Loan and Security**”), with the exception of consumer goods and cannabis permits. A copy of the secured promissory note to Tweed, which contains OCH’s guarantee, was attached as Exhibit “T” to the Initial Affidavit and a copy of the general security agreement was attached as Exhibit “U” to the Initial Affidavit.
  
35. On December 23, 2019, OCH entered into a secured grid promissory note with CJ Marketing in the principal amount of \$380,000. On December 30, 2019, OCH entered into a secured grid promissory note with Nguyen-Cao in the principal amount of \$540,000. Each of these secured grid promissory notes bear interest at a rate of 15% per annum. The secured grid promissory notes were attached as Exhibit “V” to the Initial Affidavit.
  
36. On December 29, 2023, the DIP Lender took an assignment of the Tweed Loan and Security. The Applicants received notice of such assignment and a copy of the assignment

agreement on December 29, 2023. A copy of the assignment agreement among Tweed Inc., as assignor, the DIP Lender, as assignee, Cannabolic Marketing Corp., as licensor, and Canopy Growth Corporation, as licensee, effective December 29, 2023, is attached hereto as **Exhibit “F”**.

37. On May 15, 2020, OCH, Ontario Consulting, and Tweed entered into subordination agreements with CJ Marketing and Nguyen-Cao (collectively, the “**Subordination Agreements**”), which are substantively similar. Pursuant to the Subordination Agreements, CJ Marketing and Nguyen-Cao subordinated all amounts owed to them in favour of Tweed until all indebtedness owing to Tweed is repaid in full. The Subordination Agreements were attached as Exhibit “W” to the Initial Affidavit.
  
38. Section 2.01 of the Subordination Agreements also require CJ Marketing and Nguyen-Cao to:
  - (a) not interfere with any pending or proposed sale or realization process initiated, or consented to, by Tweed;
  - (b) not object to any enforcement process or action initiated by Tweed;
  - (c) not appoint a receiver or trustee in respect of OCH Consulting;
  - (d) not object to or oppose any sale or disposition of any property if Tweed consents to such sale or disposition;
  - (e) until Tweed’s debt is paid in full, not seek or support relief from any stay in any insolvency proceeding; and

(f) consent to any debtor-in-possession financing provided or approved by Tweed in the event of any bankruptcy or insolvency proceeding of OCH Consulting.

39. Section 3.06 of the Subordination Agreements allows Tweed to assign the debt to a third party without notice and the third party may rely on the Subordination Agreement as if it were initially a party thereto.

40. Consequently, Nguyen-Cao and CJ Marketing should not be objecting to the DIP Lender and the DIP Facility given their contractual obligations.

#### **IV. PROPOSED ARIO**

##### **A. Extension of the Stay Period**

41. The Applicants are seeking to extend the Stay Period to and including February 29, 2024. The extension of the Stay Period is necessary and appropriate in the circumstances to provide the Applicants the time necessary to develop, implement and carry out the SISP to determine the value of the Applicants' business and assets. The Applicants intend to return to Court to seek approval of a SISP as soon as possible.

42. The Applicants have been working diligently to stabilize and continue operations. In particular, the Applicants have worked to ensure sufficient inventory during the holidays, which is typically the busiest time of the year for cannabis sales.

43. Accordingly, the Applicants have acted, and are continuing to act in good faith and with due diligence in these CCAA Proceedings since the granting of the Initial Order.

44. The updated Cash Flow Forecast (the "**Cash Flow Forecast**") attached as Appendix "B" to the First Report of the Monitor (the "**First Report**") demonstrates that the Applicants

should have sufficient liquidity to operate through the proposed extension of the Stay Period if the DIP Facility is approved to the maximum amount of \$800,000.

**B. Approval of the DIP Term Sheet**

45. The Applicants initially sought approval of the DIP Term Sheet in the Initial Order. In response to opposition from the Secured Creditors (except for Tweed) at the hearing, the Applicants reserved approval of the DIP Term Sheet to the Comeback Hearing. However, the Initial Order did authorize the Applicants to borrow up to \$60,000 from the DIP Lender.
46. As appears from the Cash Flow Forecast, the interim financing is needed to fund these CCAA Proceedings and provide sufficient liquidity to meet their obligations during the proposed extension to the Stay Period.
47. Interim financing will allow the Applicants to develop and implement a SISP that will determine the value of the Applicants' business and assets and complete a restructuring for the benefit of all of its stakeholders.
48. Accordingly, on December 21, 2023, the DIP Term Sheet was entered into between the Applicants, and One Plant Retail Corp., as the DIP Lender. A copy of the DIP Term Sheet is re-attached hereto as **Exhibit "G"**.
49. Following a request from the Monitor for final and best terms, the DIP Lender offered the Revised DIP, which provides for the DIP Facility on the same terms as in the DIP Term Sheet but does not include any interest and has no commitment fee. An email confirming the revised terms is attached hereto as **Exhibit "H"**.

50. Pursuant to the DIP Term Sheet, the DIP Facility must be repaid in full by the date that is the earliest of: (a) the Maturity Date of February 29, 2024; (b) the closing of a transaction; (c) any Order made by the Court replacing EY as Monitor; (d) the date on which the CCAA Proceedings are terminated for any reason, including if one or more of the Applicants become bankrupt, whether voluntarily or involuntarily; and (e) the occurrence of an Event of Default (as defined in the DIP Term Sheet).
51. Under the DIP Term Sheet, the Applicants must not enter into any transaction unless all amounts outstanding under the DIP Term Sheet and any other first-ranking secured debt held by the DIP Lender or its nominees or affiliates at the time such transaction is entered into (including any such debt acquired from third parties) would be permanently and indefeasibly repaid upon closing of the transaction, or if the terms of the transaction have otherwise been approved by the DIP Lender.
52. The DIP Lender's Charge will secure all of the obligations of the DIP Facility. The DIP Lender's Charge will not secure any obligations incurred prior to these CCAA Proceedings.
53. The Revised DIP is the best offer available to the Applicants for interim financing and it is in the best interest of the Applicants.
54. The Monitor has advised that it is supportive of the approval of the DIP Term Sheet and the corresponding DIP Lender's Charge. Accordingly, I believe that it is appropriate in the circumstances for this Court to approve the DIP Term Sheet and grant the DIP Lender's Charge.

55. Sufficient notice has been provided to all secured creditors over which the DIP Lender's Charge would have priority.

**C. Court-Ordered Charges**

56. The Initial Order granted the Administration Charge in the amount of \$450,000 and the D&O Charge in the amount of \$251,000, with \$100,000 of the Administration Charge being given super-priority status and the balance of the Administration Charge and the D&O Charge being ranked subsequent to the security interests of the Secured Creditors.

57. The Applicants now seek the Court's approval for the DIP Lender's Charge to rank prior to any other existing encumbrances and security interests as well as authorization to increase the amount of the Charges, in the priorities and amounts as follows:

- (a) the Administration Charge to \$500,000 (with \$100,000 being given first priority and \$400,000 ranking behind the Secured Creditors);
- (b) the DIP Lender's Charge to \$1.1 million; and
- (c) the D&O Charge to \$483,000 (with \$100,000 being given first priority and \$383,000 ranking behind the Secured Creditors).

58. The Applicants are seeking super-priority status for \$100,000 of the D&O Charge. This is necessary to secure potential liabilities accruing in respect of vacation pay, as calculated with the assistance of the Monitor.

59. The Monitor has advised that it is supportive of the increased amounts and priorities of the Charges. If this relief is granted, it will allow the Applicants to have the expertise, knowledge, and continued participation of the insolvency professionals during these

CCAA Proceedings and the active and committed involvement of their D&Os, all of which are required in order to complete a successful restructuring.

**D. Securities Relief**

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

**iii. Shareholders’ Meeting**

62. The Applicants seek authorization to postpone the requirement for any future annual general meeting of the shareholders of Trees during the CCAA Proceedings. The Applicants seek to extend the time limit to call and hold such annual general meeting of shareholders until after the conclusion of the CCAA Proceedings.

63. Conducting any annual general meeting of shareholders during the ongoing CCAA Proceedings would be superfluous. The Applicants intend to implement a restructuring plan to preserve the business as a going concern and ensure employment stability. In light of the insolvency of the Applicants, convening such a meeting during this time would be an inappropriate use of resources.

## II. CONCLUSION

64. For the reasons set out above, I believe that it is in the best interests of the Applicants and their stakeholders that the ARIO should be granted.

65. This affidavit is sworn in support of the Applicants' motion for the ARIO pursuant to the CCAA and for no other or improper purpose.

SWORN via video conference by Jeffrey Holmgren of the City of Calgary, in the Province of Alberta, before me at the City of Vaughan, in the Province of Ontario, this 29<sup>th</sup> day of December, 2023, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Rudrakshi Chakrabarti

Commissioner for Taking Affidavits

**Rudrakshi Chakrabarti**



JEFFREY HOLMGREN

This is **Exhibit “A”** referred to in the Affidavit of Jeffrey Holmgren sworn by Jeffrey Holmgren of the City of Calgary, in the Province of Alberta, before me at the City of Vaughan, in the Province of Ontario, this 29<sup>th</sup> day of December, 2023 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely.*

Rudrakshi Chakrabarti

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A Commissioner for taking affidavits

**RUDRAKSHI CHAKRABARTI**

# TREES

December 22, 2023

## TREES CORPORATION FILES FOR CCAA PROTECTION

TORONTO, Dec. 22, 2023 /CNW/ – Trees Corporation (CBOE: TREE) (“Trees” or the “Company”), today announced that the Company and its subsidiaries, Ontario Cannabis Holdings Corp., Miraculo Inc., 2707461 Ontario Ltd., OCH Ontario Consulting Corp., and 11819496 Canada Inc. (together with Trees, the “Trees Group”), have received an order for creditor protection (the “Initial Order”) from the Ontario Superior Court of Justice (Commercial List) (the “Court”) under the *Companies’ Creditors Arrangement Act* (the “CCAA”).

The Trees Group has been actively pursuing additional financing to raise capital to fund its operations, and engaged a financial advisor to assist the Trees Group with reviewing strategic options, including financing options. Following such review and after careful consideration of all available alternatives, and consultation with legal and financial advisors, the directors of the Trees Group determined that it was in the best interests of the Trees Group to file an application for creditor protection under the CCAA.

The Initial Order includes, among other things: (i) a stay of proceedings in favour of the Trees Group, and (ii) the appointment of Ernst & Young Inc. as the monitor of the Trees Group (in such capacity, the “Monitor”).

The Trees Group sought creditor protection under the CCAA in order to receive a stay of proceedings that will allow the Trees Group to work

with the Monitor to facilitate the development of an orderly process designed to streamline its operations and conduct a Court-supervised sales process to obtain a going concern solution for its operations and maximize the value of the Trees Group's assets for the benefit of its stakeholders.

The board of directors of the Trees Group will remain in place and management will remain responsible for the day-to-day operations of the Trees Group, under the general oversight of the Monitor.

It is anticipated that Cboe Canada (the "Cboe") will place the Company under delisting review and there can be no assurance as to the outcome of such review or the continued qualification for listing on the Cboe.

### **About Trees Corporation**

Trees is a cannabis company at the intersection of community, content, and commerce. Listed on Cboe Canada, Trees offers a differentiated retail experience, that aims to educate, amplify and unlock emerging consumer segments and need states that allows Trees to uniquely engage the 360-cannabis consumer. The Trees Group currently has thirteen (13) branded Trees storefronts in Canada, including nine (9) stores owned and operated in Ontario and four (4) stores owned and operated in BC.

### ***Cautionary Note Regarding Forward-Looking Statements***

*This press release contains statements that constitute "forward-looking information" within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking information and are based on expectations, estimates and projections as at the date of this news release. Any statement that discusses predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions,*

*events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information.*

*Forward-looking statements in this document include, among others, statements relating to the Company’s continued listing on the Cboe, and other statements that are not historical facts. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors and risks include, among others: (a) the Company may require additional financing from time to time in order to continue its operations which may not be available when needed or on acceptable terms and conditions acceptable; (b) compliance with extensive government regulation; (c) domestic and foreign laws and regulations could adversely affect the Company’s business and results of operations; (d) the stock markets have experienced volatility that often has been unrelated to the performance of companies and these fluctuations may adversely affect the price of the Company’s securities, regardless of its operating peers; (e) adverse changes in the public perception of cannabis; (f) the impact of COVID-19; and (g) general business, economic, competitive, political and social uncertainties. Accordingly, readers should not place undue reliance on the forward-looking information contained in this press release.*

*The forward-looking information contained in this news release represents the expectations of the Company as of the date of this news release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. The Company undertakes no obligation to update these forward-looking statements in the event that management’s beliefs, estimates or opinions, or other factors, should change.*

*The CBOE has neither approved nor disapproved the contents of this press release and accepts no responsibility for the adequacy or accuracy of this release.*

SOURCE Trees Corporation

For further information: Trees Corporation, Jeffrey Holmgren, President and Chief Financial Officer, Email: [jeffh@treescorp.ca](mailto:jeffh@treescorp.ca)

**BACK TO PRESS RELEASES**

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This is **Exhibit “B”** referred to in the Affidavit of Jeffrey Holmgren sworn by Jeffrey Holmgren of the City of Calgary, in the Province of Alberta, before me at the City of Vaughan, in the Province of Ontario, this 29<sup>th</sup> day of December, 2023 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely.*

Rudrakshi Chakrabarti

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A Commissioner for taking affidavits

**RUDRAKSHI CHAKRABARTI**

## NOTICE BY DEBTOR COMPANY TO DISCLAIM OR RESILIAE AN AGREEMENT

To: Neal Enterprises Ltd., 695 Alpha Street Holdings Ltd. and 1015712 B.C.

Ernst & Young Inc.,  
in its capacity as monitor of the debtor company  
100 Adelaide Street West  
Toronto ON M5H 0B3  
E-mail: [Alex.F.Morrison@parthenon.ey.com](mailto:Alex.F.Morrison@parthenon.ey.com); [Karen.K.Fung@parthenon.ey.com](mailto:Karen.K.Fung@parthenon.ey.com)

Neal Enterprises Ltd.  
202-3440 Douglas Street  
Victoria, BC V8Z 3L9

695 Alpha Street Holdings Ltd.  
750 Hillside Avenue  
Victoria, BC

1015712 B.C.  
301-852 Fort Street  
Victoria, BC V8W 1H8

**Attention: In the Matter of the CCAA Proceedings of Trees Corporation, et al, - Court File No. CV-23-00711935-00CL**

Take notice that:

1. Proceedings under the *Companies' Creditors Arrangement Act* (the "**Act**") in respect of Trees Corporation, among others, were commenced on the 22<sup>nd</sup> day of December 2023.
2. In accordance with subsection 32(1) of the Act, the debtor company gives you notice of its intention to disclaim or resiliate the following agreement:
  - (i) The Assignment, Assumption and Amendment of Lease and Landlord's Consent Agreement between 1015712 B.C., Trees Corporation, Neal Enterprises Ltd. and 695 Alpha Street Holdings Ltd. dated November 15, 2022.
3. In accordance with subsection 32(2) of the Act, any party to the agreement may, within 15 days after the day on which this notice is given and with notice to the other parties to the agreement and to the monitor, apply to court for an order that the agreement is not to be disclaimed or resiliated.
4. In accordance with paragraph 32(5)(a) of the Act, if no application for an order is made in accordance with subsection 32(2) of the Act, the agreement will be disclaimed or resiliated on the 27<sup>th</sup> day of January, 2024, being 30 days after the day on which this notice has been given.

Dated at Calgary, Alberta, on December 28, 2023.

**TREES CORPORATION**

A handwritten signature in black ink, appearing to be "J. H. [unclear]", written in a cursive style.

Debtor Company

The monitor approves the proposed disclaimer or resiliation.

Dated at Toronto, Ontario, on December 28, 2023.

A handwritten signature in blue ink, appearing to be "Allen [unclear]", written in a cursive style.

Monitor's representative  
responsible for the proceedings

This is **Exhibit “C”** referred to in the Affidavit of Jeffrey Holmgren sworn by Jeffrey Holmgren of the City of Calgary, in the Province of Alberta, before me at the City of Vaughan, in the Province of Ontario, this 29<sup>th</sup> day of December, 2023 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely.*

Rudrakshi Chakrabarti

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A Commissioner for taking affidavits

**RUDRAKSHI CHAKRABARTI**

## NOTICE BY DEBTOR COMPANY TO DISCLAIM OR RESILIAE AN AGREEMENT

To: 2550812 Ontario Inc.

Ernst & Young Inc.,  
in its capacity as monitor of the debtor company  
100 Adelaide Street West  
Toronto ON M5H 0B3  
E-mail: [Alex.F.Morrison@parthenon.ey.com](mailto:Alex.F.Morrison@parthenon.ey.com); [Karen.K.Fung@parthenon.ey.com](mailto:Karen.K.Fung@parthenon.ey.com)

2550812 Ontario Inc.  
4 DeQuincy Blvd  
Toronto, ON M3H 1Y3

**Attention: In the Matter of the CCAA Proceedings of Trees Corporation, et al,  
- Court File No. CV-23-00711935-00CL**

Take notice that:

1. Proceedings under the *Companies' Creditors Arrangement Act* (the "**Act**") in respect of Ontario Cannabis Holding Corp. and OCH Ontario Consulting Corp., among others, were commenced on the 22<sup>nd</sup> day of December 2023.
2. In accordance with subsection 32(1) of the Act, the debtor company gives you notice of its intention to disclaim or resiliate the following agreements:
  - (i) The Lease Agreement between 2550812 Ontario Inc. and Ontario Cannabis Holdings Corp. dated April 29, 2020; and
  - (ii) The Lease Assignment and Amending Agreement between 2550812 Ontario Inc., Ontario Cannabis Holdings Corp., and OCH Ontario Consulting Corp., dated June 19, 2020.
3. In accordance with subsection 32(2) of the Act, any party to the agreement may, within 15 days after the day on which this notice is given and with notice to the other parties to the agreement and to the monitor, apply to court for an order that the agreement is not to be disclaimed or resiliated.
4. In accordance with paragraph 32(5)(a) of the Act, if no application for an order is made in accordance with subsection 32(2) of the Act, the agreements will be disclaimed or resiliated on the 21<sup>st</sup> day of January, 2024, being 30 days after the day on which this notice has been given.

Dated at Calgary, Alberta, on December 22, 2023.

**ONTARIO CANNABIS HOLDINGS CORP. and OCH ONTARIO CONSULTING CORP.**



Jeff Holmgren, CFO

The monitor approves the proposed disclaimer or resiliation.  
Dated at Toronto, Ontario, on December 22, 2023.



Monitor's representative  
responsible for the proceedings

This is **Exhibit “D”** referred to in the Affidavit of Jeffrey Holmgren sworn by Jeffrey Holmgren of the City of Calgary, in the Province of Alberta, before me at the City of Vaughan, in the Province of Ontario, this 29<sup>th</sup> day of December, 2023 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely.*

Rudrakshi Chakrabarti

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A Commissioner for taking affidavits

**RUDRAKSHI CHAKRABARTI**

**NOTICE BY DEBTOR COMPANY TO DISCLAIM OR RESILIAE AN AGREEMENT**

To: 1310984 Ontario Inc.

Ernst & Young Inc.,  
in its capacity as monitor of the debtor company  
100 Adelaide Street West  
Toronto ON M5H 0B3  
E-mail: [Alex.F.Morrison@parthenon.ey.com](mailto:Alex.F.Morrison@parthenon.ey.com); [Karen.K.Fung@parthenon.ey.com](mailto:Karen.K.Fung@parthenon.ey.com)

1310984 Ontario Inc.  
42 Dalbeattie Avenue  
Toronto, ON M9N 2Y7

**Attention: In the Matter of the CCAA Proceedings of Trees Corporation, et al, - Court File No. CV-23-00711935-00CL**

Take notice that:

1. Proceedings under the *Companies' Creditors Arrangement Act* (the "**Act**") in respect of OCH Ontario Consulting Corp., among others, were commenced on the 22<sup>nd</sup> day of December 2023.
2. In accordance with subsection 32(1) of the Act, the debtor company gives you notice of its intention to disclaim or resiliate the following agreement:
  - (i) The Lease Agreement between 1310984 Ontario Inc. and OCH Ontario Consulting Corp. dated November 3, 2020.
3. In accordance with subsection 32(2) of the Act, any party to the agreement may, within 15 days after the day on which this notice is given and with notice to the other parties to the agreement and to the monitor, apply to court for an order that the agreement is not to be disclaimed or resiliated.
4. In accordance with paragraph 32(5)(a) of the Act, if no application for an order is made in accordance with subsection 32(2) of the Act, the agreement will be disclaimed or resiliated on the 21<sup>st</sup> day of January, 2024, being 30 days after the day on which this notice has been given.

Dated at Calgary, Alberta, on December 22, 2023.

**OCH ONTARIO CONSULTING CORP.**

  
Jeff Holgrem, CFO

The monitor approves the proposed disclaimer or resiliation.

Dated at Toronto, Ontario, on December 22, 2023.



Monitor's representative  
responsible for the proceedings

This is **Exhibit “E”** referred to in the Affidavit of Jeffrey Holmgren sworn by Jeffrey Holmgren of the City of Calgary, in the Province of Alberta, before me at the City of Vaughan, in the Province of Ontario, this 29<sup>th</sup> day of December, 2023 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely.*

Rudrakshi Chakrabarti

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A Commissioner for taking affidavits

**RUDRAKSHI CHAKRABARTI**

## NOTICE BY DEBTOR COMPANY TO DISCLAIM OR RESILIAE AN AGREEMENT

To: 2581703 Ontario Ltd. and VQTCO Ltd.

Ernst & Young Inc.,  
in its capacity as monitor of the debtor company  
100 Adelaide Street West  
Toronto ON M5H 0B3  
E-mail: [Alex.F.Morrison@parthenon.ey.com](mailto:Alex.F.Morrison@parthenon.ey.com); [Karen.K.Fung@parthenon.ey.com](mailto:Karen.K.Fung@parthenon.ey.com)

2581703 Ontario Ltd.  
22 Haliburton Avenue  
Toronto, ON M9B 4Y4

VQTCO Ltd.

**Attention: In the Matter of the CCAA Proceedings of Trees Corporation, et al, - Court File No. CV-23-00711935-00CL**

Take notice that:

1. Proceedings under the *Companies' Creditors Arrangement Act* (the "**Act**") in respect of 11819496 Canada Inc., among others, were commenced on the 22<sup>nd</sup> day of December 2023.
2. In accordance with subsection 32(1) of the Act, the debtor company gives you notice of its intention to disclaim or resiliate the following agreement:
  - (i) The Lease Agreement between 2581703 Ontario Ltd., 11819496 Canada Inc and VQTCO Ltd., dated March 26, 2020.
3. In accordance with subsection 32(2) of the Act, any party to the agreement may, within 15 days after the day on which this notice is given and with notice to the other parties to the agreement and to the monitor, apply to court for an order that the agreement is not to be disclaimed or resiliated.
4. In accordance with paragraph 32(5)(a) of the Act, if no application for an order is made in accordance with subsection 32(2) of the Act, the agreement will be disclaimed or resiliated on the 27<sup>th</sup> day of January, 2024, being 30 days after the day on which this notice has been given.

Dated at Calgary, Alberta, on December 28, 2023.

**11819496 CANADA INC.**



Debtor Company

The monitor approves the proposed disclaimer or resiliation.

Dated at Toronto, Ontario, on December 28, 2023.



Monitor's representative  
responsible for the proceedings

This is **Exhibit “F”** referred to in the Affidavit of Jeffrey Holmgren sworn by Jeffrey Holmgren of the City of Calgary, in the Province of Alberta, before me at the City of Vaughan, in the Province of Ontario, this 29<sup>th</sup> day of December, 2023 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely.*

Rudrakshi Chakrabarti

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A Commissioner for taking affidavits

**RUDRAKSHI CHAKRABARTI**

## ASSIGNMENT AGREEMENT

Reference is made to (i) the promissory note dated March 11, 2020 (as may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof, the “**Promissory Note**”) granted by OCH Ontario Consulting Corp. (“**OCH**”) and Ontario Cannabis Holdings Corp. (“**Ontario Cannabis**” and together with OCH, collectively, the “**Borrowers**”) in favour of Tweed Inc., as successor by assignment of Tweed Franchise Inc. pursuant to that certain dissolution agreement dated December 30, 2022 (the “**Dissolution Agreement**”), between Tweed Franchise Inc. (“**TFI**”) and Tweed Inc. (in such capacity, the “**Secured Party**”); (ii) the general security agreement dated March 11, 2020 (as may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof, the “**Security Agreement**”) granted by the Borrowers in favour of the Secured Party; (iii) the blocked account agreement dated as of September 25, 2020 (as may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof, the “**BAA**”), between Bank of Montreal, as account bank, OCH and the Secured Party; (iv) the subordination agreement dated as of May 15, 2020 (as may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof, the “**Nguyen Subordination Agreement**”) between Arthur Minh Tri Nguyen-Cao, as subordinated lender, and the Secured Party, as senior lender; and, (v) the subordination agreement dated as of May 15, 2020 (as may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof, the “**CJ Subordination Agreement**” and together with the Promissory Note, the Security Agreement, the BAA, and the Nguyen Subordination Agreement, collectively, the “**Assigned Documents**”) between CJ Marketing Ltd., as subordinated lender, and the Secured Party, as senior lender; and, (vi) that certain data license agreement dated effective as of April 1, 2023 (as may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof, the “**Data Agreement**”) between Cannabolic Marketing Corp. (CMC) d.b.a. One Plant (the “**Licensor**”) and Canopy Growth Corporation (“**Canopy**” and, together with the Secured Party, collectively the “**Lenders**”), whereby the Licensor customarily delivers to Canopy on a monthly basis invoices in respect of Fees (as such term is defined in the Data Agreement) for an amount equal to seven percent (7%) of its monthly sales (each, a “**Monthly Invoice**”).

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

The Assignor and the Assignee hereby agree that the purchase price for the sale and assignment of the Assigned Assets shall be comprised of (i) \$350,000 cash (the “**Cash Payment**”) and (ii) \$150,000 credit (the “**Data Credit**”) in respect of all Fees payable by Canopy to the Licensor under or pursuant to the Data Agreement, which Data Credit may be applied to two sevenths (2/7<sup>ths</sup>) of the balance owing under each Monthly Invoice until the balance of the Data Credit is reduced to \$0.00 (collectively, the “**Purchase Price**”). The Cash Payment shall be paid by the Assignee in accordance with Exhibit “A” attached hereto. For greater certainty, the balance of each Monthly Invoice reduced by the Data Credit shall be paid in accordance with the terms of the Data Agreement or as otherwise agreed between Canopy and the Licensor.

- (b) The Assignor (i) represents and warrants that as of the date hereof the Borrowers owe the Assignor the aggregate sum of \$925,310.96 under the Promissory Note (comprised of \$900,000 of principal and, \$25,310.96 of interest); (ii) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Borrower or the performance or observance by the Borrowers of any of their obligations under the Assigned Documents or any other instrument or document furnished pursuant thereto; (iv) gives notice to the Borrowers of the assignment to the Assignee hereunder; (v) represents and warrants that it has full power and authority, and has taken all necessary action, to execute and deliver this Assignment and to consummate the transactions contemplated hereby; (vi) represents and warrants that it has not consented in writing to any specific transaction involving the acquisition of all or substantially all of the business or assets of the Borrowers; (vii) represents and warrants that, to the knowledge of the Assignor, no person has challenged, contested or brought into question the validity, priority, perfection or enforceability of the Assigned Documents, the Liens or the amounts owed under the Promissory Note as set forth in this Assignment; (viii) represents and warrants that it has provided the Assignee with true and complete copies of all the Assigned Documents; (ix) covenants and agrees that, upon and after the Effective Date (as defined herein), if Assignor receives any payments of principal, interest or other amounts from Borrowers or any other party on behalf of the Borrowers in respect of the Assigned Assets, it will hold such money in trust for the Assignee and immediately remit such monies to the Assignee; and, (x) represents and warrants that it has not made any agreement whereby any of the Assigned Documents or the Liens have been assigned, sold, transferred limited, encumbered, released, forbear, postponed, subordinated, discharged, amended, compromised or assigned, impaired or alienated, in whole or in part, except (A) as evidenced in the Assigned Documents and (B) with respect to the assignment of the Assigned Documents by TFI to the Secured Party pursuant to the terms of the Dissolution Agreement.
- (c) The effective date of this Assignment (the “**Effective Date**”) shall be the date on which a copy of a fully executed copy of this Assignment has been delivered to the Borrowers, the Assignor, the Assignee and the Assignor has received payment of

the Purchase Price which has been made in accordance with paragraph 1(a) of this Assignment.

- (d) The Assignee: (i) represents and warrants to the Assignor that this Assignment constitutes a legal, valid, binding obligation on its part which is enforceable by each such other party against the Assignee in accordance with its terms; and, (ii) represents and warrants that the Assignee has relied on its own diligence and has satisfied itself with respect to all things relating to the Assigned Assets, except for the Assignor's representations and warranties contained in paragraph 1(b) of this Assignment. The Assignor represents and warrants to the Assignee that this Assignment constitutes a legal, valid, binding obligation on its part which is enforceable by each such other party against the Assignor in accordance with its terms.
  - (e) The Licensor: (i) represents and warrants to the Assignor that this Assignment constitutes a legal, valid, binding obligation on its part which is enforceable by each such other party against the Licensor in accordance with its terms; and (ii) covenants and agrees that Licensor shall not terminate the Data Agreement until the Data Credits have been paid in full.
  - (f) As of the Effective Date (i) the Assignee shall, in addition to any rights and obligations under the Assigned Documents held by it immediately prior to the Effective Date, have the rights and obligations under the Assigned Documents that have been assigned to it pursuant to this Assignment and (ii) the Assignor shall, to the extent provided in this Assignment, relinquish its rights and be released from its obligations under the Assigned Documents.
  - (g) The Assignee hereby agrees that (i) the sale and assignment of Assignor's right, title, estate and interest in and to the Assigned Assets are and shall be without recourse to Assignor; (ii) except for Assignor's express representations and warranties contained in paragraph 1(b) of this Assignment, Assignor makes no representation, warranty or condition, either express or implied, of any kind whatsoever in respect of the Assigned Assets or any other matter whatsoever; (iii) except for Assignor's express representations and warranties contained in paragraph 1(b) of this Assignment, Assignor is assigning and the Assignee is accepting the Assigned Assets on an "as is, where is" basis as they exist on the Effective Date. The Assignee releases and forever discharges the Assignor of and from any and all obligations and losses and expenses arising under or by reason of the Assigned Documents, including, but not limited to, the Liens, such release to take effect immediately upon the Effective Date.
2. The Assignor and Assignee shall make all appropriate adjustments in payments under the Assigned Documents for periods prior to the Effective Date directly between themselves.
  3. Time is of the essence of each provision of this Assignment.

4. This Assignment shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.
5. This Assignment may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same agreement, and it shall not be necessary in making proof of this Assignment to produce or account for more than one such counterpart. Transmission of a copy of an executed signature page of this Assignment by facsimile transmission or e-mail in portable document format (PDF) by parties hereto, shall be as effective as delivery of an original manually executed counterpart hereof to each other party hereto.

*[Remainder of Page Intentionally Left Blank]*

**TWEED INC., as Assignor**

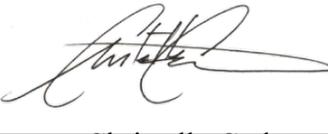
By: 

Name: Christelle Gedeon  
Title: President

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

Name:  
Title:

**CANOPY GROWTH CORPORATION, as Assignor**

By: 

Name: Christelle Gedeon  
Title: Chief Legal Officer

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

Name:  
Title:

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

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

Name:  
Title:

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

Name:  
Title:

**TWEED INC., as Assignor**

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

Name:

Title:

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

Name:

Title:

**CANOPY GROWTH CORPORATION, as  
Assignor**

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

Name:

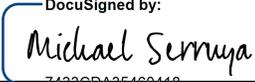
Title:

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

Name:

Title:

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

By:  \_\_\_\_\_  
74336DA35460418...

Name: Michael Serruya

Title: CEO

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

Name:

Title:

**CANNABOLIC MARKETING CORP., as  
Licensor**

By:   
Name: Aaron Serruya  
Title: Director

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

**EXHIBIT "A"**

**PURCHASE PRICE**

CAD Funds Beneficiary Name: Cassels Brock and Blackwell LLP  
Beneficiary Address: Suite 3200, Bay Adelaide Centre – North Tower 40  
Temperance St. Toronto, ON M5H 0B4  
Canada Beneficiary Bank Name: Bank of Nova Scotia  
Bank Address: Clearing Code PO BOX 4234 STN A Toronto, ON. M5W  
5P6 OR  
SWIFT Code 44 King Street W Toronto, ON. M5H 1H1  
Institution Number: 002  
Transit Number: 47696  
Canadian Clearing Code: 000247696  
Account Number: 476961197118  
SWIFT: NOSCCATT  
Reference: 50097-44

**EXHIBIT “B”****LIENS**

<b>JURISDICTION</b>	<b>DEBTOR NAME</b>	<b>SECURED PARTY NAME(S)</b>	<b>FILE NUMBER/REGISTRATION NUMBERS</b>	<b>EXPIRY DATE</b>
Alberta	OCH Ontario Consulting Corp.	Tweed Inc.	20022108820; as amended by 23121903852	February 21, 2025
Alberta	Ontario Cannabis Holdings Corp.	Tweed Inc.	20022108799; as amended by 23121903989	February 21, 2025
Ontario	OCH Ontario Consulting Corp.	Tweed Inc.	760287348/ 20200221 1444 9234 0523; as amended by 20231219 0908 9234 1641	February 21, 2025
Ontario	Ontario Cannabis Holdings Corp.	Tweed Inc.	760287366/ 20200221 1445 9234 0524; as amended by 20231219 0909 9234 1642	February 21, 2025

This is **Exhibit “G”** referred to in the Affidavit of Jeffrey Holmgren sworn by Jeffrey Holmgren of the City of Calgary, in the Province of Alberta, before me at the City of Vaughan, in the Province of Ontario, this 29<sup>th</sup> day of December, 2023 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely.*

Rudrakshi Chakrabarti

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A Commissioner for taking affidavits

**RUDRAKSHI CHAKRABARTI**

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

December 21, 2023

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

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

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

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

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

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

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

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

4. **ADVANCES:**

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

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

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

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

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

5. **INTEREST:**

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

6. **RECOVERABLE EXPENSES:**

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

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

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

7. **COMMITMENT FEE**

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

8. **SECURITY:**

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

9. **MATURITY DATE**

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

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

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

**10. EXTENSION**

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

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

**11. REPAYMENT:**

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

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

**12. CONDITIONS PRECEDENT:**

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

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

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

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

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

13. **REPRESENTATIONS AND WARRANTIES**

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

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

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

**14. COVENANTS:**

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

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

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

15. **INDEMNITY:**

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

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

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

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

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

**17. REMEDIES AND ENFORCEMENT**

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

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

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

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

**18. DIP LENDER APPROVALS**

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

**19. MONITOR**

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

**20. LEGAL FEES**

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

**21. FURTHER ASSURANCES**

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

**22. ENTIRE AGREEMENT; CONFLICT**

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

**23. WAIVERS**

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

**24. SEVERABILITY**

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

25. **ASSIGNMENT**

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

26. **GOVERNING LAW**

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

27. **COUNTERPARTS**

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

28. **ACCEPTANCE**

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

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



**BORROWERS' ACKNOWLEDGMENT AND ACCEPTANCE:**

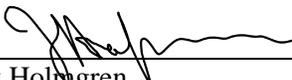
The undersigned hereby acknowledge that they have been advised by the DIP Lender to seek legal advice with respect to this Term Sheet and have done so prior to signing this Term Sheet.

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

Dated this 21st day of December, 2023.

**BORROWERS:**

**TREES CORPORATION**

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

I have the authority to bind the Corporation.

**OCH ONTARIO CONSULTING CORP.**

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

I have the authority to bind the Corporation.

**2707461 ONTARIO LTD.**

Per:   
Name: Jeffrey Holmgren  
Title: President

I have the authority to bind the Corporation.

**11819496 CANADA INC.**

Per:   
Name: Jeffrey Holmgren  
Title: President

I have the authority to bind the Corporation.

**ONTARIO CANNABIS HOLDINGS CORP.**

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

I have the authority to bind the Corporation.

**MIRACULO INC.**

Per:   
Name: Jeffrey Holmgren  
Title: Chief Financial Officer

I have the authority to bind the Corporation.

**Schedule "A"  
Cash Flow Forecast**

(attached).

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

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

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

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

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

**Disclaimer:**

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

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

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

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

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

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

## **Overview:**

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

Receipts and disbursements are denominated in thousands of Canadian dollars.

## **Assumptions:**

### **1. Retail Sales and Other Receipts**

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

### **2. Cannabis and Accessory Inventory Purchases**

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

### **3. Payroll Costs**

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

### **4. Rent**

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

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

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

**6. Restructuring Costs**

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

**7. Beginning Balance**

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

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

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

This is **Exhibit “H”** referred to in the Affidavit of Jeffrey Holmgren sworn by Jeffrey Holmgren of the City of Calgary, in the Province of Alberta, before me at the City of Vaughan, in the Province of Ontario, this 29<sup>th</sup> day of December, 2023 in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely.*

Rudrakshi Chakrabarti

---

A Commissioner for taking affidavits

**RUDRAKSHI CHAKRABARTI**

---

**From:** Daniel Richer <dricher@fasken.com>  
**Sent:** Friday, December 29, 2023 11:01 AM  
**To:** Dylan Chochla; Bish, David  
**Cc:** Robert Thornton; Derek Harland; Alex Morrison; karen.k.fung@parthenon.ey.com; Nathan Gates; Rushi Chakrabarti  
**Subject:** RE: [EXT] Trees - DIP Financing Proposal / Term Sheet

Good morning company and monitor teams,

One Plant Retail Corp. wishes to revise the terms upon which it will advance DIP funding to the company to remove the Fee (as defined in the DIP term sheet dated December 21, 2023) and to lower the interest rate payable from 15% per annum to 0% per annum. The balance of the terms in the DIP term sheet will remain the same. Please confirm receipt of this email.

Cheers,

Dan

**Daniel Richer, BCL, LLB**

Associate

T +1 416 865 4445

[dricher@fasken.com](mailto:dricher@fasken.com) | [www.fasken.com/en/Daniel-Richer](http://www.fasken.com/en/Daniel-Richer)

**FASKEN**

**Fasken Martineau DuMoulin LLP**

333 Bay Street, Suite 2400, Toronto, Ontario M5H 2T6

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

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

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

Proceedings commenced at Toronto

**AFFIDAVIT OF JEFFREY HOLMGREN**

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

**Robert I. Thornton** (LSO# 24266B)  
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**Rudrakshi Chakrabarti** (LSO# 86868U)  
Email: [rchakrabarti@tgf.ca](mailto:rchakrabarti@tgf.ca)

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

# TAB 3

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

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

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

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

**AMENDED AND RESTATED INITIAL ORDER**

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

ON READING the affidavit of Jeffrey Holmgren sworn December 21, 2023, and the Exhibits thereto (the “**Initial Holmgren Affidavit**”), the affidavit of Jeffrey Holmgren sworn December 29, 2023 (the “**Second Holmgren Affidavit**” and, together with the Initial Holmgren Affidavit, the “**Holmgren Affidavits**”) the Pre-Filing Report of Ernst & Young Inc. (the “**Monitor**”) dated December 21, 2023 (the “**Pre-Filing Report**”), the First Report of the Monitor dated December 29, 2023, and on being advised that the secured creditors who are likely affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor and those other parties listed on the

Participant Information Form, no one else appearing although duly served as appears from the Affidavits of Service, and on reading the consent of the Monitor to act as the monitor;

### **SERVICE AND DEFINITIONS**

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

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

### **APPLICATION**

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

### **PLAN OF ARRANGEMENT**

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

### **POSSESSION OF PROPERTY AND OPERATIONS**

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

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

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

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

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

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

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

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

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

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

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

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

## **RESTRUCTURING**

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

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

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

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

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

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

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

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

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

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

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

## **NO INTERFERENCE WITH RIGHTS**

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

## **CONTINUATION OF SERVICES**

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

## **NON-DEROGATION OF RIGHTS**

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

## **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

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

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

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

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

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

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

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

### **APPOINTMENT OF MONITOR**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **DIP FINANCING**

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

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

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

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

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

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

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

apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

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

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

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

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

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

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

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

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

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

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

43. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person provided that the Subsequent Directors' Charge and the Subsequent Administration Charge shall rank subsequent to the security interests of 606093 Saskatchewan Ltd., Minerva Investments Ltd., Echo Capital Growth Corporation, PMH Investco Ltd., One Plant Retail Corp. (in its capacity as existing secured creditor of the Applicants and not as the DIP Lender), CJ Marketing Ltd. and Arthur Minh Tri Nguyen-Cao.

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

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

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

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

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

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

### **SERVICE AND NOTICE**

47. **THIS COURT ORDERS** that the Monitor shall: (i) without delay, publish in the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

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

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

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

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

#### **RELIEF FROM REPORTING OBLIGATIONS**

52. **THIS COURT ORDERS** that the decision by the Applicants to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents, and press releases (collectively, the "**Securities Filings**") that may be required by any federal, provincial or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including, without limitation, the *Securities Act* (Ontario), RSO 1990, c S.5 and comparable

statutes enacted by other provinces of Canada, and the rules, regulations and policies of the Toronto Stock Exchange (collectively, the “**Securities Legislation**”), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of the Applicants failing to make any Securities Filings required by the Securities Legislation.

53. **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of the Applicants nor the Monitor shall have any personal liability for any failure by the Applicants to make any Securities Filings required by the Securities Legislation during the Stay Period, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of such failure by the Applicants. For greater certainty, nothing in this Order is intended to or shall encroach on the jurisdiction of any securities regulatory authorities (the “**Regulators**”) in the matter of regulating the conduct of market participants and to issue cease trade orders if and when required pursuant to applicable securities law. Further, nothing in this Order shall constitute or be construed as an admission by the Regulators that the court has jurisdiction over matters that are within the exclusive jurisdiction of the Regulators under the Securities Legislation.

#### **SHAREHOLDERS’ MEETING**

54. **THIS COURT ORDERS** that the requirement for any future annual general meeting of the shareholders of Trees Corporation be postponed during these proceedings, and the time limit to call and hold such annual general meeting of shareholders is extended until after the conclusion of these proceedings, subject to further Order of this Court.

#### **GENERAL**

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

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

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

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

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

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

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

Court File No.: \_\_\_\_\_

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

**AMENDED AND RESTATED INITIAL  
ORDER**

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Lawyers for the Applicants

# TAB 4

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE CHIEF ) ~~FRIDAY~~TUESDAY, THE ~~22~~22ND  
JUSTICE MORAWETZ ) DAY OF ~~DECEMBER~~JANUARY,  
20232024

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

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

AMENDED AND RESTATED INITIAL ORDER

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

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

appearing although duly served as appears from the Affidavits of Service, and on reading the consent of the ~~Proposed~~-Monitor to act as the monitor (~~the “Monitor”~~);

## SERVICE AND DEFINITIONS

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

2. ~~1-~~THIS COURT ORDERS that capitalized terms used herein that are not otherwise defined shall have the meaning ascribed to them in the Holmgren ~~Affidavit~~Affidavits.

## APPLICATION

3. ~~2-~~THIS COURT ORDERS that each of the Applicants is a company to which the CCAA applies.

## PLAN OF ARRANGEMENT

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

## POSSESSION OF PROPERTY AND OPERATIONS

5. ~~3-~~THIS COURT ORDERS that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of the Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ their employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem

reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

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

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

- (a) all outstanding and future wages, salaries, employee benefits (including, without limitation, employee medical, dental, vision, insurance and similar benefit plans or arrangements), reasonable amounts owing under corporate credit cards issued to management and employees of the Applicants, vacation pay and reasonable employee and director expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing practices, compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants prior to or after the commencement of these proceedings, at their standard rates and charges; and

- (c) with the consent of the Monitor, any taxes, duties or other payments required for goods or services actually provided to the Applicants prior to the date of this Order by third parties up to the maximum amount of \$50,000 if, in the opinion of the Applicants, such third party is critical to the Business and ongoing operations of the Applicants.

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

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

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

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

- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

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

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

## **RESTRUCTURING**

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

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

(b) ~~(a)~~ terminate the employment of their employees or temporarily lay off their employees as the Applicants deem appropriate; and

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

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

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

14. ~~12.~~ **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to section 32 of the CCAA, then: (a) during the notice period prior to the effective time of the disclaimer, the relevant landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the relevant Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the relevant Applicant in respect of such lease or

leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

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

15. ~~13.~~ **THIS COURT ORDERS** that until and including ~~January 2~~February 29, 2024, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in or out of any court or tribunal or other forum (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting their Business or their Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting their Business or their Property are hereby stayed and suspended pending further Order of this Court.

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

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

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

## **NO INTERFERENCE WITH RIGHTS**

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

## **CONTINUATION OF SERVICES**

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

## **NON-DEROGATION OF RIGHTS**

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

## PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

## DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

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

22. ~~20.~~ **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 ~~\$251,000~~ 100,000, as security for the indemnity provided in paragraph ~~19~~ 21 of this Order.

23. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and hereby granted a further charge (the "**Subsequent Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$383,000, as security for the indemnity provided in paragraph 21 of this Order. The Directors' Charge and the Subsequent Directors' Charge shall have the ~~priority~~ priorities set out in paragraphs ~~36~~ 41 and ~~38~~ 43 herein.

24. ~~21.~~ **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be

entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~19~~21 of this Order.

## APPOINTMENT OF MONITOR

25. ~~22.~~ **THIS COURT ORDERS** that Ernst & Young Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

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

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to the Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicants, to the extent required by the Applicants, in its dissemination to the DIP Lender (defined below) and its counsel on a monthly basis of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the Applicants in the preparation of the Applicants' cash flow statements and reporting required by the DIP Lender pursuant to the DIP Term Sheet, which information shall be reviewed with the Monitor and delivered to the DIP Lender and

- its counsel on a periodic basis, but not less than on a monthly basis, or as otherwise agreed to by the DIP Lender;
- (e) advise the Applicants in their development of the Plan and any amendments to the Plan;
  - (f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
  - (g) ~~(d)~~ have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
  - (h) ~~(e)~~ be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
  - (i) ~~(f)~~ perform such other duties as are required by this Order or by this Court from time to time.

27. ~~24.~~ **THIS COURT ORDERS** that the Monitor shall not occupy or take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of (or be deemed to take Possession of), or exercise (or be deemed to have exercised) any rights of control over any activities in respect of, the Property, or any assets, properties or undertakings of any of the Applicants, or the direct or indirect subsidiaries or affiliates of any of the Applicants, including but not limited to any activities for which a permit or license is issued or required pursuant to any provision of any federal, provincial or other law respecting, among other things, the manufacturing, possession, processing, retail sale and distributing of cannabis or cannabis products including, without limitation, under the *Cannabis Act*, S.C. 2018, c. 16, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, the *Excise Tax Act*, R.S.C. 1985, c. E. 15, *Excise Act*, 2001, S.C. 2002, c.22 the *British Columbia Cannabis Control and Licensing Act*, S.B.C. 2018, c. 29, the *British Columbia Cannabis Distribution Act*, S.B.C. 2018, c. 28, the *Ontario Cannabis Control Act*, 2017 S.O. 2017, c. 26, Sched. 1, *Ontario Cannabis Retail Corporation*

*Act*, 2017 S.O. 2017, c. 26, the *Cannabis License Act*, 2018, S.O. 2018, c. 12, or other such applicable federal or provincial legislation, and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

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

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

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

31. ~~28.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements (including pre-filing fees and disbursements), in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a bi-weekly basis ~~after January 2, 2024~~ and, in addition, the Applicants are hereby authorized to pay to the Monitor and counsel to the Applicants, retainers in the amounts of \$25,000 each, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

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

33. ~~30.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$100,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. ~~The Administration Charge shall have the priority set out in paragraphs 36 and 38 hereof.~~

34. ~~31.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a further charge (the "**Subsequent Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of ~~\$350,000~~ 400,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after

the making of this Order in respect of these proceedings. The Administration Charge and the Subsequent Administration Charge shall have the priorities set out in paragraphs 41 and 43 hereof.

## DIP FINANCING

35. ~~32.~~ **THIS COURT ORDERS** that, ~~subject to further Order of this Court,~~ Trees Corporation, OCH Ontario Consulting Corp., 2707461 Ontario Ltd., 11819496 Canada Inc., Ontario Cannabis Holdings Corp. and Miraculo Inc. (collectively, the “**Borrowers**”) are hereby authorized and empowered to obtain and borrow under a credit facility from One Plant Retail Corp. (the “**DIP Lender**”) in order to finance the Borrowers’ working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$~~60,000~~800,000 (the “**DIP Facility**”), unless permitted by further Order of this Court. ~~Interest on any such borrowings shall be at the rate of 15% per annum.~~

36. **THIS COURT ORDERS** that the DIP Facility shall be on the terms and subject to the conditions set forth in the DIP Term Sheet between the Borrowers and the DIP Lender dated as of December 21, 2023 (the “**DIP Term Sheet**”), filed, except that there shall be no commitment fee payable by the Applicants to the DIP Lender and the interest rate of the DIP Facility shall be at the rate of 0.0% interest per annum.

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

38. ~~33.~~ **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property, which DIP Lender's

Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs ~~3641~~ and ~~3843~~ hereof.

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

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the DIP Term Sheet or the Definitive Documents, the DIP Lender, upon four business days' written notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Term Sheet, the Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Term Sheet, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

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

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

41. ~~36.~~ **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Subsequent Directors' Charge, the Administration Charge, the ~~DIP Lender's Charge and the~~ Subsequent

Administration Charge and the DIP Lender's Charge (collectively, the "Charges"), as among them, shall be as follows:

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

Second – DIP Lender's Charge (to the maximum amount of ~~\$60,000~~ \$1,100,000);

Third – Directors' Charge (to the maximum amount of ~~\$251,000~~ \$100,000); ~~and~~

Fourth – Subsequent Administration Charge (to the maximum amount of ~~\$350,000~~ \$400,000); and

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

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

43. ~~38.~~ **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and ~~the~~ such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person; provided that the Subsequent Directors' Charge and the Subsequent Administration Charge shall rank subsequent to the security interests of 606093 Saskatchewan Ltd., Minerva Investments Ltd., Echo Capital Growth Corporation, PMH Investco Ltd., ~~Tweed Inc.~~ One Plant Retail Corp. (in its capacity as existing secured creditor of the Applicants and not as the DIP Lender), CJ Marketing Ltd. and Arthur Minh Tri Nguyen-Cao ~~and that the Charges shall rank behind the Encumbrances in favour of any Persons that have not been served with notice of this application. The Applicants and beneficiaries of the Charges shall be entitled to seek priority ahead of such Encumbrances on notice to those parties.~~

~~39. — THIS COURT ORDERS that the Applicants shall be entitled, on a subsequent attendance on notice to those Persons likely to be affected thereby, to seek an increase to the~~

~~amounts, to seek additional charges and to seek priority of the Charges ahead of any Encumbrance over which the Charges have not obtained priority under this Order.~~

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

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

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the Definitive Documents shall ~~not~~ create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the DIP Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not

constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

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

## **SERVICE AND NOTICE**

47. ~~43.~~ **THIS COURT ORDERS** that the Monitor shall: (i) without delay, publish in the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

48. ~~44.~~ **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at:

<https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* and paragraph 7 of the Guide, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: [www.ey.com/ca/trees](http://www.ey.com/ca/trees).

49. ~~45.~~ **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier,

personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

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

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

### **COMEBACK HEARING**

~~48. — **THIS COURT ORDERS** that the comeback hearing shall be heard on January 2, 2024. The onus will remain on the Applicants at the comeback hearing to justify that the relief set out herein is both necessary and appropriate~~

### **RELIEF FROM REPORTING OBLIGATIONS**

52. **THIS COURT ORDERS** that the decision by the Applicants to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents, and press releases (collectively, the "**Securities Filings**") that may be required by any federal, provincial or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange,

including, without limitation, the *Securities Act* (Ontario), RSO 1990, c S.5 and comparable statutes enacted by other provinces of Canada, and the rules, regulations and policies of the Toronto Stock Exchange (collectively, the “**Securities Legislation**”), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of the Applicants failing to make any Securities Filings required by the Securities Legislation.

53. **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of the Applicants nor the Monitor shall have any personal liability for any failure by the Applicants to make any Securities Filings required by the Securities Legislation during the Stay Period, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of such failure by the Applicants. For greater certainty, nothing in this Order is intended to or shall encroach on the jurisdiction of any securities regulatory authorities (the “**Regulators**”) in the matter of regulating the conduct of market participants and to issue cease trade orders if and when required pursuant to applicable securities law. Further, nothing in this Order shall constitute or be construed as an admission by the Regulators that the court has jurisdiction over matters that are within the exclusive jurisdiction of the Regulators under the Securities Legislation.

### **SHAREHOLDERS’ MEETING**

54. **THIS COURT ORDERS** that the requirement for any future annual general meeting of the shareholders of Trees Corporation be postponed during these proceedings, and the time limit to call and hold such annual general meeting of shareholders is extended until after the conclusion of these proceedings, subject to further Order of this Court.

### **GENERAL**

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

56. ~~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 the Applicants, the Business or the Property.

57. ~~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.

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

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

60. ~~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.

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

Court File No.:

~~CV-23-00711935-00CL~~

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

**AMENDED AND RESTATED INITIAL**  
**ORDER**

**Thornton Grout Finnigan LLP**

3200 – 100 Wellington Street West

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# TAB 5

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST )

THE HONOURABLE — CHIEF ) ~~WEEKDAY~~ TUESDAY, THE #2ND  
JUSTICE — MORAWETZ ) DAY OF ~~MONTH~~ JANUARY,  
20~~YR~~ 2024

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ~~[APPLICANT'S NAME]~~ — (the "~~Applicant~~" TREES CORPORATION, ONTARIO CANNABIS HOLDINGS CORP., MIRACULO INC., 2707461 ONTARIO LTD., OCH ONTARIO CONSULTING CORP., AND 11819496 CANADA INC. (collectively, the "Applicants")

AMENDED AND RESTATED INITIAL ORDER

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

ON READING the affidavit of ~~[NAME]~~ Jeffrey Holmgren sworn ~~[DATE]~~ December 21, 2023, and the Exhibits thereto (the "Initial Holmgren Affidavit"), the affidavit of Jeffrey Holmgren sworn December 29, 2023 (the "Second Holmgren Affidavit" and, together with the Initial Holmgren Affidavit, the "Holmgren Affidavits") the Pre-Filing Report of Ernst & Young Inc. (the "Monitor") dated December 21, 2023 (the "Pre-Filing Report"), the First Report of the Monitor dated December 29, 2023, and on being advised that the secured creditors who are likely ~~to be~~ affected by the charges created herein were given notice, and on hearing the

submissions of counsel for ~~[NAMES]~~the Applicants, counsel for the Monitor and those other parties listed on the Participant Information Form, no one else appearing for ~~[NAME]~~<sup>1</sup> although duly served as appears from the ~~affidavit~~Affidavits of ~~service of [NAME]~~ sworn ~~[DATE]~~Service, and on reading the consent of ~~[MONITOR'S NAME]~~the Monitor to act as the ~~Monitor,~~monitor;

## **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Notice of ~~Application~~Motion and the ~~Application~~Motion Record of the Applicants dated December 29, 2023, is hereby abridged and validated<sup>2</sup> so that this Application is properly returnable today and hereby dispenses with further service thereof.

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

## **APPLICATION**

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

## **PLAN OF ARRANGEMENT**

4. ~~3. THIS COURT ORDERS~~ that the ~~Applicant~~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**").

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<sup>1</sup>~~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).~~

<sup>2</sup>~~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.~~

## POSSESSION OF PROPERTY AND OPERATIONS

5. ~~4.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall remain in possession and control of ~~its~~their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of ~~this~~the Court, the ~~Applicant~~Applicants shall continue to carry on business in a manner consistent with the preservation of ~~its~~their business (the "**Business**") and Property. The ~~Applicant is~~Applicants are authorized and empowered to continue to retain and employ ~~the~~their employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**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.

6. ~~5.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall be entitled to continue to utilize the ~~central~~ cash management system<sup>3</sup> currently in place as described in the Initial Holmgren Affidavit of [NAME] sworn [DATE] or replace it with another substantially similar central cash management system (the "**Cash Management System**")<sub>2</sub> and that any present or future bank or financial institution providing the Cash Management System: (a) shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the ~~Applicant~~Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, (b) shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the ~~Applicant~~Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and (c) shall be, solely in its capacity as provider of the Cash Management System only, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System on or after the date of this Order.}

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<sup>3</sup>~~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.~~

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

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

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

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services; and

- (b) payment for goods or services actually supplied to the ~~Applicant~~Applicants following the date of this Order.

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

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority ~~which~~that are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) ~~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 ~~Applicant~~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 ~~Applicant~~Applicants.

10. ~~9.~~ **THIS COURT ORDERS** that until a real property lease is disclaimed ~~for resiliated~~<sup>4</sup> in accordance with the CCAA, the relevant Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord

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<sup>4</sup> ~~The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.~~

under the lease) or as otherwise may be negotiated between the relevant Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, ~~twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears)~~accordance with the terms of the applicable lease agreement. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

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

## RESTRUCTURING

12. ~~11.~~ **THIS COURT ORDERS** that the ~~Applicant~~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~~their business or operations, ~~and to dispose of redundant or non-material assets not exceeding \$~~150,000~~ in any one transaction or \$~~1,000,000~~ in the aggregate~~<sup>5</sup>, in each case with the consent of the Monitor;
- (b) ~~terminate the employment of such of its~~their employees or temporarily lay off ~~such of its~~their employees as ~~it deems~~the Applicants deem appropriate~~;~~ and

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<sup>5</sup>~~Section 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.~~

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

all of the foregoing to permit the ~~Applicant~~Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

13. ~~12.~~ **THIS COURT ORDERS** that the relevant Applicant shall provide each of the relevant landlords with notice of the relevant Applicant's intention to remove any fixtures from any leased premises at least seven (7) calendar days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the relevant Applicant's entitlement to remove any such fixture under the provisions of the applicable lease agreement, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the relevant Applicant, or by further Order of ~~this~~the Court upon application by the relevant Applicant on at least two (2) calendar days notice to such landlord and any such secured creditors. If the relevant Applicant disclaims ~~for~~ ~~resiliates~~ the lease governing such leased premises in accordance with ~~Section~~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~~section 32(5) of the CCAA), and the disclaimer ~~for~~ ~~resiliation~~ of the lease shall be without prejudice to the relevant Applicant's claim to the fixtures in dispute.

14. ~~13.~~ **THIS COURT ORDERS** that if a notice of disclaimer ~~for~~ ~~resiliation~~ is delivered pursuant to ~~Section~~section 32 of the CCAA, then: (a) during the notice period prior to the effective time of the disclaimer ~~for~~ ~~resiliation~~, the relevant landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the relevant Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer ~~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 relevant Applicant in respect of such lease or leased premises, provided that nothing

herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

#### NO PROCEEDINGS AGAINST THE ~~APPLICANT~~APPLICANTS OR THE PROPERTY

15. ~~14.~~ **THIS COURT ORDERS** that until and including ~~[DATE — MAX. 30 DAYS]~~February 29, 2024, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in or out of any court or tribunal or other forum (each, a "Proceeding") shall be commenced or continued against or in respect of the ~~Applicant~~Applicants or the Monitor, or affecting ~~the~~their Business or ~~the~~their 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 ~~Applicant~~Applicants or affecting ~~the~~their Business or ~~the~~their Property are hereby stayed and suspended pending further Order of this Court.

#### NO EXERCISE OF RIGHTS OR REMEDIES

16. ~~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 affecting ~~the~~their Business or ~~the~~their Property, are hereby stayed and suspended except with the written consent of the ~~Applicant~~Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall ~~(i)~~ ;

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

## NO INTERFERENCE WITH RIGHTS

17. ~~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, lease, sublease, licence or permit in favour of or held by the ~~Applicant~~Applicants, except with the written consent of the ~~Applicant~~Applicants and the Monitor, or leave of this Court.

## CONTINUATION OF SERVICES

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

## NON-DEROGATION OF RIGHTS

19. ~~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 lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the ~~Applicant~~Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.<sup>6</sup>

~~<sup>6</sup>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,~~

## PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. ~~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 ~~Applicant~~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 ~~Applicant~~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 ~~Applicant~~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

21. ~~20.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall indemnify ~~its~~their directors and officers against obligations and liabilities that they may incur as directors or officers of the ~~Applicant~~Applicants after the commencement of the within proceedings,<sup>7</sup> except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

22. ~~21.~~ **THIS COURT ORDERS** that the directors and officers of the ~~Applicant~~Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge")<sup>8</sup> on the Property, which charge shall not exceed an aggregate amount of \$●100,000, as security for the indemnity provided in paragraph ~~{20}~~21 of this Order.

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~~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).~~

~~<sup>7</sup>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 discretionary matters that should be addressed with the Court.~~

~~<sup>8</sup>Section 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.~~

23. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and hereby granted a further charge (the “**Subsequent Directors’ Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$383,000, as security for the indemnity provided in paragraph 21 of this Order. The Directors’ Charge and the **Subsequent Directors’ Charge** shall have the ~~priority~~priorities set out in paragraphs ~~38~~41 and ~~40~~43 herein.

24. ~~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' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~20~~21 of this Order.

#### **APPOINTMENT OF MONITOR**

25. ~~23.~~ **THIS COURT ORDERS** that ~~[MONITOR’S NAME]~~Ernst & Young Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the ~~Applicant~~Applicants with the powers and obligations set out in the CCAA or set forth herein and that the ~~Applicant~~Applicants and ~~its~~their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the ~~Applicant~~Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

26. ~~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 ~~Applicant's~~Applicants' receipts and disbursements;
- (b) report to ~~this~~the Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

- (c) assist the ~~Applicant~~Applicants, to the extent required by the ~~Applicant~~Applicants, in its dissemination, to the DIP Lender (defined below) and its counsel on a ~~{TIME INTERVAL}~~monthly basis of financial and other information as agreed to between the ~~Applicant~~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 ~~Applicant~~Applicants in ~~its~~the preparation of the ~~Applicant~~Applicants's cash flow statements and reporting required by the DIP Lender pursuant to the DIP Term Sheet, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than ~~{TIME INTERVAL}~~on a monthly basis, or as otherwise agreed to by the DIP Lender;
- (e) advise the ~~Applicant~~Applicants in ~~its~~their development of the Plan and any amendments to the Plan;
- (f) assist the ~~Applicant~~Applicants, to the extent required by the ~~Applicant~~Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the ~~Applicant~~Applicants, to the extent that is necessary to adequately assess the ~~Applicant's~~Applicants' business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

27. ~~25.~~ **THIS COURT ORDERS** that the Monitor shall not occupy or take control, care, charge, possession or management (separately and/or collectively, "Possession") of (or be deemed to take Possession of), or exercise (or be deemed to have exercised) any rights of control

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

28. ~~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 regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of

any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

29. ~~27.~~ **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the ~~Applicant~~Applicants and the DIP Lender with information provided by the ~~Applicant~~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 ~~Applicant~~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 ~~Applicant~~Applicants may agree.

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

31. ~~29.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the ~~Applicant~~Applicants shall be paid their reasonable fees and disbursements (including pre-filing fees and disbursements), in each case at their standard rates and charges, by the ~~Applicant~~Applicants as part of the costs of these proceedings. The ~~Applicant is~~Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the ~~Applicant~~Applicants on a ~~[TIME INTERVAL]~~bi-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~~Applicants, retainers in the ~~amount[s]~~amounts of \$~~●~~[-25,000 each, respectively,] to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

32. ~~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.

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

34. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a further charge (the "**Subsequent Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$400,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge and the Subsequent Administration Charge shall have the ~~priority~~priorities set out in paragraphs ~~38~~41 and ~~40~~43 hereof.

## DIP FINANCING

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

36. ~~33.~~ **THIS COURT ORDERS** ~~THAT such credit facility~~that the DIP Facility shall be on the terms and subject to the conditions set forth in the ~~commitment letter~~DIP Term Sheet between the ~~Applicant~~Borrowers and the DIP Lender dated as of ~~[DATE]~~December 21, 2023 (the "~~Commitment Letter~~DIP Term Sheet"), filed, except that there shall be no commitment fee payable by the Applicants to the DIP Lender and the interest rate of the DIP Facility shall be at the rate of 0.0% interest per annum.

37. ~~34.~~ **THIS COURT ORDERS** that the ~~Applicant is~~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~~DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the ~~Applicant is~~Borrowers are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the ~~Commitment Letter~~DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

38. ~~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 secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs ~~38~~41 and ~~40~~43 hereof.

39. ~~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 DIP Term Sheet or the Definitive Documents ~~or the DIP Lender's Charge~~, the DIP Lender, upon ~~●~~four business days' written notice to the ~~Applicant~~Applicants and the Monitor, may exercise any and all of its rights and remedies against the ~~Applicant~~Applicants or the Property under or pursuant to the ~~Commitment Letter~~DIP Term Sheet, the Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the ~~Applicant~~Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the ~~Applicant~~Applicants against the obligations of the ~~Applicant~~Applicants to the DIP Lender under the ~~Commitment Letter~~DIP Term Sheet, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the

~~Applicant~~Applicants and for the appointment of a trustee in bankruptcy of the ~~Applicant~~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 ~~Applicant~~Applicants or the Property.

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

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

41. ~~38. THIS COURT ORDERS~~ that the priorities of the Directors' Charge, the Subsequent Directors' Charge, the Administration Charge, the Subsequent Administration Charge and the DIP Lender's Charge (collectively, the "Charges"), as among them, shall be as follows<sup>9</sup>:

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

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

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

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

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

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<sup>9</sup>~~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. ~~39.~~ **THIS COURT ORDERS** that the filing, registration or perfection of the ~~Directors' 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.

43. ~~40.~~ **THIS COURT ORDERS** that each of the ~~Directors' Charge, the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein)~~ Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person provided that the Subsequent Directors' Charge and the Subsequent Administration Charge shall rank subsequent to the security interests of 606093 Saskatchewan Ltd., Minerva Investments Ltd., Echo Capital Growth Corporation, PMH Investco Ltd., One Plant Retail Corp. (in its capacity as existing secured creditor of the Applicants and not as the DIP Lender), CJ Marketing Ltd. and Arthur Minh Tri Nguyen-Cao.

44. ~~41.~~ **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the ~~Applicant~~ 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 ~~Applicant~~ Applicants also ~~obtains~~ obtain the prior written consent of the Monitor, ~~the DIP Lender~~ and the beneficiaries of the ~~Directors' Charge and the Administration Charge~~ Charges affected thereby (collectively, the "Chargees"), or further Order of this Court.

45. ~~42.~~ **THIS COURT ORDERS** that the ~~Directors' Charge, the Administration Charge, the Commitment Letter,~~ Charges, the DIP Term Sheet, 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, including~~ 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~~that binds the ~~Applicant~~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~~DIP Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the ~~Applicant~~Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the ~~Applicant~~Applicants entering into the ~~Commitment Letter~~DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the ~~Applicant~~Applicants pursuant to this Order, the ~~Commitment Letter~~DIP Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

46. ~~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 ~~Applicant's~~Applicants' interest in such real property leases.

## SERVICE AND NOTICE

47. ~~44.~~ **THIS COURT ORDERS** that the Monitor shall: (i) without delay, publish in ~~[newspapers specified by the Court]~~the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the

~~Applicant~~Applicants of more than \$~~1000~~1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

48. ~~45.~~ **THIS COURT ORDERS** that the E-Service ~~Protocol~~Guide of the Commercial List (the “~~Protocol~~Guide”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the ~~Protocol~~Guide (which can be found on the Commercial List website at: ~~<http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>~~<https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 of the Rules of Civil Procedure and paragraph 7 of the Guide, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph ~~21~~13 of the ~~Protocol~~Guide, service of documents in accordance with the ~~Protocol~~Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the ~~Protocol~~Guide with the following URL: ~~‘<@>’~~[www.ey.com/ca/trees](http://www.ey.com/ca/trees).

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

50. **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the “Service List”). The Monitor shall post the Service List, as may be updated from time to time, on the case website as part of the public materials in relation to this proceeding. Notwithstanding the

foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

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

### **RELIEF FROM REPORTING OBLIGATIONS**

52. **THIS COURT ORDERS** that the decision by the Applicants to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents, and press releases (collectively, the "**Securities Filings**") that may be required by any federal, provincial or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including, without limitation, the *Securities Act* (Ontario), RSO 1990, c S.5 and comparable statutes enacted by other provinces of Canada, and the rules, regulations and policies of the Toronto Stock Exchange (collectively, the "**Securities Legislation**"), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of the Applicants failing to make any Securities Filings required by the Securities Legislation.

53. **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of the Applicants nor the Monitor shall have any personal liability for any failure by the Applicants to make any Securities Filings required by the Securities Legislation during the Stay Period, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of such failure by the Applicants. For greater certainty, nothing in this Order is intended to or shall encroach on the jurisdiction of

any securities regulatory authorities (the “Regulators”) in the matter of regulating the conduct of market participants and to issue cease trade orders if and when required pursuant to applicable securities law. Further, nothing in this Order shall constitute or be construed as an admission by the Regulators that the court has jurisdiction over matters that are within the exclusive jurisdiction of the Regulators under the Securities Legislation.

## **SHAREHOLDERS’ MEETING**

54. THIS COURT ORDERS that the requirement for any future annual general meeting of the shareholders of Trees Corporation be postponed during these proceedings, and the time limit to call and hold such annual general meeting of shareholders is extended until after the conclusion of these proceedings, subject to further Order of this Court.

## **GENERAL**

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

56. ~~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 the ~~Applicant~~Applicants, the Business or the Property.

57. ~~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 ~~Applicant~~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 ~~Applicant~~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 ~~Applicant~~Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

58. ~~50.~~ THIS COURT ORDERS that each of the ~~Applicant~~Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or

administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

60. ~~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.

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

Court File No.: \_\_\_\_\_

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

**AMENDED AND RESTATED INITIAL**  
**ORDER**

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

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

Proceedings commenced at Toronto

**MOTION RECORD OF THE APPLICANTS  
(Motion for Amended and Restated Initial Order)  
(returnable on January 2, 2024)**

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