



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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)
)
JUSTICE OSBORNE) MONDAY THE 13TH
) DAY OF JANUARY, 2025

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF BZAM LTD., BZAM HOLDINGS INC., BZAM
CANNABIS CORP., FOLIUM LIFE SCIENCE INC., 102172093
SASKATCHEWAN LTD., THE GREEN ORGANIC DUTCHMAN LTD.,
MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP., FINAL
BELL CORP. AND 1001028579 ONTARIO INC.

Applicants

**APPROVAL AND VESTING ORDER
(EDMONTON PROPERTY TRANSACTION)**

THIS MOTION, made by BZAM Ltd., BZAM Holdings Inc., 1001028579 Ontario Inc., BZAM Cannabis Corp., Folium Life Science Inc., 102172093 Saskatchewan Ltd., The Green Organic Dutchman Ltd., Medican Organic Inc., High Road Holding Corp. and Final Bell Corp. (the "**Applicants**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, among other things: (i) approving the agreement of purchase and sale between BZAM Cannabis Corp. (the "**Company**"), as vendor, and 2627411 Alberta Ltd. (the "**Purchaser**"), as purchaser, dated January 6, 2025, *nunc pro tunc* (the "**Purchase Agreement**") and the sale transaction (the "**Transaction**") contemplated thereby, (ii) vesting in the Purchaser all of the Company's right, title and interest in and to the property described in the Purchase Agreement (the "**Purchased Assets**"), and (iii) authorizing and directing the Applicants to make certain payments and distributions, was heard this day via videoconference.

ON READING the affidavit of Matthew Milich sworn January 8, 2025 (the “**Milich Affidavit**”) and the Eighth Report of FTI Consulting Canada Inc. (“**FTI**”), in its capacity as the court-appointed monitor of the Applicants (in such capacity, the “**Monitor**”), dated January 9, 2025 and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for the Purchaser, and such other counsel appearing on the Participant Information Form, no one appearing for any other party although duly served as appears from the affidavit of service of Jamie Ernst, filed:

DEFINED TERMS

1. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them in the Milich Affidavit, the Purchase Agreement or the Amended and Restated Initial Order granted by this Court on March 8, 2024 (the “**ARIO**”), as applicable.

SERVICE

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

APPROVAL AND VESTING

3. **THIS COURT ORDERS** that the Purchase Agreement and the Transaction be and are hereby approved and the execution of the Purchase Agreement by the Company is hereby authorized and approved, with such minor amendments as the Company and the Purchaser may deem necessary, with the consent of the Monitor. The Company is hereby authorized and directed

to perform its obligations under the Purchase Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable to effect the Transaction.

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Monitor's Certificate**"), all of the Company's right, title and interest in and to the Purchased Assets, including without limitation the real property identified in Schedule "B" hereto (the "**Real Property**"), shall vest absolutely in the Purchaser free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, licences, restrictions, contractual rights, options, judgments, liabilities (direct, indirect, absolute or contingent), obligations, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, except for the permitted encumbrances, easements and restrictive covenants listed on Schedule "D" (collectively, the "**Claims**"), including, without limiting the generality of the foregoing: (i) any Encumbrances or Charges (as created by and defined in the ARIO, the SISP Approval Order dated March 8, 2024 and any other Orders granted in these CCAA Proceedings), (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system; (iii) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and (iv) those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "D" (the "**Permitted Encumbrances**")) and, for greater certainty, this Court orders and declares that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets and are non-enforceable and non-binding as against the Purchaser.

5. **THIS COURT ORDERS** that upon delivery of the Monitor's Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Monitor's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

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

(i) cancel existing Certificate of Title No. 182 099 665 for those lands and premises municipally described as 8770 24th Street, Sherwood Park, Alberta, and legally described as:

PLAN 8720213
BLOCK 5
LOT 4
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 2.02 HECTARES (5 ACRES) MORE OR LESS
(the "**Lands**");

(ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee);

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

- (iv) discharge and expunge the Encumbrances listed in Schedule “C” to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Purchase Agreement against the existing Certificate of Title to the Lands; and
- (b) the Registrar of the Alberta Personal Property Registry shall be and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Company in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.

6. **THIS COURT ORDERS** that upon delivery of the Monitor’s Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Company or by FTI, in its capacity as the Monitor, and not in its personal capacity.

7. **THIS COURT ORDERS** that in order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Purchase Agreement. Presentment of this Order and the Monitor’s Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations

against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.

8. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

9. **THIS COURT ORDERS** that except as expressly provided for in the Purchase Agreement or by section 5 of the Alberta Employment Standards Code, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Company.

10. **THIS COURT ORDERS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

11. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Company and the Purchaser regarding the fulfilment or waiver of conditions to closing under the Purchase Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.

APPROVAL OF THE PROCEEDS DISTRIBUTIONS

12. **THIS COURT ORDERS** that the Company is hereby authorized and directed to distribute the Proceeds from the Transaction as follows:

- (a) first, an amount equal to the Broker Fee shall be distributed to Avison Young Commercial Real Estate Services, LP (“**Avison Young**”), as full repayment of all obligations owing to Avison Young by BZAM Cannabis under the Listing Agreement; and
- (b) second, the remainder of the Proceeds shall be distributed to Cortland Credit Lending Corporation (“**Cortland**”), as the DIP Lender and the Applicants’ senior secured creditor, as partial repayment of the indebtedness owing by the Applicants to Cortland, which shall be applied by Cortland to partially repay such indebtedness in accordance with the terms of the DIP Loan (together, the “**Proceeds Distributions**”).

Such Proceeds Distributions shall be free and clear of and from any and all security interests (whether contractual, statutory or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing: (i) the Charges and the Edmonton Property Charge; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system in any province or territory in Canada or the Civil Code of Quebec.

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

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

15. **THIS COURT ORDERS** that notwithstanding:

- (a) the pendency of these proceedings and any declaration of insolvency made herein;
- (b) the pendency of any applications for a bankruptcy or receivership order now or hereafter issued pursuant to *the Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”), in respect of the Applicants or their property, and any bankruptcy or receivership order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Applicants; and
- (d) the provision of any federal or provincial statute,

the vesting of the Purchased Assets in the Purchaser and the Proceeds Distributions, each in accordance with this Order, shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of any Applicant or its property and shall not be void or voidable by creditors of such Applicant, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, fraudulent conveyance, or other reviewable transaction under the BIA or

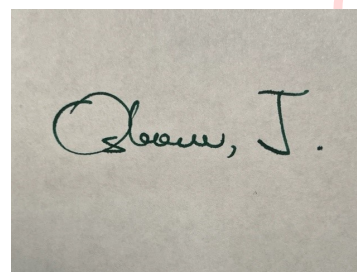
any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal, provincial or territorial legislation.

GENERAL

16. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or elsewhere, 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.

17. **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.

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

A rectangular box containing a handwritten signature in black ink that reads "Osborne, J.". The signature is written in a cursive style.

Digitally signed
by Osborne J.

Date:

2025.01.13

17:17:27 -05'00'

SCHEDULE “A” – FORM OF MONITOR’S CERTIFICATE

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF BZAM LTD., BZAM HOLDINGS INC., BZAM
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Applicants

RECITALS

A. Pursuant to the Order of the Honourable Justice Osborne of the Ontario Superior Court of Justice (Commercial List) dated February 28, 2024, as amended on March 8, 2024, the Applicants were granted protection from their creditors pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and FTI Consulting Canada Inc. was appointed as the monitor of the Applicants (in such capacity, the “**Monitor**”).

B. Pursuant to the Approval and Vesting Order of the Court granted January 13, 2025 (the “**Order**”), the Court, *inter alia*: (i) approved the transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Purchase Agreement**”) between BZAM Cannabis Corp. (the “**Company**”), as vendor, and 2627411 Alberta Ltd. (the “**Purchaser**”), as purchaser, dated January 6, 2025 (as amended, the “**Purchase Agreement**”), (ii) authorized and directed the Applicants to make certain payments and distributions, and (iii) provided for the vesting in the Purchaser of all the Company’s right, title and interest in and to the property described in the Purchase Agreement, which such vesting is to be effective upon the delivery by the Monitor to the Purchaser of a certificate confirming that the Monitor has received written confirmation in the form and substance satisfactory to the Monitor from the Purchaser and the Company that all conditions to closing have been satisfied or waived by the parties to the Purchase Agreement.

C. Capitalized terms not defined herein shall have the meaning given to them in the Order.

THE MONITOR CERTIFIES the following:

1. The Monitor has received written confirmation from the Purchaser and the Company, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the parties to the Purchase Agreement.
2. This certificate was delivered by the Monitor at _____ on _____, 2025.

) **FTI CONSULTING CANADA INC.**, in
) its capacity as court-appointed monitor of
) the Applicants and not in its personal
) capacity

) Per: _____

) Name: [●]

) Title: [●]

SCHEDULE “B” – LEGAL DESCRIPTION OF THE REAL PROPERTY

PLAN 8720213

BLOCK 5

LOT 4

EXCEPTING THEREOUT ALL MINES AND MINERALS

AREA: 2.02 HECTARES (5 ACRES) MORE OR LESS

SCHEDULE “C”

INSTRUMENTS TO BE DELETED

1. All liens, charges, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), levies, or other financial or monetary claims which may be registered after the date of the Purchase Agreement against the existing Certificate of Title to the Lands (other than Permitted Encumbrances as defined in the Purchase Agreement).

SCHEDULE "D"

**PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS
RELATED TO THE REAL PROPERTY**

Reg. No.	Date	Particulars
192 070 851	26/03/2019	CAVEAT RE: AGREEMENT CHARGING LAND, ETC. CAVEATOR - FORTISALBERTA INC. 15 KINGSVIEW ROAD SE ATTN: LAND DEPT AIRDRIE ALBERTA T4A0A8 AGENT - ERIN ALDCROFT
192 072 676	27/03/2019	CAVEAT RE: UTILITY RIGHT OF WAY CAVEATOR - FORTISALBERTA INC. 320-17 AVE SW CALGARY ALBERTA T2S2V1 AGENT - JAMES RYAN
212 152 636	14/07/2021	MORTGAGE MORTGAGEE - MANJINDER SINGH GILL 6676 KNIGHT DRIVE DELTA BRITISH COLUMBIA V4E1S5 ORIGINAL PRINCIPAL AMOUNT: \$5,000,000
212 152 637	14/07/2021	CAVEAT RE: ASSIGNMENT OF RENTS AND LEASES CAVEATOR - MANJINDER SINGH GILL C/O BURNET, DUCKWORTH & PALMER LLP SUITE 2400,525 8TH AVE SW CALGARY ALBERTA T2P1G1 AGENT - THOMAS W OSTROWERKA
212 152 638	14/07/2021	POSTPONEMENT

		OF CAVE 192070851 TO MORT 212152636 CAVE 212152637
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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 BZAM LTD., BZAM HOLDINGS INC., BZAM CANNABIS CORP., FOLIUM LIFE SCIENCE INC., 102172093 SASKATCHEWAN LTD., THE GREEN ORGANIC DUTCHMAN LTD., MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP., FINAL BELL CORP. AND 1001028579 ONTARIO INC.

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

**ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST**

Proceeding commenced at Toronto

**APPROVAL AND VESTING ORDER
(EDMONTON PROPERTY TRANSACTION)**

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