

DIP FACILITY AGREEMENT

2024. **THIS AGREEMENT** (the "**Agreement**") is made this 28th day of February,

A M O N G:

Cortland Credit Lending Corporation, in its capacity as administrative agent (the "Agent") for and on behalf of the lenders party hereto from time to time (the "Lenders")

-and-

The Green Organic Dutchman Ltd. (the "Borrower")

-and-

BZAM Ltd. ("BZAM")

-and-

BZAM Holdings Inc. ("BZAM Holdings")

-and-

BZAM Management Inc. ("BZAM Management")

-and-

BZAM Cannabis Corp. ("BZAM Cannabis")

-and-

Folium Life Science Inc. ("Folium Life")

-and-

102172093 Saskatchewan Ltd. ("102")

-and-

Medican Organic Inc. ("Medican")

-and-

High Road Holding Corp. (f/k/a Final Bell Canada Inc., "High Road")

-and-

Final Bell Corp. ("**Final Bell**", and, together with BZAM, BZAM Holdings, BZAM Management, BZAM Cannabis, Folium Life, 102, Medican and High Road, collectively, the "**Guarantors**" and the Guarantors, together with the Borrower, collectively, the "**Credit Parties**")

RECITALS:

WHEREAS the Agent and certain of the Credit Parties are either parties to or obligors under, as applicable, a Credit Agreement made as of March 31, 2020, as amended by a first amendment dated May 27, 2020, a second amendment dated October 1, 2020 and a third amendment dated July 30, 2021 (as amended, the "**Original Credit Agreement**");

AND WHEREAS the Agent and certain of the Credit Parties amended and restated the Original Credit Agreement in its entirety by way of an amended and restated credit agreement dated September 29, 2021, as amended by a first amendment dated November 30, 2021, a second amendment dated March 9, 2022, a third amendment dated April 29, 2022, a fourth amendment dated November 3, 2022, a fifth amendment dated June 30, 2023, and a sixth amendment dated August 30, 2023 (as amended, the "**First ARCA**");

AND WHEREAS the Borrower and the Lenders amended and restated the First ARCA in its entirety by way of a second amended and restated credit agreement (the "**Second ARCA**") dated January 8, 2024;

AND WHEREAS to secure the obligations of the applicable Credit Parties to the Agent under the Second ARCA and the other Transaction Documents, the applicable Credit Parties granted Security Agreements in favour of the Agent;

AND WHEREAS the Credit Parties have advised the Agent that they intend to commence proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act* (the "**CCAA**") on a date to be set (the "**Filing Date**") by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") to seek, among other things, the granting of an initial order (the "**Initial Order**") and the appointment of FTI Consulting Canada Inc. as monitor (if appointed, the "**Monitor**");

AND WHEREAS the obligations of certain of the Credit Parties pursuant to or in connection with the Second ARCA (including without limitation, all outstanding Loan Advances and all interest and fees thereon or in connection therewith) are hereinafter referred to collectively as the "**Cortland Pre-Filing Obligations**";

AND WHEREAS commencement of the CCAA Proceedings will constitute an Event of Default (as defined in the Second ARCA) (the "**CCAA Event of Default**") under the Second ARCA;

AND WHEREAS the Credit Parties have requested, and the Agent has agreed, to provide certain debtor-in-possession ("**DIP**") financing to the Credit Parties pursuant to a DIP facility (the "**DIP Facility**") during the CCAA Proceedings on the terms and conditions contained herein;

NOW THEREFORE in consideration of the respective covenants of the parties hereto herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires, all terms defined in the Second ARCA and not otherwise defined herein shall have the respective meanings ascribed to them in the Second ARCA.

1.2 Gender and Number

Words importing the singular include the plural and vice versa and importing gender include all genders.

1.3 Severability

Each of the provisions contained in this Agreement is distinct and severable, and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Agreement.

1.4 Headings

The division of this Agreement into sections and the insertion of headings, articles, sections and clauses are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.5 Entire Agreement

Except for the Transaction Documents and the additional documents provided for herein, this Agreement constitutes the entire agreement of the parties and supersedes all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, relating to the subject matter hereof. This Agreement may not be amended or modified except by written consent executed by all of the parties hereto. No provision of this Agreement will be deemed waived by any course of conduct unless such waiver is in writing and signed by all of the parties hereto, specifically stating that it is intended to modify this Agreement.

1.6 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and federal the laws of Canada applicable therein.

1.7 Currency

Unless otherwise stated, all dollar amounts referenced are in Canadian dollars.

1.8 Attornment

The parties hereto irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario for all matters arising out of or in connection with this Agreement.

1.9 Conflicts

If there is any inconsistency or conflict between the terms of this Agreement and the terms of the Transaction Documents, the provisions of this Agreement shall prevail to the extent of the inconsistency, but the foregoing shall not apply to limit or restrict, in any way, the rights and remedies of the Agent under this Agreement, the Transaction Documents, the CCAA, the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), the PPSA, other applicable law, or otherwise, other than as may be specifically contemplated herein.

1.10 Discretion and Consent

Any reference herein to the exercise of discretion by the Agent (including phrases such as "in the discretion of", "in the opinion of", "to the satisfaction of" and similar phrases) shall mean that such discretion is absolute and unfettered and shall not imply any obligation to act reasonably, unless otherwise expressly stated herein.

Any consent made or to be given by the Agent hereunder must be made or given expressly in writing. For greater certainty no consent on the part of the Agent shall be implied solely by receipt by the Agent of an updated Budget and/or Variance Report (each as defined below), as applicable.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

Each of the Credit Parties hereby represents and warrants to the Agent as follows:

- 2.1** The facts set out in the recitals to this Agreement are true and accurate in substance and in fact.
- 2.2** Each Credit Party is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions in which the nature of its assets or business makes such qualification necessary.
- 2.3** Subject to Court approval, each Credit Party has all requisite corporate power and authority to (i) own and operate its properties and assets and to develop, own and operate its business, and (ii) enter into and perform its obligations under this Agreement and each other Transaction Document to which it is a party.

- 2.4** The execution and delivery by each Credit Party of this Agreement and each other Transaction Document to which it is a party and the performance by each of them of their respective obligations hereunder and thereunder have been duly authorized by all necessary corporate action and, other than Court approval, no authorization under any applicable law, and no registration, qualification, designation, declaration or filing with any governmental authority, is or was necessary therefor, other than filings which may be made to register or otherwise record the DIP Charge (as defined below).
- 2.5** This Agreement and each of the other Transaction Documents to which it is a party has been duly executed and delivered by it and, subject to Court approval, constitutes a legal, valid and binding obligation of each Credit Party, enforceable against it in accordance with its terms, subject only to any limitation under Applicable Laws relating to (i) bankruptcy, insolvency, reorganization, moratorium or creditors' rights generally; (ii) the discretion that a court may exercise in the granting of equitable remedies; (iii) the Initial Order (as may be amended and restated from time to time) and any other Order of the Court.
- 2.6** The Collateral (i) is owned by or licensed to the Credit Parties and is only located at the locations disclosed in writing to the Agent; (ii) has not been sold, leased or otherwise disposed of other than inventory in the ordinary course of business; and (iii) is not subject to any rights of any person or entity other than Permitted Encumbrances and the CCAA Charges (as defined below).
- 2.7** The execution and delivery by each Credit Party of this Agreement and the other Transaction Documents to which it is a party and the performance by each Credit Party of their respective obligations hereunder and thereunder and compliance with the terms, conditions and provisions hereof and thereof, will not conflict with or result in a breach of (i) its constating documents or by-laws; or (ii) subject to Court approval, any applicable law.
- 2.8** The business operations of each Credit Party has been and will continue to be conducted in compliance with all laws of each jurisdiction in which business has been or is being carried on.
- 2.9** Each Credit Party has obtained all licenses and permits required for the operation of its business, which licenses and permits remain in full force and effect. No proceedings have been commenced or, to the knowledge of the Credit Parties, threatened to revoke or amend any of such licenses or permits.
- 2.10** Except as set out in Schedule "C", the Collateral is not subject to any Lien except for the Permitted Encumbrances and each Credit Party has made all source deductions required by Applicable Law.
- 2.11** Except as set out in Schedule "D", each Credit Party has filed or caused to be filed all tax returns and reports which are required to have been filed and has paid or caused to be paid all taxes required to have been paid by it, except taxes that are being contested in good faith by appropriate proceedings and for which adequate cash reserves are being maintained.

- 2.12** Except as set out in Schedule "E", other than the CCAA Proceedings, there are no actions, suits or proceedings (including any tax-related matter) by or before any arbitrator or governmental authority or by any other person pending against or, to the knowledge of each Credit Party, threatened against or affecting any Credit Party.
- 2.13** (i) Each Credit Party is and has been in compliance with all applicable environmental laws, including obtaining, maintaining and complying with all permits required by any applicable environmental law, (ii) no Credit Party is party to, and no real property currently or previously owned, leased or otherwise occupied by or for any Credit Party is subject to or the subject of, any contractual obligation or any pending or, to the knowledge of the Credit Parties, threatened order, action, investigation, suit, proceeding, audit, claim, demand, dispute or notice of violation or of potential liability or similar notice under or pursuant to any environmental law which could reasonably be expected to result in a remedial obligation having a Material Adverse Change, (iii) no Lien in favour of any Governmental Authority securing, in whole or in part, environmental liabilities has attached to any property of the Credit Parties and no facts, circumstances or conditions exist that could reasonably be expected to result in any such Lien attaching to any such property, (iv) no Credit Party has caused or suffered to occur a release of any hazardous substances or conditions creating any potential for such a release at, to or from any real property other than in compliance with environmental laws and except when failure to do so could not reasonably be expected to result in a Material Adverse Change, (v) no Credit Party has engaged in operations that, and no facts, circumstances or conditions exist that, in the aggregate, would have a reasonable likelihood of resulting in material environmental liabilities, and (vi) each Credit Party has made available to the Agent copies of all existing environmental reports, reviews and audits and all documents pertaining to actual or potential environmental liabilities, in each case to the extent such reports, reviews, audits and documents are in its possession, custody or control.
- 2.14** Each Credit Party maintains insurance policies and coverage which (i) is sufficient for compliance with Applicable Law and all Material Agreements to which a Credit Party is a party and (ii) provide adequate insurance coverage in at least such amounts and against at least such risks as are usually insured against in the same general area by persons engaged in the same or similar business to the assets and operations of the Credit Parties.
- 2.15** All information provided by or on behalf of the Credit Parties to the Agent for the purposes of or in connection with this Agreement, the other Transaction Documents or any transaction contemplated herein is true and accurate in all material respects on the date as of which such information is dated or certified and remains true as of the date provided and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided.

ARTICLE 3 THE DIP FACILITY

In reliance upon the Acknowledgement and the acknowledgements, representations, warranties, confirmations, covenants and agreements of the Credit Parties contained in this Agreement and

subject to the terms and conditions of this Agreement and any documents executed in connection herewith, the Agent agrees to make the DIP Facility available to the Borrower during the CCAA Proceedings on the following terms and conditions.

3.1 The DIP Facility

Notwithstanding any other term or condition of the Second ARCA, and subject to satisfaction of the terms and conditions of this Agreement, the Agent, on behalf of the Lenders, agrees to provide the Borrower with the DIP Facility as set forth in this section:

- (a) The maximum principal amount under the DIP Facility shall not, at any time, exceed the lesser of (i) \$41,000,000 (the "**Facility Limit**"), and (ii) the Revolving Facility Limit plus \$7,000,000; provided that at no point in time will the Cortland Pre-Filing Obligations and Post-Filing Obligations, either individually or in the aggregate, exceed the Facility Limit;
- (b) all amounts advanced by the Agent on behalf of the Lenders following the Filing Date shall be in respect of the DIP Facility;
- (c) all amounts advanced under the DIP Facility shall be used by the Borrower to fund its working capital needs (including restructuring expenses and any pre-filing obligations permitted by Court order and approved by the Agent) during the CCAA Proceedings and shall in no circumstances be used to fund any Cortland Pre-Filing Obligations; and
- (d) the Borrower may request advances from time to time under the DIP Facility by delivering an advance request certificate, in the form attached as Schedule "B" (each such request, an "**Advance Request**" and each such certificate, an "**Advance Request Certificate**"), not less than one Business Day before the date of the requested advance; provided that the initial advance request certificate need not be required one Business Day before the date of the requested advance.

Notwithstanding the foregoing, the Borrower hereby authorizes and directs the Agent and the Lenders to make one or more advances under this Agreement (for greater certainty, without the requirement for the Borrower to deliver an Advance Request Certificate) in order to pay or otherwise satisfy any liens or other payables which rank (or are reasonably likely to rank) in priority to the Agent's Liens.

3.2 Interest Rate and Fees

- (a) The applicable Interest Rate on all amounts advanced under the DIP Facility shall be the greater of: (i) the TD Prime Rate plus 8.05% per annum; and (ii) 12% per annum, and will be due and payable in cash on the first Business Day of each month covering interest accrued over the past calendar month. Unless otherwise provided for herein, interest on any amount due hereunder shall be calculated daily and not in advance on the basis of a 365-day year. For the purposes of the *Interest Act* (Canada) in the case of a leap year, the annual interest rate corresponding to the interest calculated on the basis of a 365-day year is equal to the interest rate thus

calculated multiplied by 366 and divided by 365. Any amount of principal, interest commission, discount, or any other nature remaining unpaid at maturity, shall bear interest at the rate provided for herein, being understood that the said interest rate on arrears shall not exceed the maximum rate provided by law. Interest on arrears shall be compounded monthly and payable on demand.

- (b) The Borrower shall pay to the Agent a commitment fee equal to \$98,000, which fee shall be payable by the Borrower to the Agent upon issuance of the Initial Order. Such fee will be paid from the initial advance.

3.3 Mandatory Repayments

Following the Filing Date, all Post-Filing Collections (as defined below) will be applied against the Cortland Pre-Filing Obligations of the Credit Parties to the Agent, for and on behalf of the Lenders, unless otherwise directed by the Agent.

Subject to the priority of the Administration Charge, if a Credit Party (a) disposes, transfers or sells any Collateral outside the ordinary course of business, or (b) sells the shares/equity interests of any wholly owned or non-wholly owned subsidiary of a Credit Party, the proceeds of sale (net only of usual closing adjustments), up to the total amount of the Credit Parties' indebtedness to the Agent and the Lenders under the DIP Facility and the Second ARCA, shall be paid to the Agent and applied by the Agent against the indebtedness owing to the Lenders under the DIP Facility. Any such repayment by a Credit Party shall constitute a permanent reduction of the availability and commitment under the DIP Facility.

3.4 Conditions Precedent

The obligation of the Lenders to make the DIP Facility available to the Borrower and to fund each advance under the DIP Facility is subject to and conditional upon satisfaction (or waiver by the Agent) of the following conditions precedent:

- (a) the Agent shall have received a copy of this Agreement executed by each of the Credit Parties;
- (b) the Agent shall have received and be satisfied with the Budget, and all such other information (financial or otherwise) reasonably requested by the Agent;
- (c) no Event of Default (as defined herein) shall exist, and no event or circumstance which could reasonably be expected to result in a Material Adverse Change shall have occurred;
- (d) there shall not be pending any litigation or other proceeding, other than the CCAA Proceedings, the result of which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Change or form the basis for an appeal of the Initial Order;

- (e) all Court materials and documents prepared by the Credit Parties in connection with the CCAA Proceedings, including any service list shall be in form and substance satisfactory to the Agent;
- (f) the Initial Order shall be in form and substance satisfactory to the Agent;
- (g) the Initial Order (or any amended and restated Initial Order) approving the DIP Facility, the granting of the DIP Charge, and all related transactions shall have been issued and entered and be in full force and effect and shall not have been reversed, vacated, or stayed, subject to appeal or modified or superseded or negatively impacted in any way without the Agent's prior written consent, and all necessary consents and approvals to the transaction contemplated in this Agreement and in the Initial Order shall have been obtained to the satisfaction of the Agent;
- (h) payment by the Credit Parties to the Agent of all reasonable and documented expenses incurred by the Agent or the Lenders in connection with the DIP Facility (including the negotiation, ongoing monitoring and any costs of enforcement);
- (i) the Agent shall have received a Borrowing Base Certificate;
- (j) in connection with an Advance Request, the Agent shall have received an Advance Request Certificate accompanied by a Borrowing Base Certificate;
- (k) each of the representations and warranties made by the Credit Parties to the Agent in this Agreement shall be true and correct in all material respects; and
- (l) approval by the Agent of the Credit Parties' most recent cash flow forecast, prepared in the form of the Budget.

3.5 Terms of Initial Order

The Initial Order shall be in form and substance satisfactory to the Agent, including provisions addressing (among other things) the following:

- (a) approval of the financing provided for in this Agreement (including the DIP Facility);
- (b) the continuation of the Credit Parties' existing cash management arrangements;
- (c) authorization and direction for the Borrower and the other Credit Parties to make all payments of principal, interest, fees, and expenses under this Agreement to the Agent for and on behalf of the Lenders;
- (d) the DIP Charge;
- (e) an administration charge in the amount of \$500,000 (which shall increase to \$1,000,000 under the amended and restated Initial Order) which ranks prior to the

DIP Charge and the Agent's security pursuant to the Transaction Documents (the "**Administration Charge**");

- (f) a directors' and officers' charge in the amount of \$5,300,000 (which shall increase to \$12,900,000 under the amended and restated Initial Order) which ranks subsequent to the DIP Charge and the Agent's security pursuant to the Transaction Documents, including for greater certainty, the Cortland Pre-Filing Obligations (the "**D&O Charge**"); and
- (g) that the Agent shall be treated as unaffected in any plan of arrangement or compromise filed by or in respect of the Credit Parties under the CCAA, or under any proposal filed by or in respect of the Credit Parties under the BIA, with respect to any Post-Filing Obligations (as defined below).

3.6 Budget

The Borrower shall provide the Agent with a thirteen (13) week cash-flow forecast reviewed by the Monitor and in form and substance satisfactory to the Agent (the "**Initial Budget**"). The Initial Budget shall reflect on a line-item basis, among other things, a borrowing base calculation reflecting the amount of availability, anticipated cash flow, cash receipts and disbursements, and sales. The Initial Budget and the proposed use of funds provided for therein shall be in substance satisfactory to the Agent. The Initial Budget and any subsequent Budget may only be amended and modified with the prior written consent of the Agent (the Initial Budget, as so amended and modified from time to time with the prior written consent of the Agent, is referred to herein as the "**Budget**"). The Initial Budget to May 25, 2024 is attached hereto as Schedule "A".

3.7 DIP Charge

- (a) All advances made by the Agent and the Lenders to the Borrower under the DIP Facility, and all obligations, indebtedness, fees (including professional fees), costs, and expenses of the Agent and the Lenders under this Agreement and the DIP Facility (collectively, the "**Post-Filing Obligations**") shall constitute obligations and shall be secured by:
 - (i) a super-priority DIP charge (the "**DIP Charge**") on all of the existing and after-acquired real and personal property of the Credit Parties as provided for herein and in the Initial Order; and
 - (ii) the existing security and guarantees in favour of the Agent under the Transaction Documents;

provided that with respect to the BZAM Edmonton Property, the DIP Charge shall rank subordinate to the Existing BZAM Edmonton Property Charge.

- (b) For certainty, the DIP Charge shall not secure any Cortland Pre-Filing Obligations.

3.8 Existing Cash Management System/Cash Receipts to the Agent

The Initial Order shall, among other things, authorize and direct the Credit Parties to continue to use the central cash management system currently in place or replace it with another substantially similar central cash management system. Each of the Credit Parties will provide evidence to the Agent that it has directed each financial institution with which it maintains a deposit account into which payments are received from its Account Debtors (collectively, "**Post-Filing Collections**") to transfer on a weekly basis, at the Credit Parties' cost and expense, all such Post-Filing Collections to an account maintained by the Agent. The Agent shall apply the Post-Filing Collections to repay the Cortland Pre-Filing Obligations.

3.9 Additional Reporting

In addition to all other existing reporting requirements set out in the Second ARCA (to the extent not otherwise dealt with in this Agreement), the Borrower shall provide to the Agent:

- (a) on a weekly basis within four (4) Business Days after the end of each week during the CCAA Proceedings an executed Borrowing Base Certificate duly completed in all material respects consistent with past practice, plus all backup information requested by the Agent; and
- (b) on a bi-weekly basis within six (6) Business Days after the end of each bi-weekly period during the CCAA Proceedings:
 - (i) a report comparing the Credit Parties' actual performance to that projected in the Budget for the given bi-weekly period (each, a "**Variance Report**"), specifically identifying any negative variances in excess of ten percent (10%), with a minimum floor variance of \$500,000 (unless otherwise agreed to by the Agent), in respect of the actual cumulative net cash flow against the forecasted cumulative net cash flow in the Budget (an "**Adverse Negative Variance**") and providing a detailed explanation for same; provided, however, that the calculation of an Adverse Negative Variance shall not take into account Professional Expenses in excess of what is forecasted in the Initial Budget or the Budget, as applicable.
 - (ii) updating the Budget to account for actual performance by the Credit Parties for the previous week and rolling forward by two (2) additional weeks cash flow projections set forth in the last updated Budget; and
 - (iii) such other information as the Agent may reasonably request.

3.10 Status Calls

During the CCAA Proceedings, upon request from the Agent from time to time, the Borrower shall arrange and participate in conference calls with the Agent and the Monitor to discuss the performance of the Borrower and the other Credit Parties, any updated Budgets, Variance Reports

(including any Adverse Negative Variances), updates for future weeks, and any other matters the Agent may reasonably raise.

3.11 CCAA Proceedings and Other Materials to be Provided to Agent

The Borrower shall deliver to the Agent drafts of all Court materials and documents prepared by the Credit Parties in connection with the CCAA Proceedings, and shall provide the Agent with a reasonable opportunity to comment thereon prior to filing and ensure the same are acceptable to the Agent, acting reasonably.

3.12 Compliance with Transaction Documents

Each of the Credit Parties shall strictly adhere to all of the terms, conditions and covenants of this Agreement and the Transaction Documents (to the extent not otherwise dealt with in this Agreement), including, without limitation, terms requiring prompt payment of principal, interest, fees, and other amounts when due.

3.13 Covenants

Each Credit Party covenants and agrees with the Agent that it shall:

- (a) pay all sums of money when due under the terms of this Agreement;
- (b) immediately advise the Agent of any event which constitutes an Event of Default;
- (c) file all tax returns which are or will be required to be filed by it;
- (d) pay or make provision for the payment of all taxes and source deductions (including interest and penalties) which will become due and payable after the commencement of the CCAA Proceedings;
- (e) comply in all respects with all Applicable Laws, including all environmental laws;
- (f) immediately advise the Agent of any material action requests or material violation notices and hold the Agent harmless from and against any losses, costs or expenses which the Agent may suffer or incur for any environment related liabilities existing now or in the future with respect to it;
- (g) immediately advise the Agent of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- (h) keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- (i) at reasonable times and upon reasonable notice (provided that upon the occurrence of an Event of Default, the Agent (including any potential assignee, participant or

lender) is permitted to do the following at any time and without notice, subject to the Initial Order) permit the Agent (including any potential assignee, participant or lender) or its representatives, during normal business hours, subject to any Applicable Laws governing the Credit Parties' business, (i) to visit and inspect a Credit Party's premises, properties and assets and examine and obtain copies of such Credit Party's records or other information, and (ii) to discuss such Credit Party's affairs with the auditors (if any) of such Credit Party (in the presence of such Credit Party's representatives as it may designate). Each Credit Party hereby authorizes and directs any such third party to provide to the Agent (including any potential assignee, participant or lender) or its representatives all such information, records or documentation reasonably requested by the Agent;

- (j) except for Permitted Encumbrances and the CCAA Charges, not, without the prior written consent of the Agent, grant, create, assume or suffer to exist any Lien or other encumbrance affecting any of its properties, assets or other rights;
- (k) not incur any borrowings or other indebtedness, obligations or liabilities, other than Permitted Indebtedness;
- (l) not, without the prior written consent of the Agent, sell, transfer, convey, lease or otherwise dispose of any of its assets, properties or undertakings other than in the ordinary course of business and on arm's-length, commercially reasonable terms; provided that, for greater certainty, no Credit Party shall enter into any sale (or similar) transaction pursuant to a sale and investment solicitation process or otherwise without that prior written consent of the Agent, save and except for a transaction that provides for payment in cash on closing of the Cortland Pre-Filing Obligations and the Post-Filing Obligations in full;
- (m) not, without the prior written consent of the Agent, sell the shares/equity interests of any wholly owned or non-wholly owned subsidiaries of any Credit Party;
- (n) not, without the prior written consent of the Agent, provide any guarantees, financial assistance or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, other than Permitted Indebtedness;
- (o) not, without giving the Agent fifteen (15) days' prior notice in writing and obtaining the Agent's written consent, merge, amalgamate, or otherwise enter into any other form of business combination with any other Person. In the event the Agent gives its consent, it will cause any such resulting Person to become a borrower or guarantor, as applicable, hereunder and to grant such security and enter into such agreements as the Agent may require;
- (p) not pay any dividends, other corporate distributions, interest or principal on any secured or unsecured debt, or make any disbursement of any kind other than as contemplated by the Budget;
- (q) not acquire or move any Collateral to any jurisdiction outside the Province of Ontario or any other jurisdiction where the Agent has perfected its security over such Collateral without first executing and delivering all such security and other documentation and completing all registrations, recordings and filings to grant in

favour of the Agent a first-ranking security interest in such Collateral and to render effective the security interest granted thereby, all in form and substance satisfactory to the Agent;

- (r) notify the Agent within three (3) Business Days of any Account Debtor notifying such Credit Party that they are contesting any invoice;
- (s) fully cooperate with each party conducting any field exam or due diligence on behalf of the Agent and will permit and reimburse the Agent for all reasonable and documented costs associated with any appraisals;
- (t) pay only those expenditures set out in the Budget, or such other expenditures the Agent and Monitor consent to in writing;
- (u) provide to the Agent, on a weekly basis, a list of payments, disbursements and transfers of money proposed to be made by each of the Credit Parties during the following week and will make only those payments, disbursements and transfers that are set out in the Budget or otherwise consented to by the Agent;
- (v) not create or grant any security (other than the DIP Charge, the Administration Charge, the D&O Charge and any charge (which shall rank subordinate to the DIP Charge and the Agent's security pursuant to the Transaction Documents, including for greater certainty, the Cortland Pre-Filing Obligations) to secure a break fee and expense reimbursement in favour of a stalking horse bidder in any sale and investment solicitation process approved by the Court (collectively, the "**CCAA Charges**") over any of the Collateral, whether ranking in priority to, *pari passu* or subordinate to the DIP Charge, without the prior consent of the Agent;
- (w) provide the Agent with any financial or other information reasonably requested by the Agent;
- (x) within two (2) Business Days of the receipt by any Credit Party of the same, deliver to the Agent a copy of any notice of motion, pleading or application to vary, supplement, revoke, terminate or discharge the Initial Order including (without limitation) any application to the Court for the granting of security that will or may have priority over the DIP Charge, or otherwise for the variation of the priority of the DIP Charge; and
- (y) prevent the Cortland Pre-Filing Obligations and Post-Filing Obligations, either individually or in the aggregate, from exceeding the Facility Limit

3.14 Events of Default

The occurrence of any one or more of the following events shall constitute an event of default under this Agreement (collectively, the "**Events of Default**"):

- (a) Any Credit Party fails to make payment of any amount, whether on account of principal, interest or otherwise, when due pursuant to the terms of this Agreement;

- (b) without the consent of the Agent, the occurrence of any Adverse Negative Variance;
- (c) entry of an order which stays, modifies (other than extensions of the Initial Order), or reverses the Initial Order or which otherwise materially adversely affects the effectiveness of the Initial Order without the express written consent of the Agent;
- (d) the entry of any order without the prior written consent of the Agent which provides relief from the automatic stay made under the Initial Order or the CCAA which permits any creditor to realize upon, or to exercise any right or remedy with respect to, any asset of any Credit Party or to terminate any license, franchise, or similar agreement, where the exercise of such right or remedy or such realization or termination would reasonably be likely to result in a Material Adverse Change as determined by the Agent;
- (e) the filing of any application, motion or other request by any Credit Party without the express prior written consent of the Agent for the approval of any super-priority claim or debtor in possession financing in the CCAA Proceedings which is *pari passu* with or senior to the priority of the DIP Charge (other than the Administration Charge and the D&O Charge), or there shall arise any such super-priority claim under the CCAA;
- (f) the payment or other discharge by any Credit Party of any pre-filing indebtedness, except as expressly permitted hereunder, or generally permitted within the category and range in the Budget or by order in the CCAA Proceedings, to which payment or discharge the Agent has not provided its written prior consent;
- (g) the failure of any Credit Party (i) to materially comply with each and all of the terms and conditions of the Initial Order, or (ii) to materially comply with any other order entered in the CCAA Proceedings, if such failure would reasonably likely result in a Material Adverse Change as determined by the Agent;
- (h) (i) the filing of any motion by any Credit Party or the entry of any order in the CCAA Proceedings: (A) permitting any financing (other than ordinary course trade credit or unsecured debt) for any Credit Party from any Person other than the Agent, (B) granting a Lien on, or security interest in any of the Collateral of any Credit Party equal or superior status to that of the DIP Charge, other than with respect to this Agreement or as otherwise permitted herein, or (C) dismissing the CCAA Proceedings, or (ii) the filing of any motion by any Person (other than a Credit Party) regarding matters specified in the foregoing clause (i) that is not immediately stayed and dismissed or denied within thirty (30) days of the date of the filing of such motion, provided that if any Credit Party is unsuccessful in contesting any such Claim, that shall automatically constitute an Event of Default;
- (i) the commencement of any claim, action, proceeding, application, motion, defense or other contested matter (collectively, a “**Claim**”) that is not being contested by any Credit Party, 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 any Credit Party under this agreement, the DIP Charge or its priority, (ii) for monetary, injunctive or other relief against the Agent, the Lender or the Collateral, or (iii) preventing, hindering or otherwise delaying the exercise by the Agent of any of its rights and remedies hereunder, pursuant to the Initial Order or under applicable law, or the enforcement or realization by the Agent against any of its collateral, provided that if any Credit Party is unsuccessful in contesting any such Claim, that shall automatically constitute an Event of Default;

- (j) the filing of any proposal, plan of arrangement, plan of reorganization or other similar document (a “**Plan**”) or the acceptance of any transaction (a “**Transaction**”), or the filing of a motion seeking approval of the Court to accept any such Transaction or Plan, unless the total Cortland Pre-Filing Obligations and the Post-Filing Obligations hereunder are to be permanently and indefeasibly paid in full in cash or other immediately available funds upon completion of the Plan or Transaction or if the terms of the Plan or the Transaction have otherwise been approved by the Agent;
- (k) the breach of any term, covenant or agreement by any Credit Party in this Agreement;
- (l) any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrower, any other Credit Party herein, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect when made or deemed made;
- (m) if any material contract or license (including, for greater certainty, any contract or license entered into in connection with the use of any intellectual property or the production, cultivation and/or manufacturing of cannabis and/or cannabis-related products) is terminated or amended in any manner without the prior consent of the Agent;
- (n) without the consent of the Agent, the occurrence of a Change of Control; and
- (o) the occurrence of a default or an event of default under the Second ARCA (other than the CCAA Event of Default).

3.15 Cooperation

Each of the Credit Parties shall cooperate fully with the Agent and its respective agents and employees by providing all information requested by the Agent, and by providing access to its books, records, property, assets, and personnel as requested by the Agent wherever they may be situated in whatever medium they may be recorded, except for confidential or privileged information, at the request of and at times convenient to the Agent, acting reasonably, which right of access shall include the right to inspect and appraise such property and assets.

3.16 Professional Expenses

Each of the Credit Parties hereby covenants and agrees with the Agent to reimburse the Agent for all reasonable and documented expenses incurred in connection with this Agreement and the CCAA Proceedings, including, without limitation, legal fees, financial advisor fees and other professional expenses that the Agent has incurred or will incur arising out of its dealings with the Credit Parties in the CCAA Proceedings (collectively, the "**Professional Expenses**"). The Borrower shall ensure that the Professional Expenses are provided for in the Budget. Nothing in this Agreement, shall derogate from the Credit Parties' obligation to pay for all of the Professional Expenses or shall constitute a cap on Professional Expenses. Notwithstanding the foregoing, the Agent shall add all of the Professional Expenses to the Post-Filing Obligations if the same are not paid when due. Each of the Credit Parties hereby acknowledges, confirms and agrees that the Professional Expenses which are added to the Post-Filing Obligations shall be secured and covered by the Transaction Documents and the DIP Charge.

3.17 Remedies Upon Event of Default and on Termination Date

If any Event of Default occurs and is continuing, or upon the Termination Date, the Agent may take any or all of the following actions, subject to the terms of the Initial Order:

- (a) declare the DIP Facility to be terminated, whereupon the DIP Facility shall be terminated;
- (b) declare the Post-Filing Obligations to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Credit Parties; and
- (c) exercise any or all of its rights and remedies available to it under this Agreement, the other Transaction Documents, the BIA, the PPSA, other applicable law, or otherwise.

3.18 Termination

The term of the DIP Facility will be the earlier of (a) July 15, 2024 (the "**Maturity Date**"), and (b) any other Termination Date.

The Agent shall have the right to terminate the DIP Facility upon the occurrence of an Event of Default in accordance with the terms of this Agreement, subject to the terms of the Initial Order.

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

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

- (a) the Maturity Date;

- (b) the date on which any Event of Default occurs or is discovered to have occurred in the past, unless waived or otherwise consented to by the Agent; and
- (c) the date of a sale of all or substantially all of the Collateral.

ARTICLE 4 GENERAL PROVISIONS

4.1 Effect of this Agreement

Except as expressly modified pursuant hereto, no other changes or modifications to the terms of the Transaction Documents are intended or implied.

4.2 Transaction Document

This Agreement is a Transaction Document.

4.3 Further Assurances

The parties hereto shall execute and deliver such supplemental documents and take such supplemental action as may be necessary or desirable by the Agent to give effect to the provisions and purposes of this Agreement and the DIP Charge all at the sole expense of the Credit Parties.

4.4 Binding Effect

This Agreement shall be binding upon and enure to the benefit of each of the parties hereto and their respective successors, heirs, executors, administrators, permitted assigns and legal representatives.

4.5 Survival of Representations and Warranties

All representations and warranties made in this Agreement or any other document furnished in connection herewith shall survive the execution and delivery of this Agreement and such other document delivered in connection herewith, and no investigation by the Agent or any closing shall affect the representations and warranties or the rights of the Agent to rely upon such representations and warranties.

4.6 No Novation

This Agreement will not discharge or constitute novation of any debt, obligation, covenant or agreement contained in the Transaction Documents but the same shall remain in full force and effect save to the extent amended by this Agreement.

4.7 Assignments

The Agent may assign this Agreement and its rights and obligations hereunder, in whole or in part, or grant a participation in its rights hereunder or act as an agent for one or more lenders hereunder at any time and from time to time, on the condition that the Monitor is satisfied that the potential

assignee or party granted or to be granted a participation right has the financial wherewithal to, and is an appropriate party to participate in, the Agreement.

Each of the Credit Parties acknowledges and agrees that, in accordance with Applicable Laws, the Agent may, in its discretion, provide any potential assignee, participant or lender with, on a confidential basis, all such information required by such assignee, participant or lender to complete its financial and legal due diligence in connection with assessing such assignment, participation or lending.

Neither this Agreement nor any right hereunder may be assigned by any of the Credit Parties.

4.8 Amendments

This Agreement may not be amended nor waived except by an instrument in writing signed by each of the Credit Parties and the Agent.

4.9 Execution in Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and which taken together will be deemed to constitute one and the same instrument. Counterparts may be executed either in original, faxed or portable document format ("**PDF**") form and the parties adopt any signatures received by a receiving fax machine or by emailed PDF as original signatures of the parties; provided, however, that any party providing its signature in such manner will promptly forward to the other party an original of the signed copy of the Agreement which was so faxed or emailed.

[REMINDER OF PAGE DELIBERATELY LEFT BLANK]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first above mentioned.

CORTLAND CREDIT LENDING CORPORATION, as Agent for and on behalf of the Lenders

By: _____
Name:
Title:

102172093 SASKATCHEWAN LTD.

By: _____
Name:
Title:

BZAM LTD.

By: _____
Name:
Title:

BZAM HOLDINGS INC.

By: _____
Name:
Title:

BZAM MANAGEMENT INC.

By: _____
Name:
Title:

BZAM CANNABIS CORP.

By: _____
Name:
Title:

FOLIUM LIFE SCIENCE INC.

By: _____
Name:
Title:

THE GREEN ORGANIC DUTCHMAN LTD.

By: _____
Name:
Title:

MEDICAN ORGANIC INC.

By: _____
Name:
Title:

HIGH ROAD HOLDING CORP.

By: _____
Name:
Title:

FINAL BELL CORP.

By: _____
Name:
Title:

SCHEDULE "A"
INITIAL BUDGET

SCHEDULE "B"
FORM OF ADVANCE CERTIFICATE

We refer to the provisions of the DIP facility agreement dated February 28, 2024 (as it may be amended, restated, supplemented or otherwise modified from time to time, the “**DIP Facility Agreement**”) between, *inter alia*, The Green Organic Dutchman Ltd. (the “**Borrower**”) and Cortland Credit Lending Corporation, as administrative agent for certain lenders (the “**Agent**”). Capitalized terms used herein have the same meaning as in the DIP Facility Agreement. The undersigned, being an officer or director of the Borrower hereby represents, warrants and certifies in such capacity, and not in her or his personal capacity, as follows:

1. **Representations and Warranties.** The representations and warranties of the Borrower and the other Obligors set forth in the DIP Facility Agreement, or which are contained in any certificate, document or financial or other written statement furnished pursuant to or in connection therewith are accurate and complete in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except to the extent specified in the DIP Facility Agreement to be made as of a specific date.
2. **No Material Adverse Change.** Since the date of the Initial Order, no Material Adverse Change has occurred.
3. **No Default.** There exists no Default or Event of Default on the date hereof and no Default or Event of Default will occur as a result of the Advance Request made pursuant to this Advance Request Certificate.
4. **Conditions Precedent.** The conditions precedent to this Advance Request in accordance with the DIP Facility Agreement have been satisfied.
5. **Loan Advance.** The Borrower hereby requests, authorizes, and instructs the Agent to fulfill this Advance Request in the amount of \$[●] by initiating a wire to the Borrower on _____, 2024 at the particulars noted below and this will be the Agent’s irrevocable authority to do so
 - (a) [●]

SCHEDULE "C"
LIENS (OTHER THAN PERMITTED ENCUMBRANCES)

SCHEDULE "D"
TAX RETURNS

- a. Total Excise Tax Arrears: \$9,083,289.33 (as of February 15, 2024)
- b. Total Deposits for Excise Tax: \$2,500,000 (\$2,150,000 with Intact + \$350,000 with CRA)
(as of Feb 28, 2024)
- c. Total Surety Bond: \$4,300,000
- d. Total Sales Tax Arrears: \$2,635,180.64 (as of February 15, 2024)
- e. Total Withholding Tax Arrears: N/A

SCHEDULE "E"
ACTIONS, SUITS AND/OR PROCEEDINGS

1. *1613240 Ontario Ltd. and Amy Stephenson v. The Green Organic Dutchman Holdings Ltd.* (the prior name of BZAM), Ontario Superior Court of Justice File No. CV-18- 605781.
2. BZAM Cannabis Corp. commenced a claim, by arbitration, against GO Drywall Ltd. for breach of a construction contract for failure to provide services. BZAM Cannabis Corp.'s claim is for \$248,936.25. Go Drywall Ltd. commenced a cross claim for wrongful termination of the contract seeking \$746,805.89. A final arbitration was awarded in favor of BZAM Cannabis Corp.'s for the full amount of the claim, plus legal costs.
3. BZAM Management Inc. has filed an appeal from the assessments by the BC Ministry of Finance's tax appeals division to recover approximately \$1.05 Million in BC property transfer taxes paid by it in connection with its acquisition of three properties in British Columbia.
4. On February 1, 2021, a former BZAM Cannabis Corp. employee filed a human rights complaint with the Alberta Human Rights Commission with respect to their termination for refusal to be vaccinated for Covid-19 pursuant to BZAM's Vaccination Policy.
5. *Jason Glenn c.o.b.a Frostmec Services v BZAM Management Inc.* – British Columbia Small Claims Court. Former employee filed a Notice of Claim alleging non-payment of invoices and seeking \$28,082.00.
6. *Freyja Jorgensen v. Final Bell Canada*, HRTO File No. 2023-53071, commenced May 31, 2023. Freyja Jorgensen, a former employee of Final Bell Corp., commenced a proceeding at the Human Rights Tribunal of Canada in the amount of CAD \$123,201.
7. *Thanasi Tambakos, Silvia Vassileva, Christian Tambakos, by his Litigation Guardian, Silvia Vassileva, and Gabriella Tambakos by her Litigation Guardian Silvia Vassileva v. Spectrum Cannabis Canada Ltd. (F.K.A. Mettrum Ltd.), Final Bell Corp. (F.K.A. Starseed Medicinal Inc., and Mettrum (Bennett North) Ltd.), Agripharm Corp., and Canopy Growth Corporation*, CV-23-00695168-0000, issued February 23, 2023. This action claims that the defendants were negligent in the cultivation, production, testing, processing, manufacture, distribution, marketing and sale of the medical marijuana products affected by a recall of products produced, marketed and sold by the defendant, Mettrum Ltd. The claim is for approximately CAD \$475,000.