

Court File No. CL-26-00000122-0000

**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  
THE CANNABIST COMPANY HOLDINGS INC., THE CANNABIST COMPANY  
HOLDINGS (CANADA) INC., AND COLUMBIA CARE DELAWARE LLC**

(Applicants)

**RESPONDING AFFIDAVIT OF PHILIP GOLDBERG  
(Sworn August 17, 2026)**

I, Philip Goldberg, of the City of Potomac, Maryland, MAKE AND SAY AS FOLLOWS:

1. I am a manager of Sugarloaf Holdings, LLC ("**Sugarloaf Holdings**"), and Chief Executive Officer of Sugarloaf Holdings' wholly owned subsidiary, Sugarloaf Enterprises, LLC ("**Sugarloaf Enterprises**") and, as such, have knowledge of the matter contained in this Affidavit.
2. This Affidavit is sworn in response to the Applicants' motion returnable August 18, 2026 and for no other or improper purpose.
3. Capitalized terms used, but not otherwise defined herein, have the meanings assigned to them in the Affidavit of Grant Kassel, sworn August 12, 2026 (the "**Third Kassel Affidavit**").
4. I am an active participant in the Maryland cannabis market, and I founded the Maryland cannabis business known as "Green Leaf Medical", which was sold to The Cannabist Company Holdings Inc. (the "**Parent Company**") in 2021.

5. I am also a manager of Nova Management Group, LLC, a Maryland limited liability company, the initial proposed buyer of the Parent Company's Maryland assets that is referenced in Section 34 of the Third Kassel Affidavit.

6. The Sugarloaf MSA and the Sugarloaf Option Agreement each contain provisions which prevent a party from assigning either agreement without the other party's consent. Each of Sugarloaf Holdings and Sugarloaf Enterprises has concerns as to the validity of the current Sugarloaf MSA/Sugarloaf Option Agreement structure under applicable Maryland law, and the ability of the contracts to be assigned.

7. In particular, and in discussions with the Applicants, I have raised material concerns about both (i) the validity of the current Sugarloaf MSA/Sugarloaf Option Agreement structure under current applicable Maryland law, and (ii) the risks that allowing this structure to remain in place or attempting to seek regulatory approval of the assignment of these agreements could lead to the revocation of the Sugarloaf Enterprises Maryland dispensary license. Correcting these compliance issues would require the termination of one or both of the existing Sugarloaf MSA and Sugarloaf Option Agreement and the entering into of alternative agreements.

8. Based on my experience as a long-time operator within the Maryland cannabis market, I believe that the current cannabis laws and regulations in effect in Maryland, and the manner by which such laws have been recently interpreted by the applicable Maryland regulatory authority, prohibit the simultaneous existence of a management services agreement and a purchase option with respect to the same dispensary. When the Sugarloaf MSA and Sugarloaf Option Agreement were executed in 2021, we believed in good faith that a reasonable interpretation of the legislative restriction on management services agreements containing a purchase option was that a separate

purchase option could be entered into as long as the option provision was not directly contained in the management services agreement.<sup>1</sup> Since then, however, the Maryland Cannabis Administration has interpreted the relevant statutory language more broadly such that separate purchase option agreements that are considered related agreements would be subject to these prohibitions. On that basis, if the agreements are reviewed by the Maryland regulator in connection with a proposed assignment of the Sugarloaf MSA, the regulator may deem one or both of the Maryland MSA and Sugarloaf Option Agreement to be unenforceable.

9. After the Sugarloaf MSA and Sugarloaf Option Agreement were executed, in 2024 Maryland passed new legislation prohibiting “straw ownership” of cannabis licenses.<sup>2</sup> The relevant provision applies not just to entering into agreements that would violate its genuine ownership requirements but also to maintaining such structures, and I am not aware of any basis that would allow the regulator to treat existing noncompliant agreements that pre-date the legislation as compliant. Additionally, the Maryland Cannabis Administration is required to revoke the relevant cannabis license if it determines that a licensee’s ownership and governance structure violates the “straw ownership” rules.

10. As a result of these changes to the regulatory landscape, there is a material risk that the regulator could revoke the Sugarloaf Enterprises dispensary license if the Parent Company seeks to transfer the Sugarloaf MSA and Sugarloaf Option Agreement to Free State Botanicals. Additionally, as the current owner of the dispensary, the Sugarloaf entities may be legally obligated to attempt to bring the current ownership and management structure into full compliance

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<sup>1</sup> COMAR 14.17.06.05

<sup>2</sup> ABC § 36-1103

with Maryland law. For these reasons, the Sugarloaf entities are not in a position to consent to the assignment of the Sugarloaf MSA and Sugarloaf Option Agreement.

11. The request for compensation, as referenced in the Third Kassel Affidavit, was not a payment for assignment, and rather arose as a result of the additional regulatory and management services obligations that the Sugarloaf entities and their members may become subject to in order to resolve these issues via the alternative agreement structure.

12. I have proposed a number of possible solutions to the Parent Company, and I remain open to working with them to resolve the regulatory issues described above.

**SWORN** via videoconference by PHILIP GOLDBERG of the City of Potomac, in the State of Maryland, before me at the City of Ottawa in the Province of Ontario on August 17, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:

*Fraser Mackinnon Blair*

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A Commissioner for Taking Affidavits, etc.  
**Fraser Mackinnon Blair** (LSO # 66683L)

DocuSigned by:

*Philip Goldberg*

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**PHILIP GOLDBERG**

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**RESPONDING AFFIDAVIT OF PHILIP GOLDBERG**

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