



Court File No. CV-22-00682101-00CL

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

THE HONOURABLE

)

MONDAY, THE 3RD

)

JUSTICE KIMMEL

)

DAY OF APRIL, 2023

**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 INVOLVING MJARDIN GROUP, INC.,
GROWFORCE HOLDINGS INC., 8586985 CANADA
CORPORATION AND HIGHGRADE MMJ CORPORATION**

B E T W E E N:

**PRICEWATERHOUSECOOPERS INC., IN ITS CAPACITY
AS COURT-APPOINTED RECEIVER AND MANAGER OF
BRIDGING FINANCE INC. AND CERTAIN RELATED
ENTITIES AND INVESTMENT FUNDS**

Applicant

- and -

**MJARDIN GROUP, INC., GROWFORCE HOLDINGS INC.,
8586985 CANADA CORPORATION AND HIGHGRADE
MMJ CORPORATION**

Respondents

APPROVAL AND REVERSE VESTING ORDER

THIS MOTION, made by KSV Restructuring Inc., in its capacity as Monitor of the Respondents (the "**Monitor**"), for an order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day by videoconference in Toronto, Ontario.

ON READING the Notice of Motion of the Monitor, the Seventh Report of the Monitor dated March 29, 2023 (the “**Seventh Report**”), and on hearing the submissions of counsel for the Monitor, the Applicant, and such other counsel as were present, no one else appearing although duly served as appears from the affidavit of service of Andrew Harnes sworn March 29, 2023,

SERVICE AND DEFINITIONS

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

2. **THIS COURT ORDERS** that all capitalized terms not expressly defined herein shall have the meanings ascribed to them in the RVO Agreement (as defined below), a copy of which is attached to the Seventh Report at Appendix “D”.

APPROVAL AND VESTING

3. **THIS COURT ORDERS AND DECLARES** that the transaction agreement among: (i) Growforce Holdings Inc., 8586985 Canada Corporation, and Highgrade MMJ Corporation (collectively, including AmalCo, the “**Companies**”); (ii) 14881729 Canada Inc. (the “**Purchaser**”); and (iii) Bridging Finance Inc., as agent for certain affiliated investment funds (“**BFI**”), dated as of March 28, 2023, substantially in the form attached to the Seventh Report at Appendix “D” (as may be amended from time to time, the “**RVO Agreement**”), and the transactions contemplated thereunder (the “**Transactions**”), including the Implementation Steps, are hereby approved. The execution of the RVO Agreement by the Companies is hereby authorized and approved, with such minor amendments as the Companies (with the approval of the Monitor), the Purchaser, and BFI may deem necessary. The Companies are hereby authorized and directed to perform their obligations under the RVO Agreement, including the filing of the Articles of Reorganization, the issuance of the New Shares and the termination and cancellation of the Existing Shares (as provided for in the Implementation Steps), and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions, including, without limitation, the Implementation Steps.

4. **THIS COURT ORDERS AND DECLARES** that this Order and the Health Canada Approval shall constitute the only authorization required by the Companies to proceed with the Transactions, including, without limitation, the Implementation Steps, and that no shareholder or other approval shall be required in connection therewith. For greater certainty, the Companies are hereby permitted to execute and file the Articles of Reorganization or any other documents or instruments as may be required to permit or enable and effect the Amalgamation, and the Articles of Reorganization or any such other documents or instruments shall be deemed to be duly authorized, valid and effective notwithstanding any requirement under federal or provincial law to obtain director or shareholder approval with respect to such actions or to deliver any statutory declarations that may otherwise be required under corporate law to effect the Amalgamation.

5. **THIS COURT ORDERS AND DECLARES** that, upon the delivery of the Monitor's certificate (the "**Monitor's Certificate**") to the Purchaser and BFI, substantially in the form attached as Schedule "A" hereto, the following shall occur, or shall be deemed to have occurred, in the sequence set out in the Implementation Steps:

- (a) all of the Companies' right, title, and interest in and to their respective Excluded Assets shall vest absolutely and exclusively in ResidualCo and, in each case, all applicable Claims and Encumbrances shall continue to attach to such Excluded Assets with the same nature and priority as they had immediately prior to their transfer;
- (b) all Excluded Contracts and Excluded Liabilities (which, for certainty, includes all debts, liabilities, obligations, indebtedness, contracts, leases, agreements, and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise with the exception of the Assumed Liabilities) of the Companies shall be transferred to, assumed by and vest absolutely and exclusively in ResidualCo, such that all Excluded Contracts and Excluded Liabilities shall become obligations of ResidualCo and shall no longer be obligations of any of the Companies, and the Companies and the Retained Assets

shall be and are hereby forever released and discharged from all Excluded Contracts and Excluded Liabilities, and all related Claims and Encumbrances, other than the Permitted Encumbrances, are hereby expunged and discharged as against the Companies and the Retained Assets;

- (c) all right, title and interest in and to the New AmalCo Shares issued by AmalCo to the Purchaser shall vest absolutely and exclusively in the Purchaser free and clear of and from any and all Claims and Encumbrances (with the exception of any Permitted Encumbrances) and, for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or relating to the New AmalCo Shares are hereby expunged and discharged as against the New AmalCo Shares;
- (d) all right, title and interest in and to the New Highgrade Shares issued by Highgrade to AmalCo shall vest absolutely and exclusively in AmalCo free and clear of and from any and all Claims and Encumbrances (with the exception of any Permitted Encumbrances) and, for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or relating to the New Highgrade Shares are hereby expunged and discharged as against the New Highgrade Shares;
- (e) all of the Existing Shares (which, for greater certainty, do not include the New Shares) shall be deemed terminated and cancelled or redeemed as provided for in the Implementation Steps and the Articles of Reorganization, as applicable; and
- (f) the Companies shall cease to be Respondents in the CCAA Proceeding, and the Companies shall be released from the purview of the Initial Order and all other Orders of this Court granted in the CCAA Proceeding, save and except for this Order, the provisions of which (solely as they relate to the Companies) shall continue to apply to the Companies in all respects.

6. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with this Court a copy of the Monitor's Certificate forthwith after delivery thereof in connection with the Transactions.

7. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Companies, the Purchaser, and BFI regarding the satisfaction or waiver of conditions to closing

under the RVO Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.

8. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, from and after the Effective Time (as defined in the Monitor's Certificate), subject to the payment of the amounts secured by the Administrative Charge (the "**Administration Payment**") and the funding of up to \$50,000 to the Monitor as an administrative reserve (the "**Administrative Reserve Amount**"), all Claims and Encumbrances released, expunged and discharged pursuant to paragraph 5 hereof, including as against the Companies, the Retained Assets and the New Shares, shall attach to the Excluded Assets, in each case, with the same nature and priority as they had immediately prior to the Transactions, as if the Transactions had not occurred. Any unused amounts under the Administrative Reserve Amount shall be returned to the Bridging Receiver by the Monitor.

9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Companies are authorized, permitted and directed to, at the Effective Time, disclose to the Purchaser all human resources and payroll information in the Companies' records pertaining to past and current employees of the Companies. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Companies prior to the Effective Time.

10. **THIS COURT ORDERS AND DECLARES** that, at the Effective Time and without limiting the provisions of paragraph 5 hereof, the Purchaser and the Companies shall be deemed released from any and all Claims and Encumbrances with respect to any Taxes (including penalties and interest thereon) of, or that relate to, the Respondents, including, without limiting the generality of the foregoing, all Taxes that could be assessed against the Purchaser or the Companies (including their affiliates and any predecessor corporations) pursuant to section 160 of the Income Tax Act (Canada) (the "**Tax Act**"), or section 160.01 of the Tax Act, and including as a result of

any future amendments or proposed amendments to such provisions or related provisions, or any provincial equivalent, in connection with the Companies; provided, as it relates to the Purchaser and the Companies, such release shall not apply to any Taxes in respect of the business and operations conducted by the Companies after the Effective Time. For greater certainty, nothing in this paragraph shall release or discharge any Claims with respect to Taxes that are transferred to ResidualCo.

11. **THIS COURT ORDERS** that, from and after the Effective Time, all Assumed Contracts (including, without limitation, the Brampton Lease) will be and remain in full force and effect and no Person who is a party to any Assumed Contract (including, without limitation, the landlord in connection with the Brampton Lease) may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of termination, set-off, dilution or other remedy) or make any demand under or in respect of any such Assumed Contract and no automatic termination will have any validity or effect, by reason of:

- (a) any event that occurred on or prior to the Effective Time that would have entitled such Person to enforce those rights or remedies (including, without limitation, any defaults or events of default arising due to the insolvency of the Respondents or the commencement of the CCAA Proceeding);
- (b) the insolvency of any of the Respondents, the fact that an application under the CCAA was granted in respect of the Respondents, or the fact that a receiver was appointed over certain assets and property of MJardin Group, Inc. (“**MGI**”) pursuant to the Order (Appointing Receiver) of the Honourable Justice Penny dated March 23, 2022 (Court File No. 22-00678813-00CL) (the “**Receivership Order**”);
- (c) any compromises, releases, discharges, cancellations, transactions, arrangements, amalgamations, reorganizations or other steps taken or effected pursuant to the RVO Agreement, the Transactions or the provisions of this Order (including the

Implementation Steps), or any other Order of this Court in the CCAA Proceeding;
or

- (d) any direct or indirect change of control of any of the Companies arising from the implementation of the RVO Agreement, the Transactions, the Implementation Steps, or the provisions of this Order.

12. **THIS COURT ORDERS**, for greater certainty, that: (a) nothing in paragraph 11 hereof shall waive, compromise or discharge any monetary obligations of the Companies or the Purchaser in respect of any Assumed Liabilities; (b) the designation of any Claim as an Assumed Liability is without prejudice to the rights of the Companies and the Purchaser to dispute the existence, validity or quantum of any such Assumed Liability; and (c) nothing in this Order or the RVO Agreement shall affect or waive the rights and defences of the Companies or Purchaser, both legal and equitable, with respect to any Assumed Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Assumed Liability.

13. **THIS COURT ORDERS** that, from and after the Effective Time, all Persons (including the landlord in connection with the Brampton Lease) shall be deemed to have waived any and all defaults of any of the Companies then existing or previously committed by any of the Companies, or caused by any of the Companies, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any Assumed Contract (including the Brampton Lease), arising from the issuance of the Receivership Order, the granting of the Respondents' relief under the CCAA, the implementation of the Transactions (including the Implementation Steps) or any of the other matters or events listed in subparagraphs 11(a) through (d) hereof, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under an Assumed Contract shall be deemed to have been rescinded and of no further force or effect; provided that, nothing herein shall be deemed to excuse the Purchaser or the Companies from performing their obligations under, or be a waiver of defaults by the Purchaser or the Companies under, the RVO Agreement and the related agreements and documents, or affect the validity of the Implementation Steps.

14. **THIS COURT ORDERS** that, from and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessment, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Purchaser or the Companies relating in any way to or in respect of any Excluded Assets, Excluded Contracts or Excluded Liabilities and any other Claims, Encumbrances and other matters which are waived, barred, enjoined, released, expunged or discharged pursuant to this Order; provided that, nothing herein shall affect the validity of the Implementation Steps.

15. **THIS COURT ORDERS** that, from and after the Effective Time:

- (a) the nature of the Assumed Liabilities assumed by the Purchaser or retained by the Companies, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transactions or this Order;
- (b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo;
- (c) any Person that, prior to the Effective Time, had a valid right or claim against the Companies under or in respect of any Excluded Contract or Excluded Liability (each an “**Excluded Liability Claim**”) shall no longer have such right or claim against the Companies but will have an equivalent Excluded Liability Claim against ResidualCo in respect of the Excluded Contract and Excluded Liability from and after the Effective Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo; and

- (d) the Excluded Liability Claim of any Person against ResidualCo following the Effective Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the applicable Companies prior to the Effective Time.

RESIDUALCO

16. **THIS COURT ORDERS AND DECLARES** that, as of the Effective Time:

- (a) ResidualCo shall be a company to which the CCAA applies; and
- (b) ResidualCo shall be added as a Respondent in the CCAA Proceeding and all references in any Order of this Court in respect of the CCAA Proceeding to: (i) a “Respondent” or the “Respondents” shall refer to and include ResidualCo, *mutatis mutandis*, and (ii) “Property” as defined in the Amended and Restated Initial Order shall include the current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of ResidualCo (if any).

ADMINISTRATION PAYMENT

17. **THIS COURT ORDERS AND DIRECTS** that the Administration Payment, as contemplated by the RVO Agreement, shall be paid by the Purchaser to the Monitor on Closing and shall be applied and/or distributed by the Monitor to satisfy the amounts secured by the Administration Charge up to a maximum of \$600,000.

18. **THIS COURT ORDERS** that, subject to completion of the Administration Payment set out in paragraph 17 hereof, the Charges (as defined in the Amended and Restated Initial Order) shall be and are hereby terminated, released and discharged as against the Companies and the Retained Assets.

19. **THIS COURT ORDERS** that the Administrative Reserve Amount held by the Monitor shall be subject to the Administration Charge, and any remaining portion thereof after payment of the fees and disbursements required to wind down and terminate the CCAA Proceeding and, as considered advisable, bankrupt MGI and ResidualCo, shall be returned to the Bridging Receiver.

RELEASES AND OTHER PROTECTIONS

20. **THIS COURT ORDERS** that, effective as of the Effective Time, (a) the current directors, officers and employees of the Respondents (including ResidualCo); (b) the Monitor and its legal counsel, and their respective present and former directors, officers, partners, employees and advisors; (c) the Bridging Receiver and its legal counsel, and their respective present and former directors, officers, partners, employees and advisors; (d) the Bridging entities; (e) Howards Capital Corp., in its capacity as Chief Restructuring Officer of the Respondents, and its consultants, employees, directors, officers, advisors, and legal counsel (in such capacities, collectively (a) through (e), the “**Released Parties**”) shall be deemed to be forever irrevocably released by all Persons and discharged from any and all present and future claims (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time or undertaken or completed in connection with or pursuant to the terms of this Order in respect of, relating to, or arising out of (i) the Respondents, the business, operations, assets, property and affairs of the Respondents wherever or however conducted or governed, the administration and/or management of the Respondents, the CCAA Proceeding, including any transaction or other matter approved therein, or (ii) the RVO Agreement, the Transactions or any agreement, document, instrument, matter or transaction involving the Respondents arising in connection with or pursuant to any of the foregoing, and/or the consummation of the Transactions (collectively, subject to the excluded matters below, the “**Released Claims**”), which Released Claims shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties; *provided that*, nothing in this paragraph shall waive, discharge, release, cancel or bar (i) any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA, (ii) any actual fraud, gross negligence or willful misconduct on the part of any Released Parties, or (iii) any obligations of any of the Released Parties under or in connection with the RVO

Agreement, the Transactions, and/or any agreement, document, instrument, matter or transaction involving the Respondents arising in connection with or pursuant to any of the foregoing.

21. **THIS COURT ORDERS** that, without affecting or limiting the releases set forth in paragraph 20 hereof, effective as of the Effective Time, each Released Party is released and exculpated from, any Causes of Action (as hereinafter defined) against such Released Party arising from or in connection with any Released Claims, except for Causes of Action related to any act or omission that is determined in a final, non-appealable order of a court of competent jurisdiction to have constituted actual fraud, willful misconduct, or gross negligence, but in all respects such Released Parties shall be entitled to reasonably rely upon the advice of counsel with respect to their applicable duties and responsibilities. “**Causes of Action**” means any action, claim, cross-claim, third-party claim, damage, judgment, cause of action, controversy, demand, right, action, suit, obligation, liability, debt, account, defense, offset, power, privilege, license, lien, indemnity, interest, guaranty, or franchise of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, matured or unmatured, suspected or unsuspected, in contract or in tort, at law or in equity, or pursuant to any other theory of law or otherwise.

22. **THIS COURT ORDERS** that all Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to any and all Claims or Causes of Action released pursuant to this Order (including the Released Claims), from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their respective property; (iii) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes a claim or might reasonably be expected to make a claim, in any manner or forum, including by way of contribution or indemnity or other relief, against one or more of the

Released Parties; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties or their respective property; or (v) taking any actions to interfere with the consummation of the Transactions; and any such proceedings will be deemed to have no further effect against such parties and will be released, discharged or vacated without cost.

23. **THIS COURT ORDERS** that, notwithstanding any other provision hereof, neither the Respondents nor any of their current officers and/or directors shall be released from any claim or potential claim, whether in law or in equity, known or unknown, existing up to the Effective Time, solely to the extent it is necessary with respect to maintaining any claims as against the insurance policies of MGI that may be available to pay insured claims in respect of the Respondents or their current directors and officers (the “**Insurance Policies**” and such claims being the “**Potentially Insured Claims**”); provided that, from and after the Effective Time, any Person having a Potentially Insured Claim shall only be entitled to recover from proceeds under the Insurance Policies, to the extent available, and the recovery of such claimant shall be solely limited to such proceeds, without any additional rights of enforcement or recovery as against the Respondents or the current directors or officers of the Respondents.

24. **THIS COURT ORDERS** that nothing contained in this Order prejudices, compromises, releases or otherwise affects: (a) any right, defence or obligation of any insurer in respect of an Insurance Policy; (b) any claimant from recovering against the Respondents’ current directors and officers for any liabilities or claims attributable to any such director or officer’s fraud, gross negligence or wilful misconduct, or that is not permitted to be released pursuant to section 5.1(2) of the CCAA; or (c) any Claims against any former directors and officers of the Respondents.

25. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of this CCAA Proceeding;
- (b) any applications for a bankruptcy order or receivership order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) or other applicable legislation in respect of the Respondents (including ResidualCo)

or their property, and any bankruptcy or receivership order issued pursuant to any such applications;

- (c) any assignment in bankruptcy made in respect of any of the Respondents (including ResidualCo); or
- (d) any foreign law equivalent of (b) or (c);

the entering into of the RVO Agreement and the consummation of the Transactions shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of any of the Respondents (including ResidualCo), and shall not be void or voidable by creditors of the Respondents (including ResidualCo), as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

THE MONITOR

26. **THIS COURT ORDERS** that nothing in this Order, including the release of the Companies from the purview of the CCAA Proceeding pursuant to paragraph 5(f) hereof and the addition of ResidualCo as a Respondent in the CCAA Proceeding, shall affect, vary, derogate from, limit or amend, and KSV Restructuring Inc. (“**KSV**”) shall continue to have the benefit of, any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order, this Order, any other Orders in this CCAA Proceeding or otherwise, including all approvals, protections and stays of proceedings in favour of KSV in its capacity as Monitor, all of which are expressly continued and confirmed.

27. **THIS COURT ORDERS** that the Monitor and its directors, officers, employees and representatives shall not be deemed directors of ResidualCo, *de facto* or otherwise, and shall incur no liability as a result of acting in accordance with this Order, other than any liability arising out of or in connection with the gross negligence or wilful misconduct of the Monitor.

28. **THIS COURT ORDERS** that the Monitor shall not, as a result of this Order or any matter contemplated hereby: (i) be deemed to have taken part in the management or supervision of the management of the Respondents (including ResidualCo), or to have taken or maintained possession or control of the business or property of any of the Respondents (including ResidualCo), or any part thereof; or (ii) be deemed to be in Possession (as defined in the Amended and Restated Initial Order) of any property of the Respondents (including ResidualCo) within the meaning of any applicable Environmental Legislation (as defined in the Amended and Restated Initial Order) or otherwise.

GENERAL

29. **THIS COURT ORDERS** that, following the Effective Time, the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances (other than the Permitted Encumbrances) as against the New Shares, the Companies and the Retained Assets, including the Encumbrances specified on Schedule “B”.

30. **THIS COURT ORDERS** that upon the registration in the Land Registry Office #18 for the Land Titles Division of Haldimand of an Application to Amend Based on Court Order in the form prescribed by the *Land Titles Act* (Ontario) and/or the *Land Registration Reform Act* (Ontario), the Land Registrar is hereby directed to vacate and expunge from title to the subject real property identified in Schedule “C” hereto, all of the Claims listed on Schedule “B” (as applicable).

31. **THIS COURT ORDERS** that, following the Effective Time, the title of these proceedings is hereby changed to:

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 INVOLVING MJARDIN GROUP, INC. AND
14881711 CANADA INC.

B E T W E E N:

PRICEWATERHOUSECOOPERS INC., IN ITS CAPACITY AS
COURT-APPOINTED RECEIVER AND MANAGER OF
BRIDGING FINANCE INC. AND CERTAIN RELATED
ENTITIES AND INVESTMENT FUNDS

Applicant

- and -

MJARDIN GROUP, INC. AND 14881711 CANADA INC.

Respondents

32. **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, the Respondents, 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, the Respondents and 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 Respondents, the Monitor and their respective agents in carrying out the terms of this Order.

33. **THIS COURT ORDERS** that the Applicant, the Respondents and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a

representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

34. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Toronto time on the date of this Order; provided that, the transaction steps set out in paragraph 5 hereof shall be deemed to have occurred in the order and at the time set out in the Implementation Steps.



Digitally signed by
Jessica Kimmel
Date: 2023.04.03
15:09:23 -04'00'

**SCHEDULE “A”
FORM OF MONITOR’S CERTIFICATE**

Court File No. CV-22-00682101-00CL

**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
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B E T W E E N:

**PRICEWATERHOUSECOOPERS INC., IN ITS CAPACITY
AS COURT-APPOINTED RECEIVER AND MANAGER OF
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ENTITIES AND INVESTMENT FUNDS**

Applicant

- and -

**MJARDIN GROUP, INC., GROWFORCE HOLDINGS INC.,
8586985 CANADA CORPORATION AND HIGHGRADE
MMJ CORPORATION**

Respondents

MONITOR’S CERTIFICATE

RECITALS

A. Pursuant to the Initial Order of the Honourable Chief Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated June 2, 2022, the Respondents were granted protection from their creditors pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), and KSV Restructuring Inc. was appointed as the monitor of the Respondents (in such capacity, the “**Monitor**”).

B. All capitalized terms not expressly defined herein shall have the meanings ascribed to them

in the RVO Agreement (as defined below), a copy of which is attached to the Seventh Report of the Monitor dated March 29, 2023 at Appendix “D”.

C. Pursuant to an Approval and Reverse Vesting Order of the Court dated ►, 2023 (the “**Order**”), the Court approved the transactions (collectively, the “**Transactions**”) contemplated by the transaction agreement among: (a) Growforce Holdings Inc., 8586985 Canada Corporation, and Highgrade MMJ Corporation (collectively, the “**Companies**”); (b) 14881729 Canada Inc. (the “**Purchaser**”); and (c) Bridging Finance Inc., as agent for certain affiliated investment funds, dated as of March 28, 2023 (as may be amended from time to time, the “**RVO Agreement**”), which provided for, among other things: (a) the approval of the RVO Agreement and the Transactions contemplated thereby; (b) adding 14881711 Canada Inc. (“**ResidualCo**”) as a Respondent in these proceedings; (c) that all of the Companies’ right, title, and interest in and to the Excluded Assets, the Excluded Contracts and the Excluded Liabilities shall vest absolutely and exclusively in and to ResidualCo; (d) authorizing the Companies to issue the New Shares; (e) vesting of all the right, title and interest in and to (i) the New Amalco Shares absolutely and exclusively in and to the Purchaser, and (ii) the New Highgrade Shares absolutely and exclusively in and to Amalco, in each case free and clear of any Claims and Encumbrances (with the exception of any Assumed Liabilities); (f) the Companies to file the Articles of Reorganization; and (g) the termination and cancellation or redemption of the Existing Shares for no consideration (as provided for in the Implementation Steps).

THE MONITOR CERTIFIES the following:

1. The Monitor has received the Administration Payment and the Administrative Reserve Amount.
2. The Purchaser has satisfied the Purchase Price in accordance with the RVO Agreement.
3. The conditions to Closing as set out in the RVO Agreement have been satisfied or waived by the Parties.
4. The Transactions have been completed to the satisfaction of the Monitor.

This Monitor's Certificate was delivered by the Monitor at _____ [TIME] on _____,
2023 (the "**Effective Time**").

**KSV RESTRUCTURING INC., solely in its
capacity as Court-appointed Monitor of the
Respondents and not in its personal or
corporate capacity**

Per: _____

Name:

Title:

**SCHEDULE “B”
DISCHARGED ENCUMBRANCES**

1. Registration 756066618 under the *Personal Property Security Act* (Ontario) registered in favour of Alterna Savings & Credit Union Limited against GrowForce Holdings Inc.
2. Instrument No. CH80081, registered December 14, 2017, being a Charge in favour of Dan Marazatto securing the principal amount of C\$165,150.
 - (a) Instrument No. CH81652, registered on March 1, 2018, being a Postponement of Interest of the Charge registered on December 14, 2017 as Instrument No. CH80081.

SCHEDULE “C”
LEGAL DESCRIPTION OF REAL PROPERTY

PIN 38107-0164 (LT) PART LOT 17 CONCESSION SOUTH OF FORKS ROAD MOULTON
PART 1-3 18R2286 EXCEPT PART 1 18R7542 S/T HC29608 PARTIALLY SURRENDERED
BY HC56801; S/T HC200822; HALDIMAND COUNTY

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

Court File No. CV-22-00682101-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
INVOLVING MJARDIN GROUP, INC., GROWFORCE HOLDINGS INC., 8586985
CANADA CORPORATION AND HIGHGRADE MMJ CORPORATION**

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

APPROVAL AND REVERSE VESTING ORDER

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