

**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 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

**MOTION RECORD
(Re: Amended and Restated Initial Order)
(Returnable June 9, 2022)**

June 7, 2022

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**Index
(Re: Amended and Restated Initial Order)
(Returnable June 9, 2022)**

Tab	Document
1.	Notice of Motion dated June 7, 2022
2.	Draft Amended and Restated Initial Order
3.	Blackline of Draft Amended and Restated Initial Order compared to Initial Order
4.	Blackline of Draft Amended and Restated Initial Order compared to Model Order

TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
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- and -

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

Respondents

**NOTICE OF MOTION
(Re: Amended and Restated Initial Order)**

PricewaterhouseCoopers Inc., solely in its capacity as court-appointed receiver and manager of Bridging Finance Inc. and certain related entities and investment funds (in such capacity, the “**Bridging Receiver**”), will make a motion to the Honourable Chief Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on Thursday, June 9,

2022, at 10:45 a.m. (Eastern Time), or as soon after that time as the motion can be heard, via videoconference.

PROPOSED METHOD OF HEARING:

This motion is to be heard via videoconference, the details of which will be provided by the Court.

THIS MOTION IS FOR:

1. An order (the “**Amended and Restated Initial Order**”) substantially in the form attached at Tab 2 of the Motion Record of the Bridging Receiver dated June 7, 2022 that, among other things¹:
 - (a) extends the stay of proceedings to September 9, 2022;
 - (b) appoints Howards Capital Corp. (“**HCC**”) as chief restructuring officer of the Respondents (in such capacity, the “**CRO**”) in accordance with the terms of the CRO Engagement Letter and grants certain related relief;
 - (c) approves the Respondents’ ability to borrow up to the principal amount of \$2 million under a debtor-in-possession credit facility (the “**DIP Facility**”) to finance their operations and restructuring costs during the CCAA proceedings in accordance with the terms of the DIP Term Sheet;
 - (d) increases the amount of the Administration Charge to \$300,000 and provides that the CRO shall have the benefit of the Administration Charge up to a maximum of

¹ All capitalized terms not expressly defined herein are defined in the Affidavit of Graham Page sworn June 1, 2022 located at Tab 2 of the Bridging Receiver’s Application Record dated June 1, 2022.

\$160,000 and not in respect of the obligation of the Respondents to pay any Additional Consideration;

(e) increases the amount of the DIP Lender's Charge to the principal amount of \$2 million plus accrued interest, fees, and other costs in accordance with the DIP Term Sheet;

(f) increases the amount of the Directors' Charge to \$785,000; and

(g) grants the CRO Additional Consideration Charge;

2. Such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THIS MOTION ARE:

1. On June 2, 2022, Chief Justice Morawetz granted an initial order in respect of the Respondents under the CCAA (the "**Initial Order**"). Pursuant to the Initial Order, KSV Restructuring Inc. was appointed as monitor of the Respondents (in such capacity, the "**Monitor**").
2. The Bridging Receiver now seeks to amend and restate the Initial Order, substantially in the form of the draft Amended and Restated Initial Order located at Tab 2 of its Motion Record. The key proposed amendments to the Initial Order are summarized below.

Stay Extension

3. Pursuant to the Initial Order the stay of proceedings was granted for an initial period of 8-days (the "**Stay Period**"). The Bridging Receiver seeks an extension of the Stay Period to September 9, 2022. The proposed stay extension is required to allow the Respondents to

continue operating their business while carrying out their operational restructuring efforts and formulating an ultimate restructuring path.

4. The Cash Flow Forecast demonstrates that, with the required DIP Financing, the Respondents will have sufficient liquidity to meet their obligations during the proposed extension to the Stay Period.
5. The Bridging Receiver and the Respondents have acted, and continue to act, in good faith and with due diligence. The Monitor supports the proposed stay extension.

CRO Appointment

6. The Bridging Receiver seeks the appointment of HCC as CRO in accordance with the terms of the CRO Engagement Letter to assist with the Respondents' operational and restructuring efforts.
7. It is anticipated that the CRO will, among other things: (i) oversee the management of the assets and facilities of the Respondents with a view to improving operations and profitability; (ii) develop strategic alternatives for the Respondents and implement such strategic alternatives to the extent approved; (iii) communicate with the Monitor and the Bridging Receiver regarding the Respondents and the CCAA proceedings; (iv) consult with the Monitor and the Bridging Receiver in connection with the operational restructuring; and (v) assist with the preparation of all filings, applications or similar materials that may be necessary or desirable in connection with the CCAA proceedings.

8. The CRO Engagement Letter contemplates a monthly work fee payable to HCC, together with the reimbursement of HCC's reasonable expenses, including the fees and expenses of the Consultants. Collectively, such fees and expenses are expected to be in the range of approximately \$160,000 per month. The CRO Engagement Letter also contemplates the CRO receiving certain Additional Consideration in the event of a Third-Party Sale (as defined in the CRO Engagement Letter).
9. The proposed Amended and Restated Initial Order provides that the CRO shall have the benefit of the Administration Charge up to a maximum amount of \$160,000, provided that the Administration Charge shall not secure the obligation of the Respondents to pay any Additional Consideration as the Additional Consideration will be secured by the CRO Additional Consideration Charge.

Increase to the Administration Charge

10. The Bridging Receiver seeks to increase the Administration Charge to \$300,000 in order to secure the fees and disbursements incurred by the Monitor, counsel to the Monitor, and the CRO (in the latter case, as described above, up to a maximum amount of \$160,000 and not in respect of the obligation to pay any Additional Consideration) (the “**Administration Charge Beneficiaries**”) whether incurred prior to, on or after the date of the Initial Order.
11. The Administration Charge was initially limited to \$100,000 to protect only what was reasonably necessary during the initial 10-day period. The increase to the Administration Charge is required to adequately protect the Administration Charge Beneficiaries for future fees and disbursements.

12. The proposed Administration Charge is an estimate of the maximum exposure for unpaid fees and disbursements, including applicable taxes thereon, that the Administration Charge Beneficiaries may incur during a one-month period, as estimated in the Cash Flow Forecast.
13. The proposed quantum of the Administration Charge is reasonable and appropriate in the circumstances given the significant effort and resources that will be required by the Administration Charge Beneficiaries to help the Respondents navigate these proceedings.
14. The Monitor assisted in calculating the amount of the Administration Charge, supports the increase in the Administration Charge, and is of the view that the quantum is reasonable and appropriate in the circumstances.

Increase to the Directors' Charge

15. The Bridging Receiver seeks to increase the Directors' Charge to \$785,000. The Directors' Charge protects the current and future directors and officers against obligations and liabilities they may incur as directors and officers of the Respondents after the commencement of the CCAA proceedings, except to the extent that any such claims are otherwise covered by the D&O Policy or the obligation or liability is incurred as a result of the director's or officer's gross negligence or wilful misconduct.
16. The Directors' Charge is necessary to ensure the continued services of the directors and officers of the Respondents.

17. The Monitor assisted in calculating the amount of the Directors' Charge, supports the increase in the Directors' Charge, and is of the view that the quantum is reasonable and appropriate in the circumstances.

CRO Additional Consideration Charge

18. The CRO, if appointed, will play a crucial role in the Respondents' operational restructuring and will ultimately increase the likelihood of a going-concern solution that maximizes the value of the Respondents and their business for the benefit of stakeholders.

19. It is a term of the CRO Engagement Letter negotiated by the Bridging Receiver, the MJar Receiver, and the CRO that the Respondents shall pay the Additional Consideration in the event of a Third Party Sale.

20. The proposed Amended and Restated Initial Order provides for a super-priority CRO Additional Consideration Charge. The Additional Consideration and the CRO Additional Consideration Charge are key incentives for the CRO to devote significant time and resources to the Respondents' restructuring efforts.

21. The Monitor supports the granting of the CRO Additional Consideration Charge.

Proposed Ranking of the Charges

22. The Amended and Restated Initial Order provides that the Charges (as defined therein), as among them, shall be as follows:

- (a) First – Receiver's Charge;

- (b) Second – Administration Charge (to the maximum amount of \$300,000);
- (c) Third – Receiver’s Borrowings Charge (to the maximum amount of \$2,548,266.24, plus accrued and unpaid interest, fees and reimbursable expenses);
- (d) Fourth – DIP Lender’s Charge (to the maximum amount of \$2,000,000, plus accrued and unpaid interest, fees and reimbursable expenses);
- (e) Fifth – Directors’ Charge (to the maximum amount of \$785,000); and
- (f) Sixth – CRO Additional Consideration Charge.

23. The proposed ranking of the Charges is reasonable and appropriate in the circumstances.

Sealing Order

24. As part of the proposed Amended and Restated Initial Order, the Bridging Receiver seeks an order sealing the Confidential Appendices to the KSV Report, consisting of the unredacted CRO Engagement Letter (in particular, the hurdle rate pertaining to the CRO Additional Consideration and the individual per month compensation of each expected Consultant set forth therein) and the Business Assessment Report.
25. The Confidential Appendices contain commercially sensitive information, the disclosure of which would negatively impact the Respondents’ commercial interests and restructuring efforts to the detriment of stakeholders and, in the case of the monthly compensation for the expected Consultants, is also personal and sensitive to the Consultants.

26. The sealing order sought is necessary to prevent serious risk to important public interests, including the commercial interests of the Respondents and its stakeholders, and reasonably alternative measures will not prevent the risk.
27. The Bridging Receiver submits that no parties will be materially prejudiced by sealing the Confidential Appendices (including because the aggregate fees and expenses of the proposed CRO have been disclosed to stakeholders), and the benefits of the sealing order outweigh any negative effects. The Monitor supports the proposed sealing order.

Other Grounds

28. The provisions of the CCAA and the statutory, inherent, and equitable jurisdiction of this Honourable Court;
29. Section 137(2) of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended; and
30. Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of this application:

1. The Affidavit of Graham Page sworn June 1, 2022 and the Exhibits thereto, previously filed;
2. The First Report of the MJar Receiver and Report of the Proposed Monitor dated June 1, 2022, previously filed;
3. The First Report of the Monitor, to be filed; and
4. Such further and other evidence as counsel may advise and this Court may permit.

June 7, 2022

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**Schedule “A”
SERVICE LIST**

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

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

**IN THE MATTER OF THE *COMPANIES’ CREDITORS ARRANGEMENT ACT*,
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Applicant

- and -

**MJARDIN GROUP, INC., GROWFORCE HOLDINGS INC.,
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MMJ CORPORATION**

Respondents

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**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

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**ONTARIO
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(COMMERCIAL LIST)**
Proceeding commenced at Toronto

NOTICE OF MOTION

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Lawyers for the PricewaterhouseCoopers Inc.

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE CHIEF)	THURSDAY, THE 2 ND
)	
JUSTICE MORAWETZ)	DAY OF JUNE, 2022

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Respondents

AMENDED AND RESTATED INITIAL ORDER

THIS MOTION, made by PricewaterhouseCoopers Inc. (“**PwC**”), in its capacity as court-appointed receiver and manager (in such capacity, the “**Bridging Receiver**”) of Bridging Finance Inc. (“**BFI**”) and certain related entities and investment funds (collectively, “**Bridging**”) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), for an Amended and Restated Initial Order in respect of MJardin Group, Inc.

(“**MJar**”), Growforce Holdings Inc. (“**Growforce**”), 8586985 Canada Corporation (“**858**”) and Highgrade MMJ Corporation (“**Highgrade**” and, together with MJar, Growforce and 858, the “**Respondents**”) was heard this day via videoconference.

ON READING the affidavit of Graham Page sworn June 1, 2022 and the Exhibits thereto (the “**Page Affidavit**”), the First Report of KSV Restructuring Inc. (“**KSV**”) as receiver and manager of MJar and the Report of KSV as proposed Monitor dated June 1, 2022 (the “**KSV Report**”), the First Report of KSV in its capacity as court-appointed monitor of the Respondents (the “**Monitor**”) dated June [7], 2022, the Initial Order granted by this Court on June 2, 2022 (the “**Initial Order**”) and such other materials filed in respect of this Motion, and on hearing the submissions of counsel for the Bridging Receiver, counsel for the Monitor, and such other counsel as were present, no one else appearing although duly served as appears from the affidavits of service of ● sworn June ●, 2022 and June ●, filed.

SERVICE

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

CAPITALIZED TERMS

2. **THIS COURT ORDERS** that unless otherwise indicated or defined herein, capitalized terms have the meaning given to them in the Page Affidavit.

APPLICATION

3. **THIS COURT ORDERS AND DECLARES** that each Respondent is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that the Bridging Receiver and the Respondents shall have the authority to file and may, subject to further Order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

POSSESSION OF PROPERTY AND OPERATIONS

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

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

7. **THIS COURT ORDERS** that the Respondents shall be entitled to continue to use the corporate credit cards (the “**Credit Cards**”) in place with Alterna Savings and Credit Union Ltd. (“**Alterna**”) and shall make full repayment of all amounts outstanding thereunder, including with respect to any pre-filing charges.

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

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and employee expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Respondents in respect of these proceedings at their standard rates and charges;
- (c) the fees and disbursements of the Receiver and its counsel at their standard rates and charges;
- (d) any taxes, duties or other payments required under the Controlled Substances Legislation (as defined below); and
- (e) with the consent of the Monitor and the Bridging Receiver, amounts owing for goods or services supplied to the Respondents prior to the Initial Order if, in the opinion of the Respondents, such payment is necessary or desirable to avoid disruption to the operations of the Business or the Respondents during the CCAA proceedings.

9. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, and subject to the DIP Credit Agreement and the other DIP Documents (each as defined below), the Respondents shall be entitled but not required to pay all reasonable expenses incurred by the Respondents in carrying on the Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

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

- (b) payment for goods or services actually supplied to the Respondents following the date of this Order or payments to obtain the release of goods or delivery of services contracted for prior to the date of this Order.

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

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

11. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Respondents shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be or has been negotiated between the Respondents and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, monthly on the first day of each month, in advance (but not in arrears), or at such other time intervals and dates as may be agreed to between the Respondents, with the consent of the Monitor and the Bridging

Receiver, and the applicable landlord. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

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

RESTRUCTURING

13. **THIS COURT ORDERS** that the Respondents shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the DIP Documents, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their business or operations and to dispose of redundant or non-material assets not exceeding \$250,000 in any one transaction or \$1,000,000 in the aggregate;
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate;
- (c) disclaim such other arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the Respondents deem appropriate, in accordance with Section 32 of the CCAA; and
- (d) pursue all avenues of refinancing or restructuring their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or restructuring,

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

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

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

NO PROCEEDINGS AGAINST THE RESPONDENTS OR THE PROPERTY

16. **THIS COURT ORDERS** that until and including September 9, 2022, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Respondents or the Monitor, or affecting the Business or the Property, except with the written consent of the Respondents and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Respondents or affecting the

Business or the Property are hereby stayed and suspended pending further Order of this Court or the written consent of the Respondents and the Monitor.

NO EXERCISE OF RIGHTS OR REMEDIES

17. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Respondents or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Respondents and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Respondents to carry on any business which the Respondents are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

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

CONTINUATION OF SERVICES

19. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements or arrangements with any of the Respondents or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or any of the Respondents, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by any of the Respondents or exercising any other remedy provided under the agreements or arrangements, and that each of the Respondents shall be entitled to the continued use of its current premises,

telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the applicable Respondent in accordance with normal payment practices of the applicable Respondent or such other practices as may be agreed upon by the supplier or service provider and the applicable Respondent and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

22. **THIS COURT ORDERS** that the Respondents shall indemnify their current and future directors and officers against obligations and liabilities that they may incur as directors or officers of the Respondents after the commencement of the within proceedings to the extent such obligations and liabilities relate to the period on or after the date of this Order, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of such director's or officer's gross negligence or wilful misconduct.

23. **THIS COURT ORDERS** that the current and future directors and officers of the Respondents shall be entitled to the benefit of and are hereby granted a charge (the “**Directors’ Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$785,000, unless permitted by further Order of this Court, as security for the indemnity provided in paragraph 22 of this Order. The Directors’ Charge shall have the priority set out in paragraphs 44 and 46 herein.

24. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors’ Charge, and (b) the Respondents’ current and future directors and officers shall only be entitled to the benefit of the Directors’ Charge to the extent that they do not have coverage under any directors’ and officers’ insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 22 of this Order.

APPROVAL OF CHIEF RESTRUCTURING OFFICER ENGAGEMENT

25. **THIS COURT ORDERS** that:

- (a) the engagement agreement among MJar, Howards Capital Corp. (“**HCC**”) and BFI pursuant to which MJar has engaged HCC to act as chief restructuring officer of the Respondents (the “**CRO**”), a redacted copy of which is attached as Exhibit “O” to the Page Affidavit (the “**CRO Engagement Letter**”), and the appointment of the CRO pursuant to the terms thereof, is hereby approved, including, without limitation, payment by MJar of the fees and expenses contemplated thereby (the “**CRO Fees**”), including the Consultant Expenses and the Additional Consideration (each as defined in the CRO Engagement Letter) stipulated therein;
- (b) the CRO shall be responsible for performing its functions and obligations as set out in the CRO Engagement Letter for the benefit of the Respondents and shall provide timely updates to the Monitor and the Bridging Receiver in respect of such functions and obligations;
- (c) unless otherwise agreed to in writing, neither the CRO, Howard Steinberg (“**Steinberg**”), nor any other Person engaged by HCC to provide services to the

Respondents pursuant to the CRO Engagement Letter (each, a “**Consultant**”) shall be or be deemed to be a director, *de facto* director, or employee of any of the Respondents;

- (d) neither the CRO, Steinberg, nor any Consultant shall, as a result of the performance of their obligations and duties under the CRO Engagement Letter in accordance with the terms of the CRO Engagement Letter, be deemed to be in Possession (as defined below) of any of the Property within the meaning of any Environmental Legislation (as defined below) or the Controlled Substances Legislation; provided, however, that if the CRO, Steinberg, or any Consultant is nevertheless found to be in Possession of any such Property, then the CRO, Steinberg and/or such Consultant, as the case may be, shall be entitled to the benefits and protections in relation to the Respondents and such Property as are provided to a monitor under Section 11.8(3) of the CCAA; provided further, however, that nothing in this sub-paragraph 25(d) shall exempt the CRO, Steinberg, and/or any Consultant from any duty to report or make disclosure imposed by a law incorporated by reference in Section 11.8(4) of the CCAA;
- (e) neither the CRO, Steinberg, nor any Consultant shall have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the date of this Order except to the extent such losses, claims, damages or liabilities result from the gross negligence or willful misconduct on the part of the CRO, Steinberg, and/or any Consultant;
- (f) no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the CRO, Steinberg, and/or any Consultant, and all rights and remedies of any Person against or in respect of the CRO, Steinberg, and/or any Consultant are hereby stayed and suspended, except with the written consent of the CRO or with leave of this court on notice to the Respondents, the Monitor, the Bridging Receiver, and the CRO. Notice of any such motion seeking leave of this Court shall be served upon the Respondents, the Monitor, the Bridging Receiver, and the CRO at least seven (7) days prior to the return date of any such motion for leave;

- (g) the CRO Fees shall not be compromised pursuant to any Plan, any proposal under the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”), or any other restructuring and no such Plan, proposal or restructuring shall be approved that does not provide for the payment in full of all amounts due to the CRO pursuant to the terms of the CRO Engagement Letter;
- (h) the CRO and Steinberg shall be entitled to the benefit of the indemnity provided in paragraph 22 hereof and the Directors’ Charge; and
- (i) the CRO shall be entitled to the benefit of and is hereby granted a charge (the “**CRO Additional Consideration Charge**”) on the Property (but excluding any Property that is an equity interest in, or claim against, any MJar Subsidiary (as defined below) that is not a Respondent, and any Property that any Respondent may receive or have an interest in or entitlement to by reason of being the direct or indirect equity holder or a creditor of any MJar Subsidiary that is not a Respondent) as security for the Additional Consideration payable by MJar to the CRO pursuant to the CRO Engagement Letter in the event of a Third-Party Sale (as defined in the CRO Engagement Letter). The CRO Additional Consideration Charge shall have the priority set out in paragraphs 44 and 46 hereof.

26. **THIS COURT ORDERS** that neither the CRO, Steinberg, nor any Consultant shall incur any liability or obligation as a result of the appointment of the CRO or the carrying out by it of the provisions of this Order or the CRO Engagement Letter, including under any Controlled Substances Legislation, save and except for any gross negligence or wilful misconduct on the part of the CRO, Steinberg, and/or any Consultant.

APPOINTMENT OF MONITOR

27. **THIS COURT ORDERS** that KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Respondents with the powers and obligations set out in the CCAA or set forth herein and that the Respondents and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by any of the Respondents pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor

with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

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

- (a) monitor the Respondents' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Respondents, to the extent required by the Respondents, in their dissemination to the Bridging Receiver and counsel, as applicable, of financial and other information as agreed to between the Respondents and the Bridging Receiver (including for greater certainty, in its capacity as receiver and manager of the DIP Lender (as defined below)) and consented to by the Monitor;
- (d) advise the Respondents in their preparation of the Respondents' cash flow statements and any other reporting required by the DIP Lender pursuant to the DIP Credit Agreement, which information shall be reviewed with the Monitor and delivered to the Bridging Receiver as receiver and manager of the DIP Lender and its financial advisors and/or counsel, as applicable, on a periodic basis pursuant to subparagraph 28(c) above;
- (e) advise the Respondents in the development of any Plan and any amendments to such Plan, or in respect of any other restructuring transaction involving the Respondents that may be pursued by the Bridging Receiver or the Respondents (collectively, with a Plan, a "**Restructuring Transaction**");
- (f) assist the Respondents, to the extent required by the Respondents, with the holding and administering of any meetings for voting on any Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the

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

- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (i) apply to this Court for any orders necessary or advisable in connection with these CCAA proceedings and the Respondents' restructuring efforts, including, without limitation, seeking any required approvals in connection with a Restructuring Transaction; and
- (j) perform such other duties as are required by this Order or by this Court from time to time.

29. **THIS COURT ORDERS** that the Monitor shall not occupy or take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of (or be deemed to take Possession of), or exercise (or be deemed to have exercised) any rights of control over any activities in respect of, the Property, or any assets, properties or undertakings of any of the Respondents' direct or indirect subsidiaries or affiliates, including any joint venture entities (collectively, the "**MJar Subsidiaries**" and each, an "**MJar Subsidiary**"), for which a permit or license is issued or required pursuant to any federal, provincial or other law respecting, among other things, the cultivation, processing, sale and/or possession of cannabis or cannabis-related products in Canada or the United States, including, without limitation, under the *Cannabis Act*, S.C. 2018, c. 16, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, the *Excise Act*, 2001, S.C. 2002, c. 22, the *Cannabis Control Act, 2017*, S.O. 2017, c. 26, Sched. 1, the *Ontario Cannabis Retail Corporation Act, 2017*, S.O. 2017, c. 26, the *Cannabis License Act, 2018*, S.O. 2018, c. 12, or other such applicable federal or provincial legislation (collectively, the "**Controlled Substances Legislation**") and shall take no part whatsoever in the management or supervision of the management of the Business or any business of any of the MJar Subsidiaries, and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained Possession of the Business or Property, or any part thereof, within the meaning of any Controlled Substances Legislation, or otherwise, and nothing in this Order shall be construed as resulting in

the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

30. **THIS COURT ORDERS** that nothing herein contained shall require the DIP Lender or the Bridging Receiver to take Possession of any of the Property or the property of any MJar Subsidiaries that is or may be: (i) subject to any Controlled Substances Legislation; or (ii) environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any Environmental Legislation.

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

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

33. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor any its employees and representatives acting in such capacities shall incur any liability or obligation as a result of the appointment of the Monitor or the carrying out by it of the provisions of this Order, including under any Controlled Substances Legislation, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

34. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the CRO shall be paid their reasonable fees and disbursements (including pre-filing fees and disbursements), in each case at their standard rates and charges or as set out in the CRO Engagement Letter, by the Respondents as part of the costs of these proceedings. The Respondents are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, and the CRO in accordance with the payment terms agreed between the Respondents and such parties.

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

36. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the CRO (in the case of the CRO, up to a maximum of \$160,000 and not in respect of the obligation to pay any Additional Consideration) shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$300,000, unless permitted by further Order of this Court, as security for their professional fees and disbursements incurred both before and after the making of this Order at their standard rates and charges or as set out in the CRO Engagement Letter. The Administration Charge shall have the priority set out in paragraphs 44 and 46 hereof. For the avoidance of doubt, the Administration Charge shall not secure the obligation to pay the Additional Consideration to the CRO.

DIP FINANCING

37. **THIS COURT ORDERS** that the Respondents are hereby authorized and empowered to obtain and borrow under a credit facility from BFI, as agent on behalf of an affiliate to be named

(the “**DIP Lender**”), in order to finance the Respondents’ working capital requirements, the costs of these proceedings and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$2,000,000 (plus accrued and unpaid interest, fees and reimbursable expenses) unless permitted by further Order of this Court.

38. **THIS COURT ORDERS THAT** such credit facility shall be on the terms and subject to the conditions set forth in the term sheet between the Respondents and the DIP Lender (the “**DIP Credit Agreement**”), attached as Exhibit “M” to the Page Affidavit.

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

40. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property, which DIP Lender’s Charge shall not exceed the aggregate amount owed to the DIP Lender under the DIP Credit Agreement and the other DIP Documents. The DIP Lender’s Charge shall have the priority set out in paragraphs 44 to 46 hereof.

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

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the DIP Documents;
- (b) upon the occurrence of an event of default under the DIP Credit Agreement, the other DIP Documents, or the DIP Lender’s Charge, the DIP Lender, upon five days’ written notice to the Respondents and the Monitor, may exercise any and all of its rights and remedies against the Respondents or the Property under or pursuant to the DIP Credit

Agreement, the other DIP Documents, and the DIP Lender's Charge, including, without limitation, to cease making advances to the Respondents and set off and/or consolidate any amounts owing by the DIP Lender to the Respondents against the obligations of the Respondents to the DIP Lender under the DIP Credit Agreement, the other DIP Documents, and the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager, or interim receiver, or for a bankruptcy order against any of the Respondents and for the appointment of a trustee in bankruptcy of any of the Respondents; and

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

42. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any Plan filed in these CCAA proceedings in respect of the Respondents, or any proposal filed under the BIA in respect of the Respondents with respect to any advances made under the DIP Credit Agreement and the other DIP Documents.

43. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the DIP Lender under this Order, any other Order of the Court (whether made pursuant to these proceedings or otherwise), or at law, the DIP Lender shall incur no liability or obligation as a result of carrying out the provisions of this Order, including under any Controlled Substances Legislation, save and except for any gross negligence or willful misconduct on its part.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THE RECEIVERSHIP ORDER AND THIS ORDER

44. **THIS COURT ORDERS** that the priorities of the Receiver's Charge (as defined in the Receivership Order), the Administration Charge, the Receiver's Borrowings Charge (as defined in the Receivership Order), the DIP Lender's Charge, the Directors' Charge and the CRO Additional Consideration Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – Receiver's Charge;

Second – Administration Charge (to the maximum amount of \$300,000);

Third – Receiver’s Borrowings Charge (to the maximum amount of \$2,548,266.24, plus accrued and unpaid interest, fees and reimbursable expenses);

Fourth – DIP Lender’s Charge (to the maximum amount of \$2,000,000, plus accrued and unpaid interest, fees and reimbursable expenses);

Fifth – Directors’ Charge (to the maximum amount of \$785,000); and

Sixth – CRO Additional Consideration Charge.

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

46. **THIS COURT ORDERS** that each of the Charges shall, subject to paragraph 25(i), constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, deemed trusts, liens, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person, notwithstanding the order of perfection or attachment.

47. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Respondents shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Respondents also obtain the prior written consent of the Monitor, the Bridging Receiver, and the beneficiaries of the applicable Charge(s), or further Order of this Court.

48. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy or receivership order(s) issued pursuant to the BIA or other

applicable statutes, or any bankruptcy or receivership order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Respondents, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Credit Agreement or the DIP Documents shall create or be deemed to constitute a breach by the Respondents of any Agreement to which any of them are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Respondents entering into the DIP Credit Agreement, the creation of the Charges, or the execution, delivery or performance of the DIP Documents; and
- (c) the payments made by the Respondents pursuant to this Order, the DIP Credit Agreement or the DIP Documents and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

49. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Respondent’s interest in such real property leases.

SERVICE AND NOTICE

50. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in *The Globe and Mail* (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Respondents of more than \$1,000, and (C) prepare a list showing the

names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and addresses of individuals who are creditors publicly available unless otherwise ordered by the Court.

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

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

53. **THIS COURT ORDERS** that the Respondents and the Monitor and their respective counsel are at liberty to serve or distribute this Order and any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Respondents’ creditors or other interested parties and their advisors, as applicable. For greater certainty, any such distribution or

service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

54. **THIS COURT ORDERS** that, subject to further Order of this Court in respect of urgent motions, any interested party wishing to object to the relief sought in a motion brought by the Respondents, the Monitor, or the Bridging Receiver in these proceedings shall, subject to further Order of this Court, provide the service list in these proceedings (the “**Service List**”) with responding motion materials or a written notice (including by e-mail) stating its objection to the motion and the grounds for such objection by no later than 5:00 p.m. Eastern Standard/Daylight Time on the date that is two (2) days prior to the date such motion is returnable (the “**Objection Deadline**”). The Monitor shall have the ability to extend the Objection Deadline by notice in writing.

55. **THIS COURT ORDERS** that following the expiry of the Objection Deadline, counsel to the Monitor shall inform the Court, including by way of a 9:30 a.m. appointment, of the absence or the status of any objections to the motion and the judge having carriage of the motion may determine (a) whether a hearing in respect of the motion is necessary, (b) if a hearing is necessary, the date and time of the hearing, (c) whether such hearing will be in person, by telephone or videoconference, or by written submissions only, and (d) the parties from whom submissions are required. In the absence of any such determination, a hearing will be held in the ordinary course on the date specified in the notice of motion.

SEALING

56. **THIS COURT ORDERS** that the Confidential Appendices to the KSV Report shall be sealed and kept confidential pending further order of this Court.

GENERAL

57. **THIS COURT ORDERS** that the Respondents or the Monitor may from time to time apply to this Court to amend, vary, supplement or replace this Order, or for advice and directions in the discharge of their respective powers and duties under this Order or the interpretation or application of this Order.

58. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Respondents, the Business, the Property, the MJar Subsidiaries, or any of the business or property of the MJar Subsidiaries.

59. **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 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 Respondents and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Respondents and the Monitor and their respective agents in carrying out the terms of this Order.

60. **THIS COURT ORDERS** that the Bridging Receiver, each of 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.

61. **THIS COURT ORDERS** that the Initial Order is hereby amended and restated pursuant to this Order, and that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

**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**

Respondents

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

Proceeding commenced at Toronto

**AMENDED AND RESTATED
INITIAL ORDER**

Thornton Grout Finnigan LLP

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Lawyers for the PricewaterhouseCoopers Inc.

TAB 3

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE CHIEF

)

THURSDAY, THE 2ND

JUSTICE MORAWETZ

)

DAY OF JUNE, 2022

)

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

AMENDED AND RESTATED INITIAL ORDER

THIS ~~APPLICATION~~MOTION, made by PricewaterhouseCoopers Inc. ("PwC"), in its capacity as court-appointed receiver and manager (in such capacity, the "**Bridging Receiver**") of Bridging Finance Inc. ("**BFI**") and certain related entities and investment funds (collectively, "**Bridging**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), for an Amended and Restated Initial Order in respect of MJardin

Group, Inc. (“**MJar**”), Growforce Holdings Inc. (“**Growforce**”), 8586985 Canada Corporation (“**858**”) and Highgrade MMJ Corporation (“**Highgrade**” and, together with MJar, Growforce and 858, the “**Respondents**”) was heard this day via videoconference.

ON READING the affidavit of Graham Page sworn June 1, 2022 and the Exhibits thereto (the “**Page Affidavit**”), the First Report of KSV Restructuring Inc. (“**KSV**”) as receiver and manager of MJar and the Report of KSV as proposed Monitor dated June 1, 2022 (the “**KSV Report**”), the First Report of KSV in its capacity as court-appointed monitor of the Respondents (the “**Monitor**”) dated June [7], 2022, the Initial Order granted by this Court on June 2, 2022 (the “**Initial Order**”) and such other materials filed in respect of this Motion, and on hearing the submissions of counsel for the Bridging Receiver, counsel for the ~~proposed monitor, KSV, and on reading the consent of KSV to act as~~ Monitor, and such other counsel as were present, no one else appearing although duly served as appears from the ~~monitor of the Respondents (the “**Monitor**”)~~ affidavits of service of ● sworn June ●, 2022 and June ●, filed.

SERVICE

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

CAPITALIZED TERMS

2. **THIS COURT ORDERS** that unless otherwise indicated or defined herein, capitalized terms have the meaning given to them in the Page Affidavit.

APPLICATION

3. **THIS COURT ORDERS AND DECLARES** that each Respondent is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that the Bridging Receiver and the Respondents shall have the authority to file and may, subject to further Order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “Plan”).

POSSESSION OF PROPERTY AND OPERATIONS

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

6. ~~5.~~ **THIS COURT ORDERS** that the Respondents shall be entitled to continue to utilize the central cash management system currently in place as described in the Page Affidavit or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Respondents of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Respondents, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any ~~plan of compromise or arrangement~~ Plan with regard to

any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System on or after the date of this Order.

7. ~~6.~~ **THIS COURT ORDERS** that the Respondents shall be entitled to continue to use the corporate credit cards (the “**Credit Cards**”) in place with Alterna Savings and Credit Union Ltd. (“**Alterna**”) and shall make full repayment of all amounts outstanding thereunder, including with respect to any pre-filing charges.

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

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and employee expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Respondents in respect of these proceedings at their standard rates and charges;
- (c) the fees and disbursements of the Receiver and its counsel at their standard rates and charges;
- (d) any taxes, duties or other payments required under the Controlled Substances Legislation (as defined below); and
- (e) with the consent of the Monitor and the Bridging Receiver, amounts owing for goods or services supplied to the Respondents prior to the Initial Order if, in the opinion of the Respondents, such payment is necessary or desirable to avoid disruption to the operations of the Business or the Respondents during the CCAA proceedings.

9. ~~8.~~ **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, and subject to the DIP Credit Agreement and the other DIP Documents (each as defined below), the Respondents shall be entitled but not required to pay all reasonable expenses incurred by the

Respondents in carrying on the Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business, including, without limitation, payments on account of insurance (including directors and officers insurance and financing payments in relation to directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Respondents following the date of this Order or payments to obtain the release of goods or delivery of services contracted for prior to the date of this Order.

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

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

11. ~~10.~~ **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Respondents shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be or has been negotiated between the Respondents and the landlord from time to time (“Rent”), for the period commencing from and including the date of this Order, monthly on the first day of each month, in advance (but not in arrears), or at such other time intervals and dates as may be agreed to between the Respondents, with the consent of the Monitor and the Bridging Receiver, and the applicable landlord. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

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

RESTRUCTURING

13. ~~12.~~ **THIS COURT ORDERS** that the Respondents shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the DIP Documents, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their business or operations and to dispose of redundant or non-material assets not exceeding \$250,000 in any one transaction or \$1,000,000 in the aggregate;
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate;

(c) disclaim such other arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the Respondents deem appropriate, in accordance with Section 32 of the CCAA; and

(d) ~~(e)~~ pursue all avenues of refinancing or restructuring their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or restructuring,

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

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

15. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may, subject to applicable law, show the affected leased premises to prospective tenants during normal business hours, on giving the relevant Respondent and the Monitor 24 hours’ prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the applicable Respondent in respect of such

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

NO PROCEEDINGS AGAINST THE RESPONDENTS OR THE PROPERTY

16. ~~13.~~ **THIS COURT ORDERS** that until and including ~~June 10~~September 9, 2022, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Respondents or the Monitor, or affecting the Business or the Property, except with the written consent of the Respondents and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Respondents or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court or the written consent of the Respondents and the Monitor.

NO EXERCISE OF RIGHTS OR REMEDIES

17. ~~14.~~ **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Respondents or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Respondents and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Respondents to carry on any business which the Respondents are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

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

CONTINUATION OF SERVICES

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

NON-DEROGATION OF RIGHTS

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

capacity as directors or officers for the payment or performance of such obligations, until a ~~plan of compromise or arrangement in respect of the Respondents~~ Plan, if one is filed, is sanctioned by this Court or is refused by the creditors of the Respondents or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

22. ~~19.~~ **THIS COURT ORDERS** that the Respondents shall indemnify their current and future directors and officers against obligations and liabilities that they may incur as directors or officers of the Respondents after the commencement of the within proceedings to the extent such obligations and liabilities relate to the period on or after the date of this Order, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of such director's or officer's gross negligence or wilful misconduct.

23. ~~20.~~ **THIS COURT ORDERS** that the current and future directors and officers of the Respondents shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of ~~\$355,000~~ 785,000, unless permitted by further Order of this Court, as security for the indemnity provided in paragraph ~~19~~ 22 of this Order. The Directors' Charge shall have the priority set out in paragraphs ~~39~~ 44 and ~~41~~ 46 herein.

24. ~~21.~~ **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Respondents' current and future directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~19~~ 22 of this Order.

APPROVAL OF CHIEF RESTRUCTURING OFFICER ENGAGEMENT

25. **THIS COURT ORDERS** that:

- (a) the engagement agreement among MJar, Howards Capital Corp. ("HCC") and BFI pursuant to which MJar has engaged HCC to act as chief restructuring officer of the Respondents (the "CRO"), a redacted copy of which is attached as Exhibit "O" to the

- Page Affidavit (the “CRO Engagement Letter”), and the appointment of the CRO pursuant to the terms thereof, is hereby approved, including, without limitation, payment by MJar of the fees and expenses contemplated thereby (the “CRO Fees”), including the Consultant Expenses and the Additional Consideration (each as defined in the CRO Engagement Letter) stipulated therein;
- (b) the CRO shall be responsible for performing its functions and obligations as set out in the CRO Engagement Letter for the benefit of the Respondents and shall provide timely updates to the Monitor and the Bridging Receiver in respect of such functions and obligations;
- (c) unless otherwise agreed to in writing, neither the CRO, Howard Steinberg (“Steinberg”), nor any other Person engaged by HCC to provide services to the Respondents pursuant to the CRO Engagement Letter (each, a “Consultant”) shall be or be deemed to be a director, *de facto* director, or employee of any of the Respondents;
- (d) neither the CRO, Steinberg, nor any Consultant shall, as a result of the performance of their obligations and duties under the CRO Engagement Letter in accordance with the terms of the CRO Engagement Letter, be deemed to be in Possession (as defined below) of any of the Property within the meaning of any Environmental Legislation (as defined below) or the Controlled Substances Legislation; provided, however, that if the CRO, Steinberg, or any Consultant is nevertheless found to be in Possession of any such Property, then the CRO, Steinberg and/or such Consultant, as the case may be, shall be entitled to the benefits and protections in relation to the Respondents and such Property as are provided to a monitor under Section 11.8(3) of the CCAA; provided further, however, that nothing in this sub-paragraph 25(d) shall exempt the CRO, Steinberg, and/or any Consultant from any duty to report or make disclosure imposed by a law incorporated by reference in Section 11.8(4) of the CCAA;
- (e) neither the CRO, Steinberg, nor any Consultant shall have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the date of this Order except to the extent such losses, claims, damages or

liabilities result from the gross negligence or willful misconduct on the part of the CRO, Steinberg, and/or any Consultant;

- (f) no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the CRO, Steinberg, and/or any Consultant, and all rights and remedies of any Person against or in respect of the CRO, Steinberg, and/or any Consultant are hereby stayed and suspended, except with the written consent of the CRO or with leave of this court on notice to the Respondents, the Monitor, the Bridging Receiver, and the CRO. Notice of any such motion seeking leave of this Court shall be served upon the Respondents, the Monitor, the Bridging Receiver, and the CRO at least seven (7) days prior to the return date of any such motion for leave;
- (g) the CRO Fees shall not be compromised pursuant to any Plan, any proposal under the *Bankruptcy and Insolvency Act (Canada)* (the “BIA”), or any other restructuring and no such Plan, proposal or restructuring shall be approved that does not provide for the payment in full of all amounts due to the CRO pursuant to the terms of the CRO Engagement Letter;
- (h) the CRO and Steinberg shall be entitled to the benefit of the indemnity provided in paragraph 22 hereof and the Directors’ Charge; and
- (i) the CRO shall be entitled to the benefit of and is hereby granted a charge (the “CRO Additional Consideration Charge”) on the Property (but excluding any Property that is an equity interest in, or claim against, any MJar Subsidiary (as defined below) that is not a Respondent, and any Property that any Respondent may receive or have an interest in or entitlement to by reason of being the direct or indirect equity holder or a creditor of any MJar Subsidiary that is not a Respondent) as security for the Additional Consideration payable by MJar to the CRO pursuant to the CRO Engagement Letter in the event of a Third-Party Sale (as defined in the CRO Engagement Letter). The CRO Additional Consideration Charge shall have the priority set out in paragraphs 44 and 46 hereof.

26. **THIS COURT ORDERS** that neither the CRO, Steinberg, nor any Consultant shall incur any liability or obligation as a result of the appointment of the CRO or the carrying out by it of the provisions of this Order or the CRO Engagement Letter, including under any Controlled Substances Legislation, save and except for any gross negligence or wilful misconduct on the part of the CRO, Steinberg, and/or any Consultant.

APPOINTMENT OF MONITOR

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

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

- (a) monitor the Respondents' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Respondents, to the extent required by the Respondents, in their dissemination to the Bridging Receiver and counsel, as applicable, of financial and other information as agreed to between the Respondents and the Bridging Receiver (including for greater certainty, in its capacity as receiver and manager of the DIP Lender (as defined below)) and consented to by the Monitor;
- (d) advise the Respondents in their preparation of the Respondents' cash flow statements and any other reporting required by the DIP Lender pursuant to the DIP Credit Agreement, which information shall be reviewed with the Monitor and delivered to

the Bridging Receiver as receiver and manager of the DIP Lender and its financial advisors and/or counsel, as applicable, on a periodic basis pursuant to subparagraph ~~23~~28(c) above;

- (e) advise the Respondents in ~~their~~the development of any ~~plan of compromise or arrangement~~Plan and any amendments to such Plan, or in respect of any other restructuring transaction involving the Respondents that may be pursued by the Bridging Receiver or the Respondents (collectively, with a Plan, a “Restructuring Transaction”);
- (f) assist the Respondents, to the extent required by the Respondents, with the holding and administering of any meetings for voting on any Plan;
- (g) ~~(f)~~ have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Respondents, to the extent that is necessary to adequately assess the Respondents’ business and financial affairs or to perform its duties arising under this Order;
- (h) ~~(g)~~ be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (i) ~~(h)~~ apply to this Court for any orders necessary or advisable in connection with these CCAA proceedings and the Respondents’ restructuring efforts, including, without limitation, seeking any required approvals in connection with a Restructuring Transaction; and
- (j) ~~(i)~~ perform such other duties as are required by this Order or by this Court from time to time.

29. ~~24.~~ **THIS COURT ORDERS** that the Monitor shall not occupy or take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of (or be deemed to take Possession of), or exercise (or be deemed to have exercised) any rights of control over any activities in respect of, the Property, or any assets, properties or undertakings of any of the Respondents’ direct or indirect subsidiaries or affiliates, including any joint venture entities

(collectively, the “**MJar Subsidiaries**” and each, an “MJar Subsidiary”), for which a permit or license is issued or required pursuant to any federal, provincial or other law respecting, among other things, the cultivation, processing, sale and/or possession of cannabis or cannabis-related products in Canada or the United States, including, without limitation, under the *Cannabis Act*, S.C. 2018, c. 16, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, the *Excise Act*, 2001, S.C. 2002, c. 22, the *Cannabis Control Act, 2017*, S.O. 2017, c. 26, Sched. 1, the *Ontario Cannabis Retail Corporation Act, 2017*, S.O. 2017, c. 26, the *Cannabis License Act, 2018*, S.O. 2018, c. 12, or other such applicable federal or provincial legislation (collectively, the “**Controlled Substances Legislation**”) and shall take no part whatsoever in the management or supervision of the management of the Business or any business of any of the MJar Subsidiaries, and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained Possession of the Business or Property, or any part thereof, within the meaning of any Controlled Substances Legislation, or otherwise, and nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

30. ~~25.~~ **THIS COURT ORDERS** that nothing herein contained shall require the DIP Lender or the Bridging Receiver to take Possession of any of the Property or the property of any MJar Subsidiaries that is or may be: (i) subject to any Controlled Substances Legislation; or (ii) environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any Environmental Legislation.

31. ~~26.~~ **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to take Possession of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the

Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

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

33. ~~28.~~ **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor any its employees and representatives acting in such capacities shall incur any liability or obligation as a result of the appointment of the Monitor or the carrying out by it of the provisions of this Order, including under any Controlled Substances Legislation, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

34. ~~29.~~ **THIS COURT ORDERS** that the Monitor ~~and~~₂ counsel to the Monitor, and the CRO shall be paid their reasonable fees and disbursements (including pre-filing fees and disbursements), in each case at their standard rates and charges or as set out in the CRO Engagement Letter, by the Respondents as part of the costs of these proceedings. The Respondents are hereby authorized and directed to pay the accounts of the Monitor ~~and~~₂ counsel for the Monitor, and the CRO in accordance with the payment terms agreed between the Respondents and such parties.

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

36. ~~31.~~ **THIS COURT ORDERS** that the Monitor ~~and~~ counsel to the Monitor, and the CRO (in the case of the CRO, up to a maximum of \$160,000 and not in respect of the obligation to pay any Additional Consideration) shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of ~~\$100,000~~ 300,000, unless permitted by further Order of this Court, as security for their professional fees and disbursements incurred both before and after the making of this Order at their standard rates and charges or as set out in the CRO Engagement Letter. The Administration Charge shall have the priority set out in paragraphs ~~39~~44 and ~~41~~46 hereof. For the avoidance of doubt, the Administration Charge shall not secure the obligation to pay the Additional Consideration to the CRO.

DIP FINANCING

37. ~~32.~~ **THIS COURT ORDERS** that the Respondents are hereby authorized and empowered to obtain and borrow under a credit facility from BFI, as agent on behalf of an affiliate to be named (the “**DIP Lender**”), in order to finance the Respondents’ working capital requirements, the costs of these proceedings and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed ~~\$250,000~~ 2,000,000 (plus accrued and unpaid interest, fees and reimbursable expenses) unless permitted by further Order of this Court.

38. ~~33.~~ **THIS COURT ORDERS THAT** such credit facility shall be on the terms and subject to the conditions set forth in the term sheet between the Respondents and the DIP Lender (the “**DIP Credit Agreement**”), attached as Exhibit “M” to the Page Affidavit.

39. ~~34.~~ **THIS COURT ORDERS** that the Respondents are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the “**DIP Documents**”), as are contemplated by the DIP Credit Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Respondents are hereby

authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Credit Agreement and the DIP Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

40. ~~35.~~ **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property, which DIP Lender’s Charge shall not exceed the aggregate amount owed to the DIP Lender under the DIP Credit Agreement and the other DIP Documents. The DIP Lender’s Charge shall have the priority set out in paragraphs ~~39~~44 to ~~41~~46 hereof.

41. ~~36.~~ **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

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

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

42. ~~37.~~ **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any ~~plan of compromise or arrangement~~ Plan filed in these CCAA proceedings in respect of the Respondents, or any proposal filed under the ~~Bankruptcy and Insolvency Act (Canada) (the “BIA”)~~ in respect of the Respondents with respect to any advances made under the DIP Credit Agreement and the other DIP Documents.

43. ~~38.~~ **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the DIP Lender under this Order, any other Order of the Court (whether made pursuant to these proceedings or otherwise), or at law, the DIP Lender shall incur no liability or obligation as a result of carrying out the provisions of this Order, including under any Controlled Substances Legislation, save and except for any gross negligence or willful misconduct on its part.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THE RECEIVERSHIP ORDER AND THIS ORDER

44. ~~39.~~ **THIS COURT ORDERS** that the priorities of the Receiver’s Charge (as defined in the Receivership Order), the Administration Charge, the Receiver’s Borrowings Charge (as defined in the Receivership Order), the DIP Lender’s Charge ~~and~~, the Directors’ Charge and the CRO Additional Consideration Charge (collectively, the “Charges”), as among them, shall be as follows:

First – Receiver’s Charge;

Second – Administration Charge (to the maximum amount of \$~~100,000~~ 300,000);

Third – Receiver’s Borrowings Charge (to the maximum amount of \$2,548,266.24, plus accrued and unpaid interest, fees and reimbursable expenses);

Fourth – DIP Lender’s Charge (to the maximum amount of \$~~250,000~~ 2,000,000, plus accrued and unpaid interest, fees and reimbursable expenses); ~~and~~

Fifth – Directors’ Charge (to the maximum amount of \$~~355,000~~785,000); and

Sixth – CRO Additional Consideration Charge.

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

46. ~~41.~~ **THIS COURT ORDERS** that each of the Charges shall, subject to paragraph 25(i), constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, deemed trusts, liens, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person, notwithstanding the order of perfection or attachment, ~~except for any secured creditor of the Respondents who did not receive notice of the application for this Order. The Respondents shall be entitled to seek priority of the Charges ahead of additional Encumbrances on a subsequent motion on notice to those Persons likely to be affected thereby.~~

47. ~~42.~~ **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Respondents shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Respondents also obtain the prior written consent of the Monitor, the Bridging Receiver, and the beneficiaries of the applicable Charge(s), or further Order of this Court.

48. ~~43.~~ **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy or receivership order(s) issued pursuant to the BIA or other applicable statutes, or any bankruptcy or receivership order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation

of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Respondents, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Credit Agreement or the DIP Documents shall create or be deemed to constitute a breach by the Respondents of any Agreement to which any of them are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Respondents entering into the DIP Credit Agreement, the creation of the Charges, or the execution, delivery or performance of the DIP Documents; and
- (c) the payments made by the Respondents pursuant to this Order, the DIP Credit Agreement or the DIP Documents and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

49. ~~44.~~ **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Respondent’s interest in such real property leases.

SERVICE AND NOTICE

50. ~~45.~~ **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in *The Globe and Mail* (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Respondents of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not

make the claims, names and addresses of individuals who are creditors publicly available unless otherwise ordered by the Court.

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

52. ~~47.~~ **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Respondents and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, and any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile or other electronic transmission to the Respondents’ creditors or other interested parties at their respective addresses as last shown on the records of the Respondents and that any such service, distribution or notice shall be deemed to be received: (a) if sent by courier, on the next business day following the date of forwarding thereof, (b) if delivered by personal delivery or facsimile or other electronic transmission, on the day so delivered, and (c) if sent by ordinary mail, on the third business day after mailing.

53. ~~48.~~ **THIS COURT ORDERS** that the Respondents and the Monitor and their respective counsel are at liberty to serve or distribute this Order, and any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Respondents’ creditors or other interested parties and their advisors, as applicable. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice

requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

54. ~~49. THIS COURT ORDERS~~ that, ~~except with respect to any motion to be heard on the Comeback Date (as defined below), and~~ subject to further Order of this Court in respect of urgent motions, any interested party wishing to object to the relief sought in a motion brought by the Respondents, the Monitor, or the Bridging Receiver in these proceedings shall, subject to further Order of this Court, provide the service list in these proceedings (the “**Service List**”) with responding motion materials or a written notice (including by e-mail) stating its objection to the motion and the grounds for such objection by no later than 5:00 p.m. Eastern Standard/Daylight Time on the date that is two (2) days prior to the date such motion is returnable (the “**Objection Deadline**”). The Monitor shall have the ability to extend the Objection Deadline by notice in writing.

55. ~~50. THIS COURT ORDERS~~ that following the expiry of the Objection Deadline, counsel to the Monitor shall inform the Court, including by way of a 9:30 a.m. appointment, of the absence or the status of any objections to the motion and the judge having carriage of the motion may determine (a) whether a hearing in respect of the motion is necessary, (b) if a hearing is necessary, the date and time of the hearing, (c) whether such hearing will be in person, by telephone or videoconference, or by written submissions only, and (d) the parties from whom submissions are required. In the absence of any such determination, a hearing will be held in the ordinary course on the date specified in the notice of motion.

SEALING

56. THIS COURT ORDERS that the Confidential Appendices to the KSV Report shall be sealed and kept confidential pending further order of this Court.

GENERAL

~~51. — THIS COURT ORDERS that any interested party that wishes to amend or vary this Order shall be entitled to appear or bring a motion before this Court on June 10, 2022, or such other date as may be set by this Court upon the granting of this Order (the “Comeback Date”), and any such interested party shall give not less than two (2) business days’ notice to the Service~~

~~List and any other party or parties likely to be affected by the Order sought in advance of the Comeback Date; provided, however, that the Chargees shall be entitled to rely on this Order as issued and entered and on the Charges and priorities set forth in paragraphs 39 and 41 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.~~

57. ~~52.~~ **THIS COURT ORDERS** that, ~~notwithstanding paragraph 52 of this Order,~~ the Respondents or the Monitor may from time to time apply to this Court to amend, vary, supplement or replace this Order, or for advice and directions in the discharge of their respective powers and duties under this Order or the interpretation or application of this Order.

58. ~~53.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Respondents, the Business, the Property, the MJar Subsidiaries, or any of the business or property of the MJar Subsidiaries.

59. ~~54.~~ **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 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 Respondents and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Respondents and the Monitor and their respective agents in carrying out the terms of this Order.

60. ~~55.~~ **THIS COURT ORDERS** that the Bridging Receiver, each of the Respondents and the Monitor be at liberty and ~~is~~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.

61. ~~56.~~ **THIS COURT ORDERS** that the Initial Order is hereby amended and restated pursuant to this Order, and that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

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

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE-
COMMERCIAL LIST

Proceeding commenced at Toronto

AMENDED AND RESTATED
INITIAL ORDER

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Lawyers for the PricewaterhouseCoopers Inc.

Document comparison by Workshare Compare on Monday, June 6, 2022 9:06:36 PM

Input:	
Document 1 ID	file:///C:/Users/adamd/Desktop/Draft Initial Order.doc
Description	Draft Initial Order
Document 2 ID	file:///C:/Users/adamd/Desktop/Draft Amended_and_Restated_Initial_Order.doc
Description	Draft Amended_and_Restated_Initial_Order
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
<u>Moved from</u>	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:

	Count
Insertions	163
Deletions	97
Moved from	3
Moved to	3
Style changes	0
Format changes	0
Total changes	266

TAB 4

Court File No. —CV-22-00682101-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE —CHIEF) ~~WEEKDAY~~THURSDAY, THE #2ND
JUSTICE —MORAWETZ) DAY OF ~~MONTH~~JUNE, ~~20YR~~2022

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT ~~OF — [APPLICANT'S NAME] — (the~~
~~"Applicant")~~INVOLVING MJARDIN GROUP, INC.,
GROWFORCE HOLDINGS INC., 8586985 CANADA
CORPORATION AND HIGHGRADE MMJ
CORPORATION

BETWEEN:

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

AMENDED AND RESTATED INITIAL ORDER

THIS ~~APPLICATION~~MOTION, made by ~~the Applicant,~~PricewaterhouseCoopers Inc.
("PwC"), in its capacity as court-appointed receiver and manager (in such capacity, the
"Bridging Receiver") of Bridging Finance Inc. ("BFI") and certain related entities and

investment funds (collectively, “**Bridging**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), for an Amended and Restated Initial Order in respect of MJardin Group, Inc. (“**MJar**”), Growforce Holdings Inc. (“**Growforce**”), 8586985 Canada Corporation (“**858**”) and Highgrade MMJ Corporation (“**Highgrade**” and, together with MJar, Growforce and 858, the “**Respondents**”) was heard this day ~~at 330 University Avenue, Toronto, Ontario~~ via videoconference.

ON READING the affidavit of ~~[NAME]~~ Graham Page sworn ~~[DATE]~~ June 1, 2022 and the Exhibits thereto, ~~and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice~~ (the “**Page Affidavit**”), the First Report of KSV Restructuring Inc. (“**KSV**”) as receiver and manager of MJar and the Report of KSV as proposed Monitor dated June 1, 2022 (the “**KSV Report**”), the First Report of KSV in its capacity as court-appointed monitor of the Respondents (the “**Monitor**”) dated June [7], 2022, the Initial Order granted by this Court on June 2, 2022 (the “**Initial Order**”) and such other materials filed in respect of this Motion, and on hearing the submissions of counsel for ~~[NAMES]~~ the Bridging Receiver, counsel for the Monitor, and such other counsel as were present, no one else appearing ~~for [NAME][†]~~ although duly served as appears from the ~~affidavit~~ affidavits of service of ~~[NAME]~~ ● sworn ~~[DATE]~~ June ●, 2022 and ~~on reading the consent of [MONITOR’S NAME] to act as the Monitor~~ June ●, filed.

SERVICE

[†] ~~Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).~~

1. **THIS COURT ORDERS** that the time for service of the Notice of ~~Application~~Motion and the ~~Application~~Motion Record is hereby abridged and validated² so that this ~~Application~~Motion is properly returnable today and hereby dispenses with further service thereof.

CAPITALIZED TERMS

2. **THIS COURT ORDERS** that unless otherwise indicated or defined herein, capitalized terms have the meaning given to them in the Page Affidavit.

APPLICATION

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

PLAN OF ARRANGEMENT

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

POSSESSION OF PROPERTY AND OPERATIONS

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

² ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

to retain such further Assistants as ~~it deems~~they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order, in each case in consultation with the Monitor and the Bridging Receiver.

6. ~~5.~~ **THIS COURT ORDERS** that the ~~Applicant~~Respondents shall be entitled to continue to utilize the central cash management system³ currently in place as described in the Page Affidavit of [NAME] sworn [DATE] or replace it with another substantially similar central cash management system (the "Cash Management System") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the ~~Applicant~~Respondents of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the ~~Applicant~~Respondents, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under ~~the~~any Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System on or after the date of this Order.

7. **THIS COURT ORDERS** that the Respondents shall be entitled to continue to use the corporate credit cards (the "Credit Cards") in place with Alterna Savings and Credit Union Ltd. ("Alterna") and shall make full repayment of all amounts outstanding thereunder, including with respect to any pre-filing charges.

³ ~~This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross-border and inter-company transfers of cash.~~

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

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and employee expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; ~~and~~
- (b) the fees and disbursements of any Assistants retained or employed by the ~~Applicant~~Respondents in respect of these proceedings, at their standard rates and charges;
- (c) the fees and disbursements of the Receiver and its counsel at their standard rates and charges;
- (d) any taxes, duties or other payments required under the Controlled Substances Legislation (as defined below); and
- (e) with the consent of the Monitor and the Bridging Receiver, amounts owing for goods or services supplied to the Respondents prior to the Initial Order if, in the opinion of the Respondents, such payment is necessary or desirable to avoid disruption to the operations of the Business or the Respondents during the CCAA proceedings.

9. ~~7.~~ **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, and subject to the ~~Applicant~~DIP Credit Agreement and the other DIP Documents (each as defined below), the Respondents shall be entitled but not required to pay all reasonable expenses incurred by the ~~Applicant~~Respondents in carrying on the Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business, including, without limitation, payments on account of

- insurance (including directors and officers insurance and financing payments in relation to directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the ~~Applicant~~Respondents following the date of this Order or payments to obtain the release of goods or delivery of services contracted for prior to the date of this Order.

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

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

11. ~~9.~~ **THIS COURT ORDERS** that until a real property lease is disclaimed ~~for resiliated~~⁴ in accordance with the CCAA, the ~~Applicant~~Respondents shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be or has been negotiated between the ~~Applicant~~Respondents and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, ~~twice-monthly in equal payments~~ on the first ~~and fifteenth~~ day of each month, in advance (but not in arrears), or at such other time intervals and dates as may be agreed to between the Respondents, with the consent of the Monitor and the Bridging Receiver, and the applicable landlord. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

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

RESTRUCTURING

13. ~~11.~~ **THIS COURT ORDERS** that the ~~Applicant~~Respondents shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the ~~Definitive~~DIP Documents ~~(as hereinafter defined)~~, have the right to:

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

- (a) permanently or temporarily cease, downsize or shut down any of ~~its~~their business or operations~~;~~⁵ and to dispose of redundant or non-material assets not exceeding \$~~250,000~~250,000 in any one transaction or \$~~1,000,000~~1,000,000 in the aggregate~~;~~⁵;
- (b) ~~It~~terminate the employment of such of ~~its~~their employees or temporarily lay off such of ~~its~~their employees as ~~it deems~~they deem appropriate~~;~~;
- (c) disclaim such other arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the Respondents deem appropriate, in accordance with Section 32 of the CCAA; and
- (d) ~~(e)~~pursue all avenues of refinancing of itsor restructuring their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or restructuring,

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

14. ~~12.~~ **THIS COURT ORDERS** that the ~~Applicant~~Respondents shall provide each of the relevant landlords with notice of the ~~Applicant~~relevant Respondent's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes ~~the Applicant~~such Respondent's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the ~~Applicant~~relevant Respondent, or by further Order of this Court upon application by the ~~Applicant~~Monitor on at least two (2) days notice to such landlord and any such secured creditors. If ~~the Applicant~~a Respondent disclaims ~~for or resiliates~~ the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent

⁵ ~~Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.~~

payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer ~~for resiliation~~ of the lease shall be without prejudice to ~~the Applicant~~ such Respondent's claim to the fixtures in dispute.

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

NO PROCEEDINGS AGAINST THE ~~APPLICANT~~ RESPONDENTS OR THE PROPERTY

16. ~~14.~~ **THIS COURT ORDERS** that until and including ~~{DATE — MAX. 30 DAYS}~~ September 9, 2022, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the ~~Applicant~~ Respondents or the Monitor, or affecting the Business or the Property, except with the written consent of the ~~Applicant~~ Respondents and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the ~~Applicant~~ Respondents or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court or the written consent of the Respondents and the Monitor.

NO EXERCISE OF RIGHTS OR REMEDIES

17. ~~15.~~ **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the ~~Applicant~~ Respondents or the Monitor, or affecting the Business or the Property, are hereby

stayed and suspended except with the written consent of the ~~Applicant~~Respondents and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the ~~Applicant~~Respondents to carry on any business which the ~~Applicant is~~Respondents are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

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

CONTINUATION OF SERVICES

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

service provider and ~~each of the Applicant~~applicable Respondent and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

20. ~~18.~~ **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of ~~lease~~leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the ~~Applicant~~Respondents. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.⁶

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

22. ~~20.~~ **THIS COURT ORDERS** that the ~~Applicant~~Respondents shall indemnify ~~its~~their current and future directors and officers against obligations and liabilities that they may incur as directors or officers of the ~~Applicant~~Respondents after the commencement of the within proceedings to the extent such obligations and liabilities relate to the period on or after the date

⁶ ~~This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).~~

of this Order,⁷ except to the extent that, with respect to any ~~officer or~~ director or officer, the obligation or liability was incurred as a result of ~~the~~such director's or officer's gross negligence or wilful misconduct.

23. ~~21.~~ **THIS COURT ORDERS** that the current and future directors and officers of the ~~Applicant~~Respondents shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge")⁸ on the Property, which charge shall not exceed an aggregate amount of \$~~785,000~~, unless permitted by further Order of this Court, as security for the indemnity provided in paragraph ~~120~~22 of this Order. The Directors' Charge shall have the priority set out in paragraphs ~~138~~44 and ~~140~~46 herein.

24. ~~22.~~ **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the ~~Applicant's~~Respondents' current and future directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~120~~22 of this Order.

APPROVAL OF CHIEF RESTRUCTURING OFFICER ENGAGEMENT

25. **THIS COURT ORDERS** that:

- (a) the engagement agreement among MJar, Howards Capital Corp. ("HCC") and BFI pursuant to which MJar has engaged HCC to act as chief restructuring officer of the Respondents (the "CRO"), a redacted copy of which is attached as Exhibit "O" to the Page Affidavit (the "CRO Engagement Letter"), and the appointment of the CRO

⁷ ~~The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.~~

⁸ ~~Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.~~

- pursuant to the terms thereof, is hereby approved, including, without limitation, payment by MJar of the fees and expenses contemplated thereby (the “CRO Fees”), including the Consultant Expenses and the Additional Consideration (each as defined in the CRO Engagement Letter) stipulated therein;
- (b) the CRO shall be responsible for performing its functions and obligations as set out in the CRO Engagement Letter for the benefit of the Respondents and shall provide timely updates to the Monitor and the Bridging Receiver in respect of such functions and obligations;
- (c) unless otherwise agreed to in writing, neither the CRO, Howard Steinberg (“Steinberg”), nor any other Person engaged by HCC to provide services to the Respondents pursuant to the CRO Engagement Letter (each, a “Consultant”) shall be or be deemed to be a director, *de facto* director, or employee of any of the Respondents;
- (d) neither the CRO, Steinberg, nor any Consultant shall, as a result of the performance of their obligations and duties under the CRO Engagement Letter in accordance with the terms of the CRO Engagement Letter, be deemed to be in Possession (as defined below) of any of the Property within the meaning of any Environmental Legislation (as defined below) or the Controlled Substances Legislation; provided, however, that if the CRO, Steinberg, or any Consultant is nevertheless found to be in Possession of any such Property, then the CRO, Steinberg and/or such Consultant, as the case may be, shall be entitled to the benefits and protections in relation to the Respondents and such Property as are provided to a monitor under Section 11.8(3) of the CCAA; provided further, however, that nothing in this sub-paragraph 25(d) shall exempt the CRO, Steinberg, and/or any Consultant from any duty to report or make disclosure imposed by a law incorporated by reference in Section 11.8(4) of the CCAA;
- (e) neither the CRO, Steinberg, nor any Consultant shall have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the date of this Order except to the extent such losses, claims, damages or

- liabilities result from the gross negligence or willful misconduct on the part of the CRO, Steinberg, and/or any Consultant;
- (f) no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the CRO, Steinberg, and/or any Consultant, and all rights and remedies of any Person against or in respect of the CRO, Steinberg, and/or any Consultant are hereby stayed and suspended, except with the written consent of the CRO or with leave of this court on notice to the Respondents, the Monitor, the Bridging Receiver, and the CRO. Notice of any such motion seeking leave of this Court shall be served upon the Respondents, the Monitor, the Bridging Receiver, and the CRO at least seven (7) days prior to the return date of any such motion for leave;
- (g) the CRO Fees shall not be compromised pursuant to any Plan, any proposal *under the Bankruptcy and Insolvency Act* (Canada) (the “BIA”), or any other restructuring and no such Plan, proposal or restructuring shall be approved that does not provide for the payment in full of all amounts due to the CRO pursuant to the terms of the CRO Engagement Letter;
- (h) the CRO and Steinberg shall be entitled to the benefit of the indemnity provided in paragraph 22 hereof and the Directors’ Charge; and
- (i) the CRO shall be entitled to the benefit of and is hereby granted a charge (the “CRO Additional Consideration Charge”) on the Property (but excluding any Property that is an equity interest in, or claim against, any MJar Subsidiary (as defined below) that is not a Respondent, and any Property that any Respondent may receive or have an interest in or entitlement to by reason of being the direct or indirect equity holder or a creditor of any MJar Subsidiary that is not a Respondent) as security for the Additional Consideration payable by MJar to the CRO pursuant to the CRO Engagement Letter in the event of a Third-Party Sale (as defined in the CRO Engagement Letter). The CRO Additional Consideration Charge shall have the priority set out in paragraphs 44 and 46 hereof.

26. **THIS COURT ORDERS** that neither the CRO, Steinberg, nor any Consultant shall incur any liability or obligation as a result of the appointment of the CRO or the carrying out by it of the provisions of this Order or the CRO Engagement Letter, including under any Controlled Substances Legislation, save and except for any gross negligence or wilful misconduct on the part of the CRO, Steinberg, and/or any Consultant.

APPOINTMENT OF MONITOR

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

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

- (a) monitor the ~~Applicant's~~Respondents' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the ~~Applicant~~Respondents, to the extent required by the ~~Applicant~~Respondents, in ~~its~~their dissemination, to the ~~DIP Lender~~Bridging Receiver and ~~its~~ counsel ~~on a [TIME INTERVAL] basis, as applicable,~~ of financial and other information as agreed to between the ~~Applicant~~Respondents and the ~~DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with~~Bridging Receiver (including for greater certainty, in its capacity as receiver and manager of the DIP Lender (as defined below)) and consented to by the Monitor;

- (d) advise the ~~Applicant~~Respondents in ~~its~~their preparation of the ~~Applicant~~Respondents's cash flow statements and any other reporting required by the DIP Lender pursuant to the DIP Credit Agreement, which information shall be reviewed with the Monitor and delivered to the Bridging Receiver as receiver and manager of the DIP Lender and its financial advisors and/or counsel, as applicable, on a periodic basis, ~~but not less than [TIME INTERVAL], or as otherwise agreed to by the DIP Lender~~ pursuant to subparagraph 28(c) above;
- (e) advise the ~~Applicant~~Respondents in ~~its~~the development of ~~the~~any Plan and any amendments to ~~the~~such Plan, or in respect of any other restructuring transaction involving the Respondents that may be pursued by the Bridging Receiver or the Respondents (collectively, with a Plan, a "Restructuring Transaction");
- (f) assist the ~~Applicant~~Respondents, to the extent required by the ~~Applicant~~Respondents, with the holding and administering of ~~creditors' or shareholders'~~any meetings for voting on ~~the~~any Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the ~~Applicant~~Respondents, to the extent that is necessary to adequately assess the ~~Applicant's~~Respondents' business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (i) apply to this Court for any orders necessary or advisable in connection with these CCAA proceedings and the Respondents' restructuring efforts, including, without limitation, seeking any required approvals in connection with a Restructuring Transaction; and
- (j) ~~(i)~~ perform such other duties as are required by this Order or by this Court from time to time.

29. ~~25.~~ **THIS COURT ORDERS** that the Monitor shall not occupy or take ~~possession of the Property~~ control, care, charge, possession or management (separately and/or collectively, "Possession") of (or be deemed to take Possession of), or exercise (or be deemed to have exercised) any rights of control over any activities in respect of, the Property, or any assets, properties or undertakings of any of the Respondents' direct or indirect subsidiaries or affiliates, including any joint venture entities (collectively, the "**MJar Subsidiaries**" and each, an "**MJar Subsidiary**"), for which a permit or license is issued or required pursuant to any federal, provincial or other law respecting, among other things, the cultivation, processing, sale and/or possession of cannabis or cannabis-related products in Canada or the United States, including, without limitation, under the *Cannabis Act*, S.C. 2018, c. 16, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, the *Excise Act, 2001*, S.C. 2002, c. 22, the *Cannabis Control Act, 2017*, S.O. 2017, c. 26, Sched. 1, the *Ontario Cannabis Retail Corporation Act, 2017*, S.O. 2017, c. 26, the *Cannabis License Act, 2018*, S.O. 2018, c. 12, or other such applicable federal or provincial legislation (collectively, the "**Controlled Substances Legislation**") and shall take no part whatsoever in the management or supervision of the management of the Business or any business of any of the MJar Subsidiaries, and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained ~~possession or control~~ Possession of the Business or Property, or any part thereof, within the meaning of any Controlled Substances Legislation, or otherwise, and nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

30. **THIS COURT ORDERS** that nothing herein contained shall require the DIP Lender or the Bridging Receiver to take Possession of any of the Property or the property of any MJar Subsidiaries that is or may be: (i) subject to any Controlled Substances Legislation; or (ii) environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any Environmental Legislation.

31. ~~26.~~ **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to ~~occupy or to~~ take ~~control, care, charge, possession or management (separately and/or collectively, "Possession")~~ of any of the Property that might be environmentally contaminated,

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

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

33. ~~28.~~ **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor any its employees and representatives acting in such capacities shall incur ~~no~~ any liability or obligation as a result of ~~its~~ the appointment of the Monitor or the carrying out by it of the provisions of this Order, including under any Controlled Substances Legislation, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

34. ~~29.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor ~~and counsel to,~~ and the ~~Applicant~~ CRO shall be paid their reasonable fees and disbursements (including

pre-filing fees and disbursements), in each case at their standard rates and charges or as set out in the CRO Engagement Letter, by the ~~Applicant~~Respondents as part of the costs of these proceedings. The ~~Applicant is~~Respondents are hereby authorized and directed to pay the accounts of the Monitor, counsel for ~~the Monitor and counsel for the Applicant on a [TIME INTERVAL] basis and, in addition, the Applicant is hereby authorized to pay to~~ the Monitor, ~~counsel to and the Monitor, and counsel to the Applicant, retainers in~~CRO in accordance with the amount[s] of \$●[, respectively,] to be held by them as security for payment of their respective fees and disbursements outstanding from time to timepayment terms agreed between the Respondents and such parties.

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

36. ~~31.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, ~~if any,~~and the CRO (in the case of the CRO, up to a maximum of \$160,000 and not in respect of the Applicant's counsel obligation to pay any Additional Consideration) shall be entitled to the benefit of and are hereby granted a charge (the **"Administration Charge"**) on the Property, which charge shall not exceed an aggregate amount of ~~\$●, 300,000, unless permitted by further Order of this Court,~~ as security for their professional fees and disbursements incurred ~~at the standard rates and charges of the Monitor and such counsel,~~ both before and after the making of this Order ~~in respect of these proceedings at their standard rates and charges or as set out in the CRO Engagement Letter.~~ The Administration Charge shall have the priority set out in paragraphs ~~[38]~~44 and ~~[40]~~46 hereof. For the avoidance of doubt, the Administration Charge shall not secure the obligation to pay the Additional Consideration to the CRO.

DIP FINANCING

37. ~~32.~~ **THIS COURT ORDERS** that the ~~Applicant is~~Respondents are hereby authorized and empowered to obtain and borrow under a credit facility from ~~[DIP LENDER'S NAME]~~BFI, as agent on behalf of an affiliate to be named (the **"DIP Lender"**), in order to finance the ~~Applicant's~~Respondents' working capital requirements, the costs of these proceedings and other general corporate purposes and capital expenditures, provided that borrowings under such credit

facility shall not exceed \$ ~~2,000,000~~ (plus accrued and unpaid interest, fees and reimbursable expenses) unless permitted by further Order of this Court.

38. ~~33.~~ **THIS COURT ORDERS THAT** such credit facility shall be on the terms and subject to the conditions set forth in the ~~commitment letter~~ term sheet between the ~~Applicant~~ Respondents and the DIP Lender ~~dated as of [DATE]~~ (the "~~Commitment Letter~~"; ~~filed~~ "DIP Credit Agreement"), attached as Exhibit "M" to the Page Affidavit.

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

40. ~~35.~~ **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "~~DIP Lender's Charge~~") on the Property, which DIP Lender's Charge shall not ~~secure an obligation that exists before this Order is made~~ exceed the aggregate amount owed to the DIP Lender under the DIP Credit Agreement and the other DIP Documents. The DIP Lender's Charge shall have the priority set out in paragraphs ~~[38] and [40]~~ 44 to 46 hereof.

41. ~~36.~~ **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the ~~Definitive~~ DIP Documents;
- (b) upon the occurrence of an event of default under the ~~Definitive~~ DIP Credit Agreement, the other DIP Documents, or the DIP Lender's Charge, the DIP Lender, upon ~~five~~ five

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

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

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

43. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the DIP Lender under this Order, any other Order of the Court (whether made pursuant to these proceedings or otherwise), or at law, the DIP Lender shall incur no liability or obligation as a result of carrying out the provisions of this Order, including under any Controlled Substances Legislation, save and except for any gross negligence or willful misconduct on its part.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THE RECEIVERSHIP ORDER AND THIS ORDER

44. ~~38.~~ **THIS COURT ORDERS** that the priorities of the Receiver's Charge (as defined in the Receivership Order), the Administration Charge, the Receiver's Borrowings Charge (as defined in the Receivership Order), the DIP Lender's Charge, the Directors' Charge,~~the Administration Charge~~ and the ~~DIP Lender's~~CRO Additional Consideration Charge (collectively, the "Charges"), as among them, shall be as follows⁹:

First – ~~Administration~~Receiver's Charge ~~(to the maximum amount of \$●);~~

Second – ~~DIP Lender's~~Administration Charge (to the maximum amount of \$300,000); and

~~Third~~

Third – Receiver's Borrowings Charge (to the maximum amount of \$2,548,266.24, plus accrued and unpaid interest, fees and reimbursable expenses);

Fourth – DIP Lender's Charge (to the maximum amount of \$2,000,000, plus accrued and unpaid interest, fees and reimbursable expenses);

Fifth – Directors' Charge (to the maximum amount of \$●)785,000); and

Sixth – CRO Additional Consideration Charge.

45. ~~39.~~ **THIS COURT ORDERS** that the filing, registration or perfection of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge (collectively, the "Charges")~~ shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent

⁹ ~~The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.~~

to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

46. ~~40.~~ **THIS COURT ORDERS** that each of the ~~Directors' Charge, the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein)~~ Charges shall, subject to paragraph 25(i), constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, deemed trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person, notwithstanding the order of perfection or attachment.

47. ~~41.~~ **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the ~~Applicant~~ Respondents shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge~~ Charges, unless the ~~Applicant~~ Respondents also ~~obtains~~ obtain the prior written consent of the Monitor, the ~~DIP Lender~~ Bridging Receiver, and the beneficiaries of the ~~Directors' applicable~~ Charge ~~and the Administration Charge(s)~~, or further Order of this Court.

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

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the ~~Commitment Letter~~DIP Credit Agreement or the ~~Definitive~~DIP Documents shall create or be deemed to constitute a breach by the ~~Applicant~~Respondents of any Agreement to which ~~it is~~any of them are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the ~~Applicant~~Respondents entering into the ~~Commitment Letter~~DIP Credit Agreement, the creation of the Charges, or the execution, delivery or performance of the ~~Definitive~~DIP Documents; and
- (c) the payments made by the ~~Applicant~~Respondents pursuant to this Order, the ~~Commitment Letter~~DIP Credit Agreement or the ~~Definitive~~DIP Documents; and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

49. ~~43.~~ **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the ~~Applicant~~'applicable Respondent's interest in such real property leases.

SERVICE AND NOTICE

50. ~~44.~~ **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in ~~[newspapers specified by the Court]~~The Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the ~~Applicant~~Respondents of more than \$~~1000~~1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and

addresses of individuals who are creditors publicly available unless otherwise ordered by the Court.

51. ~~45.~~ **THIS COURT ORDERS** that the E-Service ~~Protocol~~Guide of the Commercial List (the "~~Protocol~~Guide") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the ~~Protocol~~Guide (which can be found on the Commercial List website at: ~~http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/~~http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph ~~24~~13 of the ~~Protocol~~Guide, service of documents in accordance with the ~~Protocol~~Guide will be effective on transmission. This Court further orders that a Case Website shall be established by the Monitor in accordance with the ~~Protocol~~Guide with the following URL: ~~'@>'~~https://www.ksvadvisory.com/experience/case/mjardin-group-inc.

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

53. **THIS COURT ORDERS** that the Respondents and the Monitor and their respective counsel are at liberty to serve or distribute this Order and any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Respondents' creditors or other

interested parties and their advisors, as applicable. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

54. **THIS COURT ORDERS** that, subject to further Order of this Court in respect of urgent motions, any interested party wishing to object to the relief sought in a motion brought by the Respondents, the Monitor, or the Bridging Receiver in these proceedings shall, subject to further Order of this Court, provide the service list in these proceedings (the “**Service List**”) with responding motion materials or a written notice (including by e-mail) stating its objection to the motion and the grounds for such objection by no later than 5:00 p.m. Eastern Standard/Daylight Time on the date that is two (2) days prior to the date such motion is returnable (the “**Objection Deadline**”). The Monitor shall have the ability to extend the Objection Deadline by notice in writing.

55. **THIS COURT ORDERS** that following the expiry of the Objection Deadline, counsel to the Monitor shall inform the Court, including by way of a 9:30 a.m. appointment, of the absence or the status of any objections to the motion and the judge having carriage of the motion may determine (a) whether a hearing in respect of the motion is necessary, (b) if a hearing is necessary, the date and time of the hearing, (c) whether such hearing will be in person, by telephone or videoconference, or by written submissions only, and (d) the parties from whom submissions are required. In the absence of any such determination, a hearing will be held in the ordinary course on the date specified in the notice of motion.

SEALING

56. **THIS COURT ORDERS** that the Confidential Appendices to the KSV Report shall be sealed and kept confidential pending further order of this Court.

GENERAL

57. ~~47.~~ **THIS COURT ORDERS** that the ~~Applicant~~Respondents or the Monitor may from time to time apply to this Court to amend, vary, supplement or replace this Order, or for advice

and directions in the discharge of ~~its~~their respective powers and duties ~~hereunder~~under this Order or the interpretation or application of this Order.

58. ~~48.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Applicant Respondents, the Business~~or~~, the Property, the MJar Subsidiaries, or any of the business or property of the MJar Subsidiaries.

59. ~~49.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant 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 Respondents and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant Respondents and the Monitor and their respective agents in carrying out the terms of this Order.

60. ~~50.~~ **THIS COURT ORDERS** that the Bridging Receiver, each of the Applicant Respondents and the Monitor be at liberty and ~~is~~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.

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

61. ~~52.~~ **THIS COURT ORDERS** that the Initial Order is hereby amended and restated pursuant to this Order, and that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

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**

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE-
COMMERCIAL LIST

Proceeding commenced at Toronto

AMENDED AND RESTATED
INITIAL ORDER

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Description	Draft Amended_and_Restated_Initial_Order
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Legend:	
<u>Insertion</u>	
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Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
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Padding cell	

Statistics:

	Count
Insertions	536
Deletions	432
Moved from	6
Moved to	6
Style changes	0
Format changes	0
Total changes	980

**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

**MOTION RECORD
(Returnable June 9, 2022)**

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